



PROPOSED NET BUDGET SUMMARY

PROPOSED NET BUDGET INCREASED 15.84% FROM FY22 APPROVED BUDGET

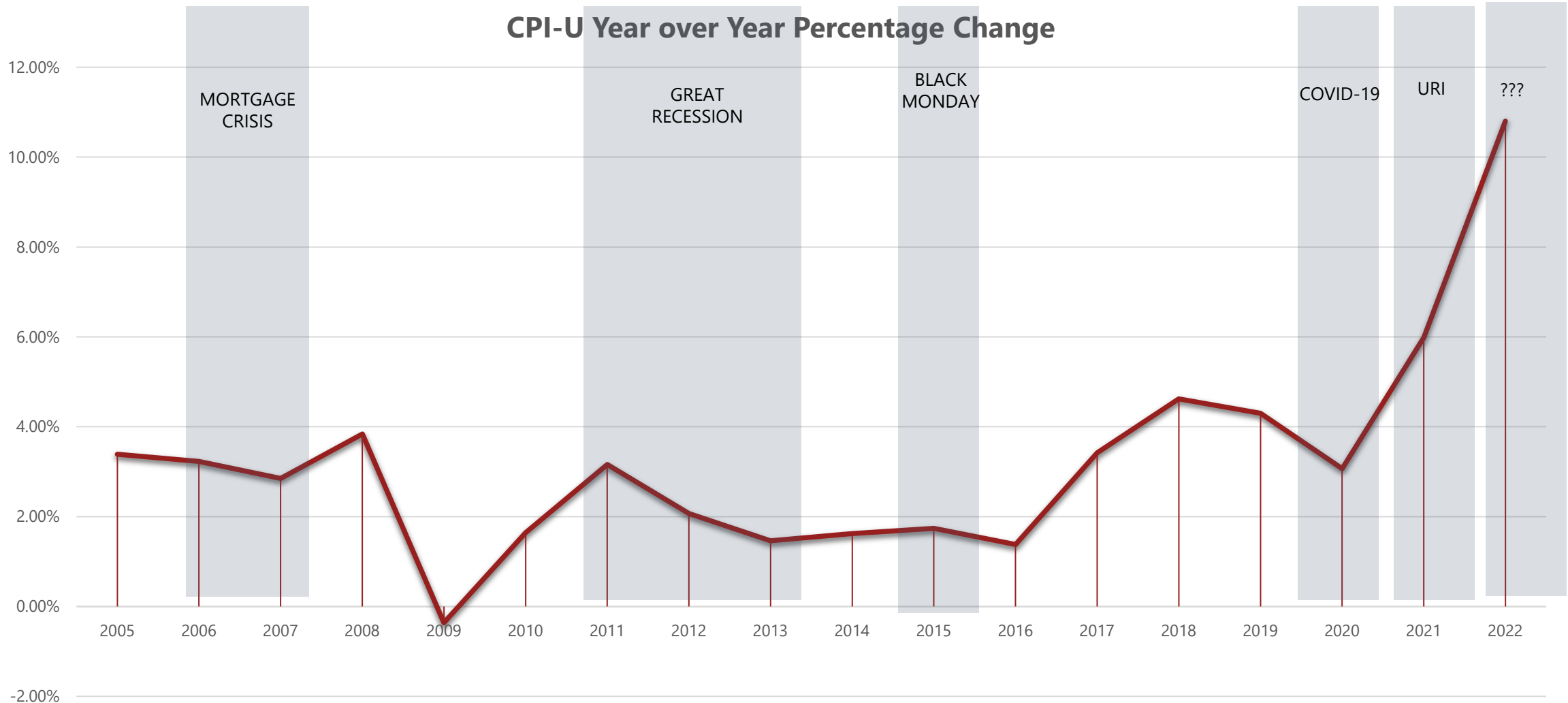
| FUND TYPE | AMOUNT |
|--|-----------------------|
| GOVERNMENTAL FUNDS | \$ 132,575,522 |
| ENTERPRISE FUNDS | 167,034,651 |
| SPECIAL REVENUE FUNDS | 22,895,168 |
| SUBTOTAL OPERATIONS & MAINTENANCE (O&M) | \$ 322,505,341 |
| CASH FOR CAPITAL PROJECTS | 15,700,000 |
| CAPITAL PROJECTS | 71,886,042 |
| SUBTOTAL CAPITAL PROJECTS | \$ 87,586,042 |
| TOTAL NET BUDGET | \$ 410,091,383 |





