# *City of Waco*

# FY 2027 Operating and Capital Budget

City Council Work Session
August 4, 2026

Ryan Holt – City Manager
Blu Kostelich – ACM/CFO
Collin Boothe – Managing Director, Finance

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# AGENDA

1. FY 2027 Budget Development
2. FY 2027 Operating Budget
3. Certified Values & Tax Rate
4. Personnel Items
5. Major Funds Summary
6. Capital Program

# Investments In Waco…*For Wacoans*

## $638,906,122 total capital investment over the last 5 years

# FY 2027 Budget Development


## RISK EXPOSURE → MITIGATION COVERAGE

### ! Economic Risks

- Consumer discretionary spending is weakening
- Taxable appraised values continue slower growth trajectory
- Persistent inflation impacting both revenues and expenses

### ! Operational Risks

- Persistent inflation impacting both revenues and expenses
- Infrastructure maintenance and replacement needs continue
- Hiring remains competitive even as unemployment rises

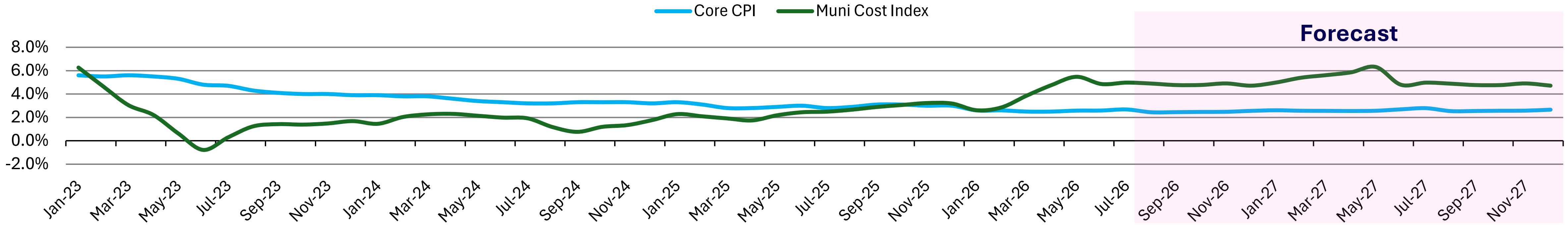
### ✓ Mitigation Strategies

- Maintaining healthy fund balance
- Conservative but realistic revenue projections
- Comprehensive spending controls
- Deliberate capital planning processes

# Municipal Inflation

## Inflation & Consumer Prices

- CPI for June 2026 fell by 0.4% year-over-year, with Core CPI flat at 0.0% due to a temporary reduction in fuel prices
- Municipal Cost Index (MCI) rose to 4.9%, with FY27 projected to increase to 5.2%




## Waco Inflationary Impact

| | | | 5-Yr | AGR |
|---|---|---|---|---|
| Fire Pumper | $1,407,584 | per apparatus | ↑121% | ↑24% |
| Police PIU Vehicle | $72,717 | per upfitted PPV | ↑36% | ↑7% |
| IT Software | $3,318,885 | total budget | ↑78% | ↑16% |
| General Insurance | $2,718,234 | total budget | ↑246% | ↑49% |
| Water Chemicals | $11,471 | combined per ton | ↑120% | ↑24% |
| Health Insurance | $11,991 | per employee | ↑56% | ↑11% |
| Utility Pipe | $227 | average per type | ↑41% | ↑8% |
| Public Safety Radios | $6,464 | per vehicle radio | ↑60% | ↑12% |

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# City of Waco's FY 2027 Budget Overview

**Total FY 2027 Budget**

**$733.3 M**

↓ 3.9% vs FY26

## Financial Overview

- $29.6 million decrease from FY26 (-3.9%)
- Maintains 75.50-cents per $100 tax rate
- General Fund decrease of $2.6 million from FY26 (-1.2%)

