



FY 25 PROPOSED ANNUAL BUDGET

PRESENTATION TO COUNCIL
JULY 8, 2024

NET BUDGET SUMMARY

FY25 Proposed Net Budget Summary	
Fund Type	Proposed Net Budget
Governmental Funds	\$ 151,754,058
Enterprise Funds	186,207,217
Special Revenue Funds	28,198,756
Subtotal O&M	\$ 366,160,031
Capital Expenses	174,351,642
Subtotal Capital	\$ 174,351,642
Total Net Budget	\$ 540,511,673

Compared to FY24, the operating and maintenance budget increased approximately 2.5% while the capital budget increased 29%.

GROWTH



University Growth

Enrollment on the College Station campus for Fall 2023 was ~77,000 with a potential enrollment of 80,000 soon.



Resident Growth

Resident population has grown 80% from 2000 to 2020. Density places demand on Public Safety and utilities.



Community Living Demands

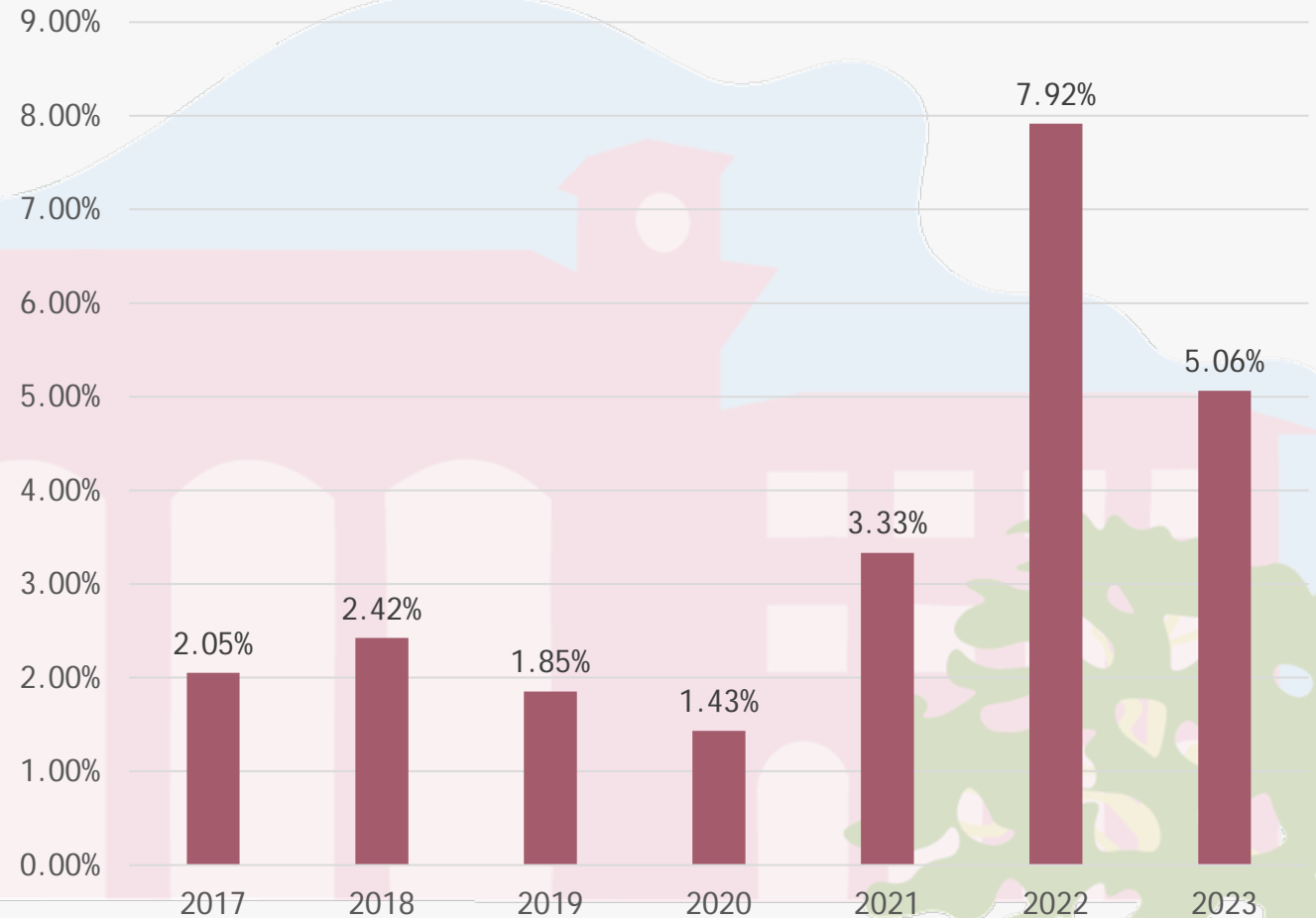
Ensuring an adequate water supply, reliable utilities and mobility infrastructure while supporting community activities and minimizing taxes are all pressing needs.