FY23 CPI-U Increase

CPI-U Year over Year Percentage Change





Market Value to Taxable Value Estimate

VALUE ESTIMATE FROM BRAZOS CENTRAL APPRAISAL DISTRICT AS OF APRIL 29, 2022.
WE WILL CONTINUE TO GET UPDATES UNTIL AUGUST 5, 2022

| | Approved FY22 | Estimate FY23 | % Change |
|--|------------------------------|------------------------------|---------------------|
| Assessed Valuation of Real and Exempt Property | 12,947,813,992 | 15,117,331,439 | 16.8% |
| Total Exemptions | 2,463,929,613 | 2,950,937,139 | 19.8% |
| Taxable Assessed Value | 10,483,884,379 | 12,166,394,300 | 16.0% |
| Reserve Estimate | = | (475,774,504) | = |
| Est Total Assessed Value | <u>10,483,884,379</u> | <u>11,690,619,796</u> | <u>11.5%</u> |



Recommended Tax Rate

NO-NEW-REVENUE AND VOTER APPROVAL RATES ARE ESTIMATED AND WILL NOT BE AVAILABLE UNTIL AFTER AUGUST 5TH



Estimated tax rate bank available until FY24 = 2.7903 cents

| | Current Rate | Change | Proposed FY23 |
|--|----------------|-----------------|----------------|
| Debt Service Fund | 21.6442 | (0.5001) | 21.1441 |
| General Fund | 31.8176 | (0.5004) | 31.3172 |
| Total | 53.4618 | (1.0005) | 52.4613 |
| Estimated No New Revenue Rate | 51.8885 | | 46.7966 |
| Estimated Voter Approval Rate (before increment use) | 56.2519 | | 50.8613 |
| Estimated Voter Approval Rate (after total increment use) | 56.2519 | | 53.6516 |



Property Tax Rate Options

Approximate Additional General Fund Revenue

\$.**297**203 per \$100 at the **3.5% Cap** \$1,111,000

\$.**313**172 per \$100 IF Council uses \$1.6 cents of increment \$2,510,000

\$.**318**176 per \$100 at the current rate \$2,948,000

\$.**325075** per \$100 IF Council uses all \$2.79 cents of increment \$3,552,000

Assumes Reserve increases to Policy of **20 %**



Impact of Different Rates on Average Home

| | Estimated NNR Rate | 3.5% Cap | Partial Increment | Current Rate | Total Increment |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Home Value | \$324,293 | \$324,293 | \$324,293 | \$324,293 | \$324,293 |
| Divided by 100 | 100 | 100 | 100 | 100 | 100 |
| Taxable Home Value | <u>\$3,243</u> | <u>\$3,243</u> | <u>\$3,243</u> | <u>\$3,243</u> | <u>\$3,243</u> |
| Tax Rate | \$ 0.467966 | \$ 0.508644 | \$ 0.524613 | \$ 0.529617 | \$ 0.536516 |
| City Tax on Valuation | <u>\$ 1,517.58</u> | <u>\$ 1,649.50</u> | <u>\$ 1,701.28</u> | <u>\$ 1,717.51</u> | <u>\$ 1,739.88</u> |
| Annual Increase over No New Revenue for FY23 | | <u>\$ 131.92</u> | <u>\$ 183.70</u> | <u>\$ 199.93</u> | <u>\$ 222.30</u> |
| Monthly Increase over No New Revenue for FY23 | | <u>\$ 10.99</u> | <u>\$ 15.31</u> | <u>\$ 16.66</u> | <u>\$ 18.53</u> |



General Fund Unassigned & Reserved Fund Balances

Reconciliation from FY21's Final Fund Balance to FY22's Year End Estimate

| | <u>Total Available Fund Balance</u> |
|---|--|
| FY21 Actual Fund Balance <i>included in FY21 Annual Report</i> | \$ 41,750,000 |
| REVENUES RECEIVED OVER BUDGET: | |
| Taxes | 4,324,000 |
| Charges for Services | 734,000 |
| Other | 274,000 |
| TOTAL REVENUES | <u>5,332,000</u> |
| EXPENDITURES SAVED : | |
| Departmental Savings | (16,000) |
| Net Federal and State Grant Funds received | (17,747,000) |
| Additional Cash for Capital expense | 7,415,000 |
| TOTAL EXPENDITURES | <u>(10,348,000)</u> |
| Total Increase in Fund Balance from FY21 to FY22 Estimate | <u>15,680,000</u> |
| FY22 Year End Estimate <i>included in FY23 Budget Document</i> | <u>\$ 57,430,000</u> |



General Fund Assigned Fund Balances

TOTAL ASSIGNED BALANCE = \$31.71M

INFLATION RESERVES \$1.5M (5%)

Reserve for additional inflation across all departments

MISC COUNCIL REQUESTS \$275K (1%)

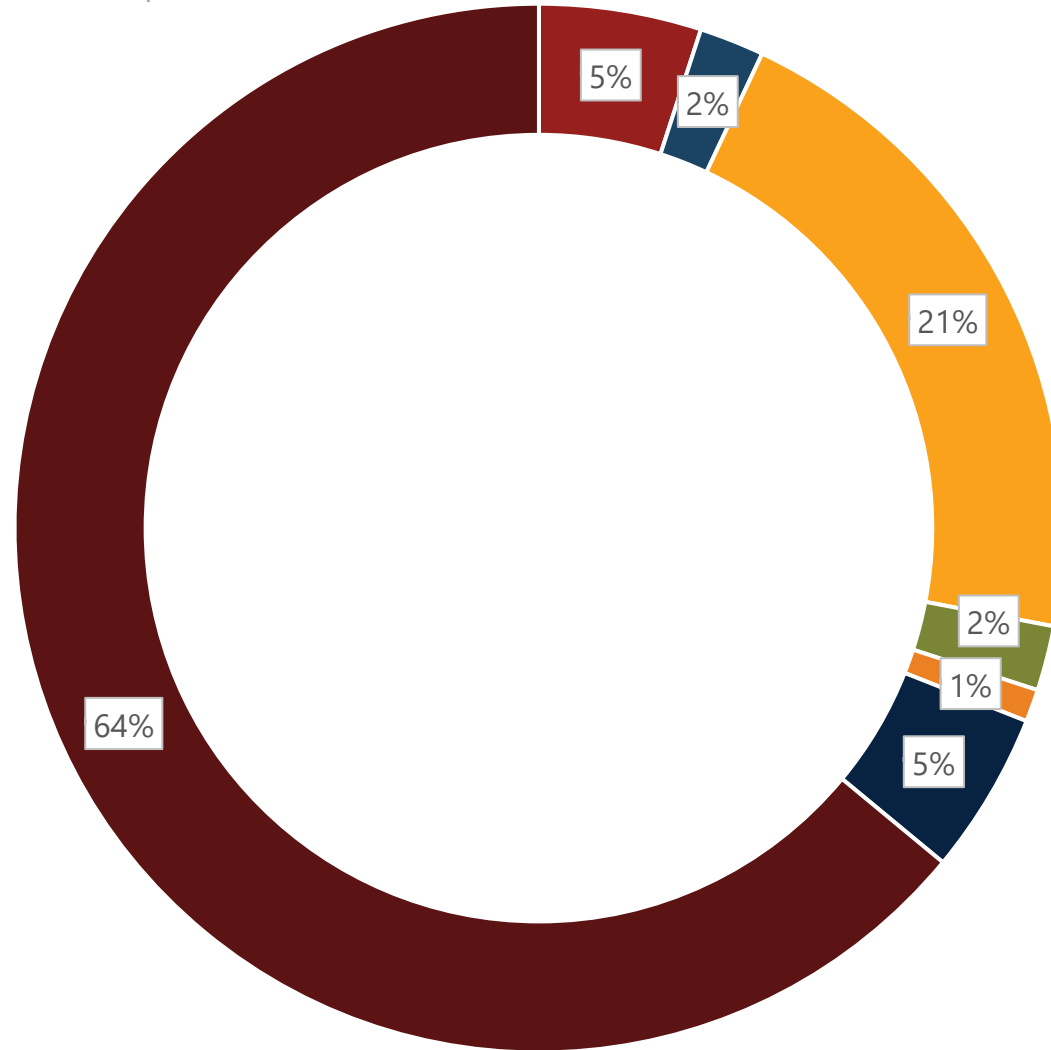
Reserve for Council Requests

ACCOUNTING ITEMS \$835K (2%)

Possible adjustments between funds for miscoded transactions

REQUIRED RESERVE \$20.3M (64%)

Required Fund Balance percentage. Increased from 18% to 20% in FY23



ECONOMIC DEVELOPMENT \$500K (2%)