CPI-U TRENDS

- The Consumer Price Index For All Urban Consumers (CPI-U) measures changes in U.S. consumer prices based on a representative basket of goods and services.
- The city began tying permit fees and non-metered utility fees to this published index in FY19.
- The CPI-U index used in in the FY25 proposed budget is 3.50%



Fiscal Year Inflation



Preliminary Taxable Values

- Net Taxable Value up 7.14%
 - BCAD reserve estimate 3.0%
- Year over Year category increases
 - Single Family - 8.92%
 - Multi Family - 6.72%
 - Commercial - 0.03%
- Average Taxable Residence value went from \$360,783 to \$397,125 or an increase of 11.46%
- However, the taxable increase on a homesteaded residence is limited by law to 10%
- New Value contributed 2.04%



Recommended Tax Rate

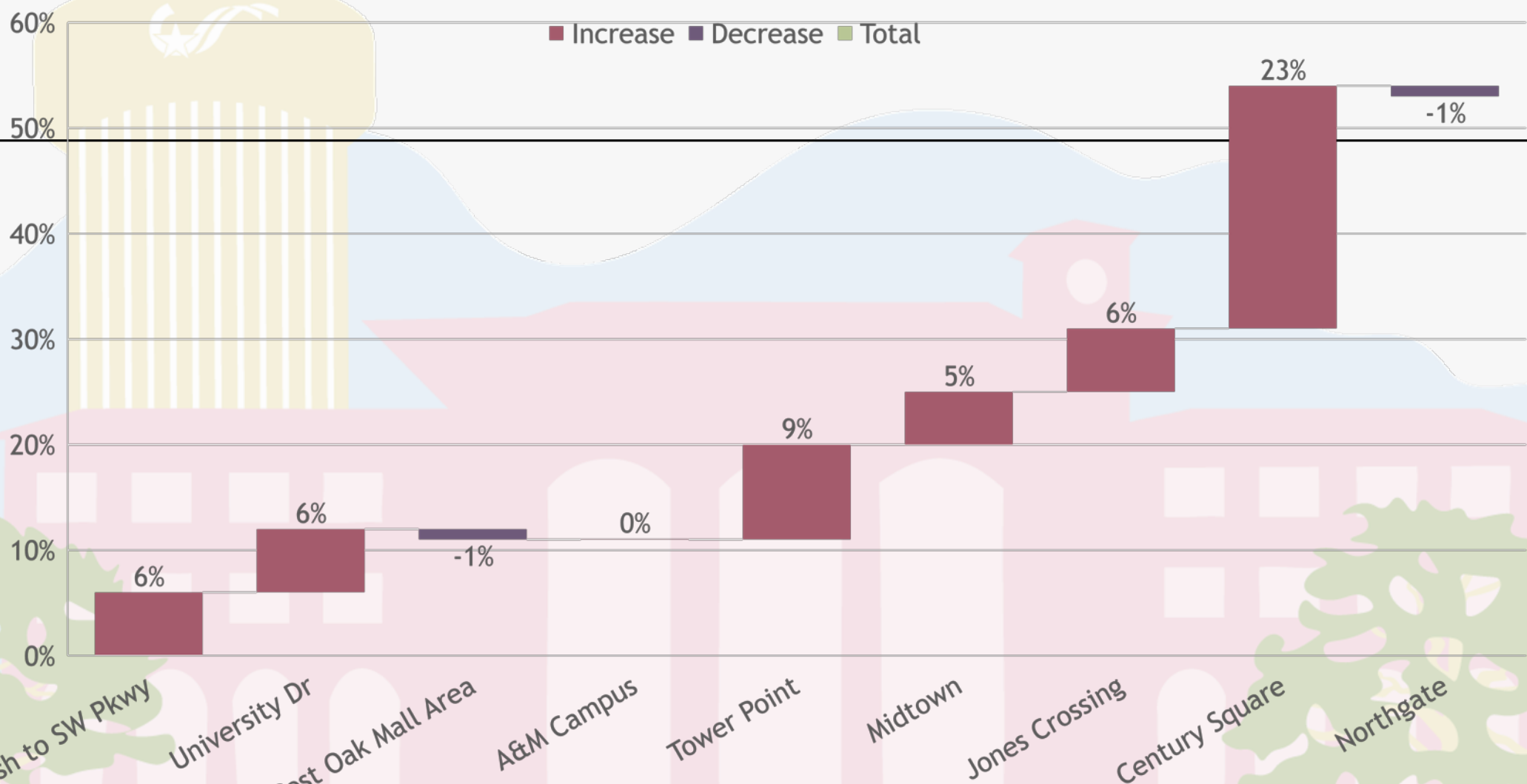
No-New Revenue and Voter Approval Rates are *Estimated*