Additional set aside for recruitment expenses

RESERVE FOR LIQUIDITY \$6.6M (21%)

Reserve to maintain AA+ and Aa1 Bond ratings and health of internal service funds

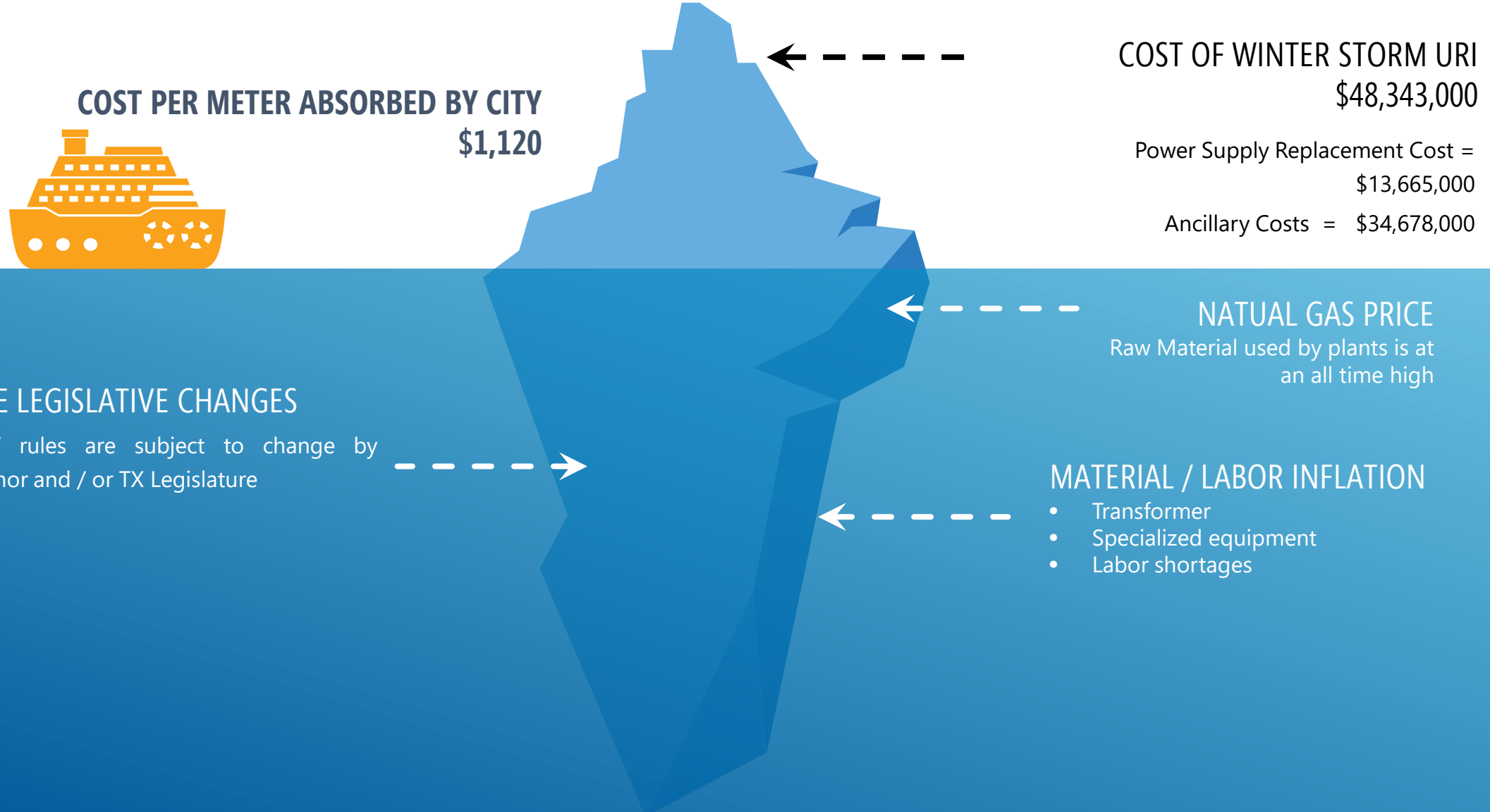
RESERVE FOR FUTURE OPS \$1.7M (5%)