	Current Rate	Change	Estimated FY25
Debt Service Fund	21.1442	(0.0000)	21.1442
General Fund	30.1644	(0.0000)	30.1644
Total	51.3086	(0.0000)	51.3086
Estimated No New Revenue Rate	45.5159		50.0202
Estimated Voter Approval Rate (after total increment)	51.3086		52.4914

Estimated tax rate generates a future tax bank = 1.1828 cents

24 Month Nominal Sales Tax Change by Region



General Fund Five Year Forecast (000s)

	YEE FY24	FY25 Forecast	FY26 Forecast	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
Beginning Fund Balance	\$80,460	\$85,880	\$82,790	\$78,030	\$75,410	\$73,020	\$70,970
TOTAL REVENUES	\$122,540	\$118,720	\$119,740	\$123,120	\$126,680	\$130,040	\$133,850
		-3.22%	0.85%	2.75%	2.81%	2.58%	2.85%
EXPENSES:							
TOTAL RECURING EXP:	\$118,832	\$118,280	\$122,670	\$127,790	\$130,660	\$133,680	\$136,470
		-0.47%	3.58%	4.01%	2.20%	2.26%	2.04%
In Balance (Out of Balance)	3,708	440	(2,930)	(4,670)	(3,980)	(3,640)	(2,620)

Future Tax Rate Considerations

	YEE FY24	FY25 Forecast	FY26 Forecast	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
In Balance (Out of Balance)	3,708	440	(2,930)	(4,670)	(3,980)	(3,640)	(2,620)

- The FY26 future-year forecast reflects 5 additional police officers.
- Twelve firefighters will be added to the budget via a Budget Amendment during FY25 with costs showing up in FY26.
- General Fund assigned balance has \$3.5 million to use to fund staffing for Fire Station #7
- Cost for an additional 12 firefighters to appear FY27.
- Public Safety employees cost approximately \$130,000 a piece a year.
- One cent on the tax rate provides \$1.1 million
- *To fully staff Fire Station #7 and the planned additional police resources, additional revenue above the projections at the current tax rate will be required.*

Water Rate Decision Points

Residential		College Station (FY24)	BC MUD #1	City of Bryan	Wellborn SUD	Wickon SUD
Monthly Minimum		\$12.40	\$18.65	\$9.70	\$37.50	\$31.85
Tier						
1	2,000	\$2.75	\$4.15	\$2.76	\$4.40	\$3.80
2,001	10,000	\$2.75	\$4.15	\$2.76	\$4.80	\$4.10
10,001	15,000	\$3.60	\$5.40	\$2.76	\$5.30	\$4.10
16,000	20,000	\$4.40	\$6.60	\$2.76	\$5.30	\$4.75
20,001	25,000	\$5.20	\$7.85	\$2.76	\$6.10	\$4.75
25,001	30,000	\$6.05	\$9.10	\$2.76	\$6.10	\$4.75
30,001	40,000	\$6.05	\$9.10	\$3.00	\$7.00	\$7.25
40,001	50,000	\$6.05	\$9.10	\$3.00	\$8.10	\$7.25
50,001	90,000	\$6.05	\$9.10	\$3.50	\$9.30	\$11.00
90,001	and up	\$6.05	\$9.10	\$3.50	\$14.00	\$11.00

- 90% of College Station water users use under 8,000 gallons and are charged the minimum of \$2.75
- For FY25, the budget is proposing a 10.0% increase in water rates to address the capital needs to secure future water supplies.
- We anticipate additional rate increases will be needed for the Water utility to fund the new wells, water collection lines and well rehabilitation projects needed to secure our current and future water supply.

Pay Strategy to Compete in the Local Marketplace

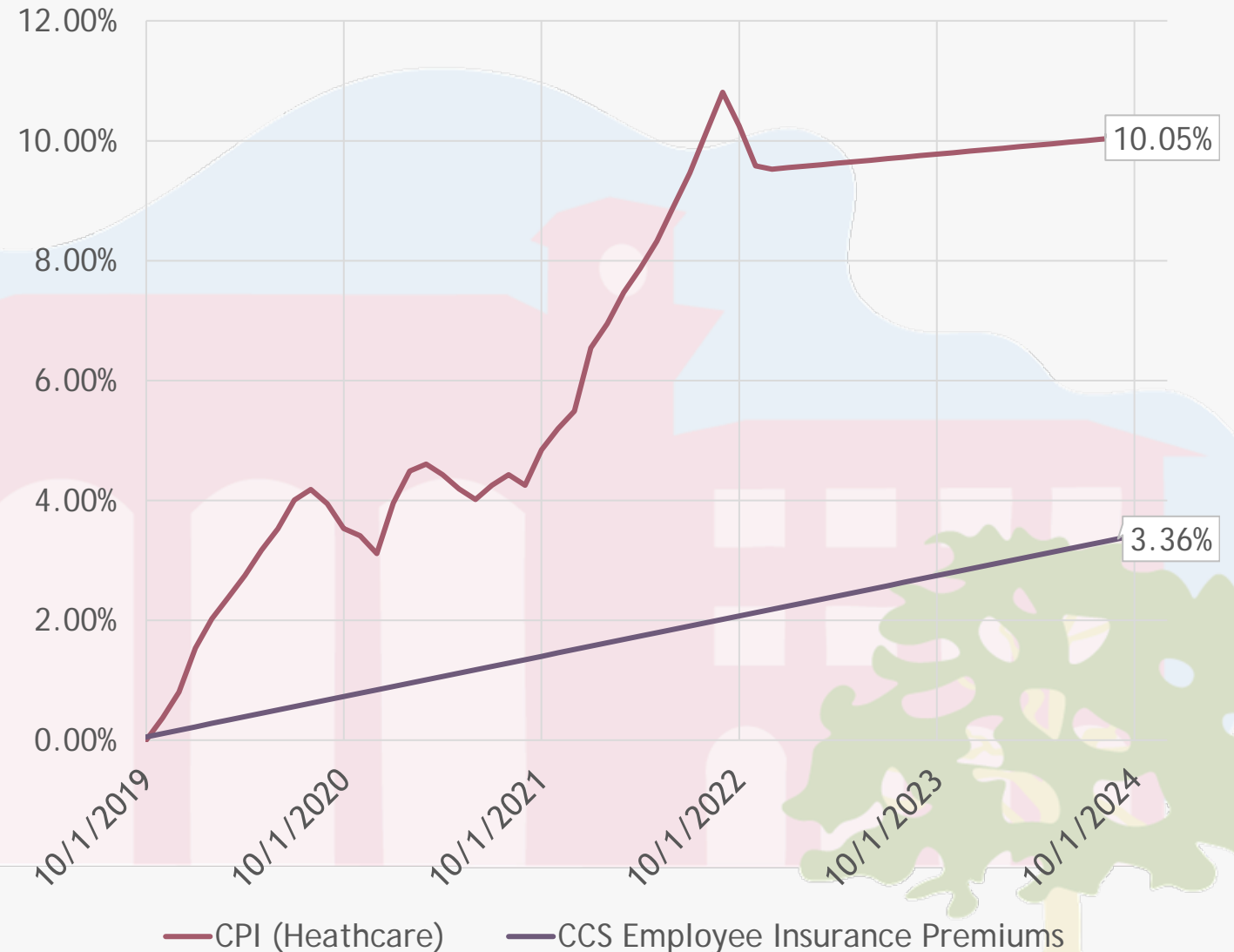
- At their May 2024 meeting, The Texas A&M University System Board of Regents announced a performance-based merit pool of 4.0%.
- The City's proposed FY25 pay scales increases of 3.0% for all employees and a 1.0% market adjustment or 1.5% - 2.0% step increase as earned.
- The City is also considering experimenting with non-monetary compensation such as variable work schedules, wellness benefits and reimbursements, and more.



Benefits Strategy to Compete in the Local Marketplace

- In FY19, the city chose not to increase the cost of healthcare insurance to employees
- Since FY19, the cost of healthcare has gone up 10.05% on average.
- This is the 5th year without an increase in healthcare cost to employees
- The result of NOT increasing the cost of insurance to the employee is an additional benefit of about 1.3% to employees annually.
- Adopting the new repeating COLA option. provides an additional benefit to employees who end up qualifying for City retirement.

Change in Healthcare Portion of CPI versus Change in CCS Insurance Premiums





Questions / Direction