O&M tax rate reserved and not spent in prior years



Recent Impacts on the Electric Fund

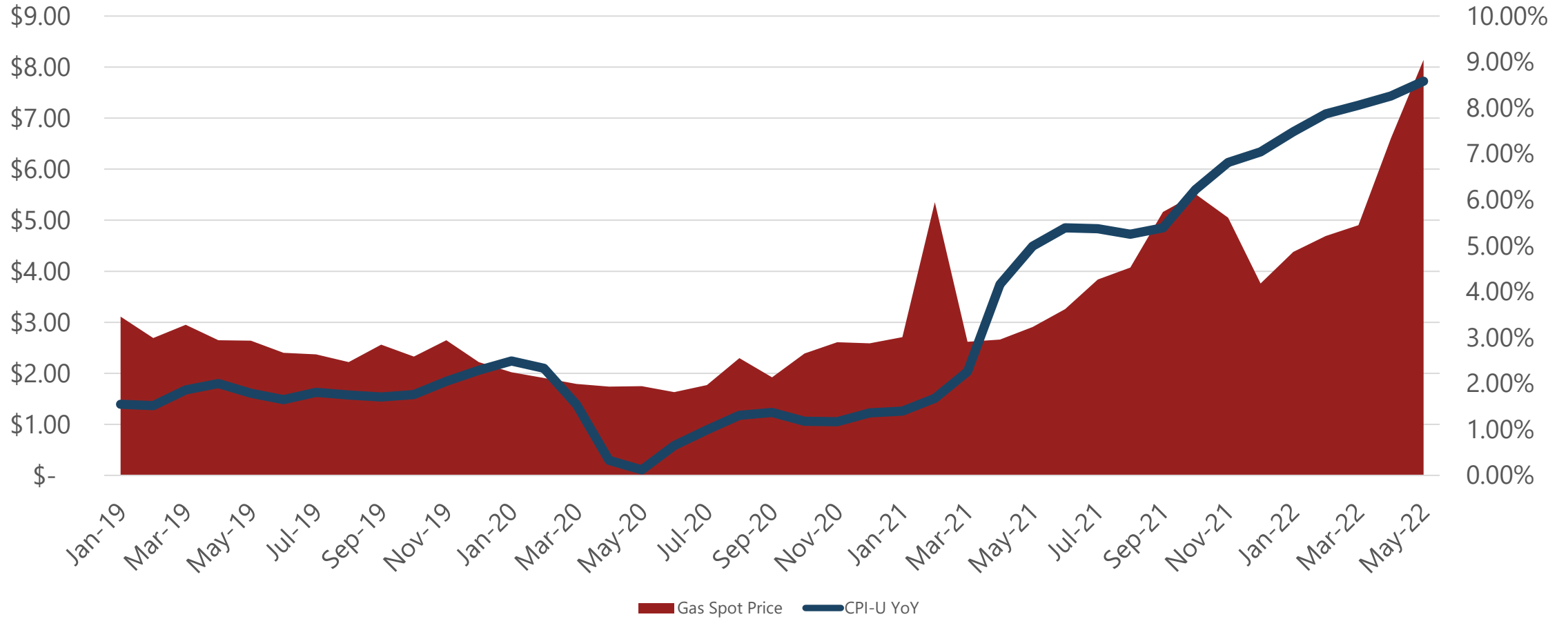
WINTER STORM URI, NATURAL GAS, SUPPLY CHAIN AND INFLATION





Natural Gas Price Impact on Electric

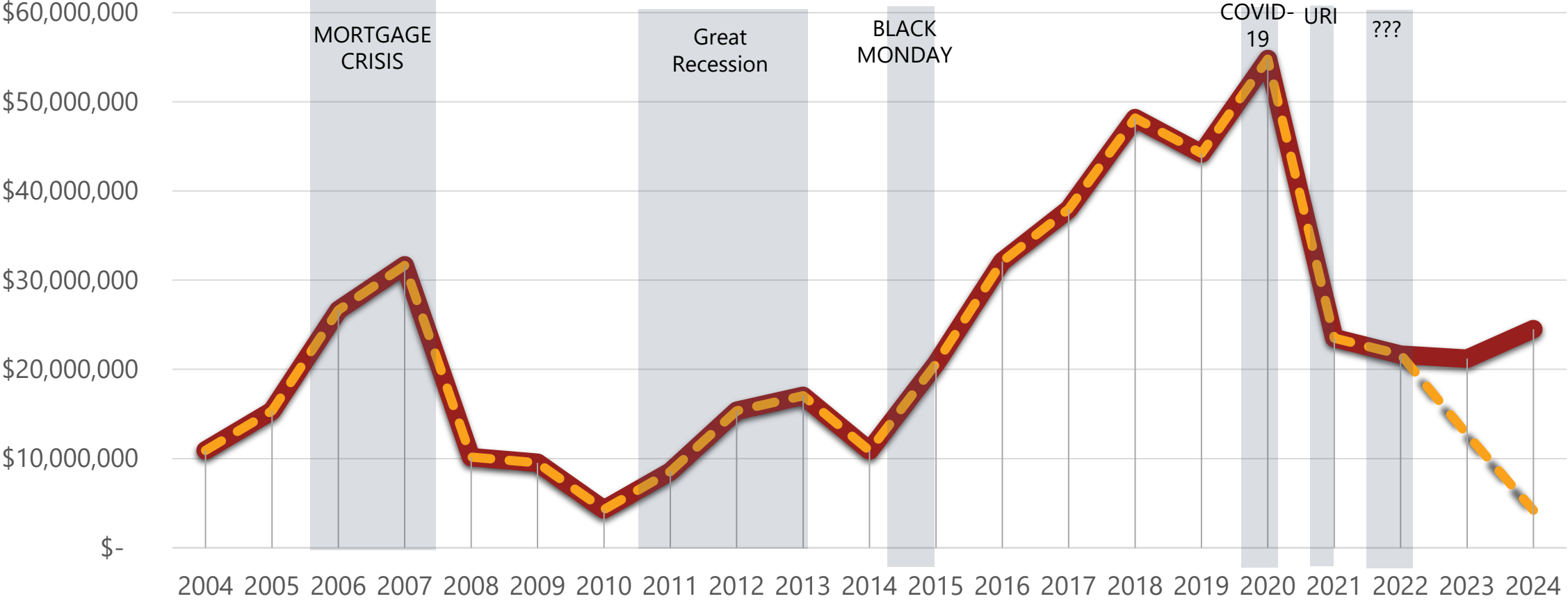
Spot Price for Natural Gas (\$ per Million Btu)





Electric Working Capital Balance

ELECTRIC WORKING CAPITAL 2004-2024





FY23 Rate Recommendations

With the increase in inflation, fees and other revenues must go up to cover costs

Certain fees have been tied to the CPI-U in the fee resolution. The CPI-U increase thru May 2022 is 10%

General Fund Fees

Licenses and Permits will increase 10%

Parks Fees will go up to cover costs

Garage fees to go up comparable to A&M Garages

Utility Bill Rates

Electric Rates will increase 10%

Solid Waste fee will increase 10%

Roadway Maintenance and Drainage fees will increase 10%





CITY OF COLLEGE STATION

Impact of Rate Increases on Monthly Bill

| | Residential Current | Residential (w/Rate Increase) | Difference | | Multi-Family Current | Multi-Family (w/ Rate Increase) | Difference |
|----------------------------|------------------------|-------------------------------------|----------------|--|-------------------------|------------------------------------|----------------|
| Electric (usage + svc chg) | \$93.10 | \$101.71 | \$8.61 | | \$93.10 | \$101.71 | \$8.61 |
| Electric (PDA) | 11.17 | 13.25 | 2.07 | | 11.17 | 13.25 | 2.07 |
| Water | 26.15 | 26.15 | - | | - | - | - |
| Drainage | 6.10 | 6.71 | 0.61 | | 2.80 | 3.08 | 0.28 |
| Sanitation | 16.80 | 18.48 | 1.68 | | 7.80 | 8.58 | 0.78 |
| Roadway | 8.30 | 9.13 | 0.83 | | 6.50 | 7.15 | 0.65 |
| Sewer | 25.55 | 25.55 | 0 | | 27.09 | 27.09 | 0 |
| AVERAGE BILL | \$187.18 | \$200.98 | \$13.81 | | \$148.47 | \$160.86 | \$12.40 |



City Manager Recommendations



• City Manager Recommendations

- Reduce overall tax rate by 1.0 cent (1/2 cent on each side of tax rate)
- Utilize 1.5 cents saved in prior years on public safety needs in FY 23
- Reserve 1.6 cents of increment for future O&M needs
- Increase CPI-U indexed fees and rates by 10%
- Increase Electric rate by 10%
- Adjust Pay Plan scale by 4.5/5% and include step increases and a one-time merit pool for non uniformed staff