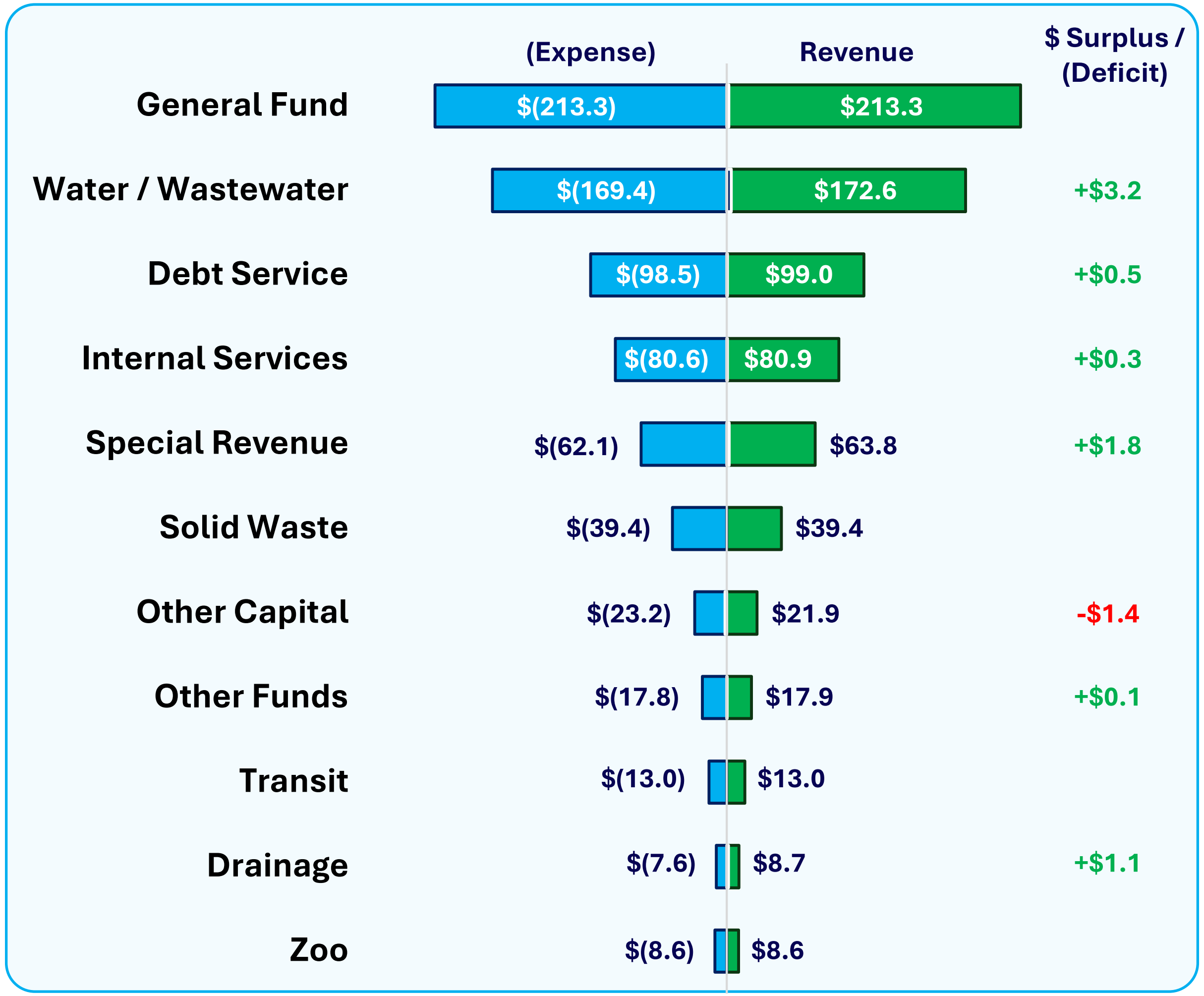
## Strategic Investments

- $10.2 million in compensation and benefits
- $8.4 million increase in Public Safety
- $112.5 million infrastructure-focused Capital Program

## Long-Term Commitment Funding

- Civil Service Employee Compensation: +4.0%
- Non-Civil Service Employee Compensation: +3.0%
- TMRS: funded liability at 85%; City contribution 18.08%
- Health Insurance: City @ +12% ($2.2M); Employees @ +7% ($270k)

## FY 2027 BUDGET BY FUND

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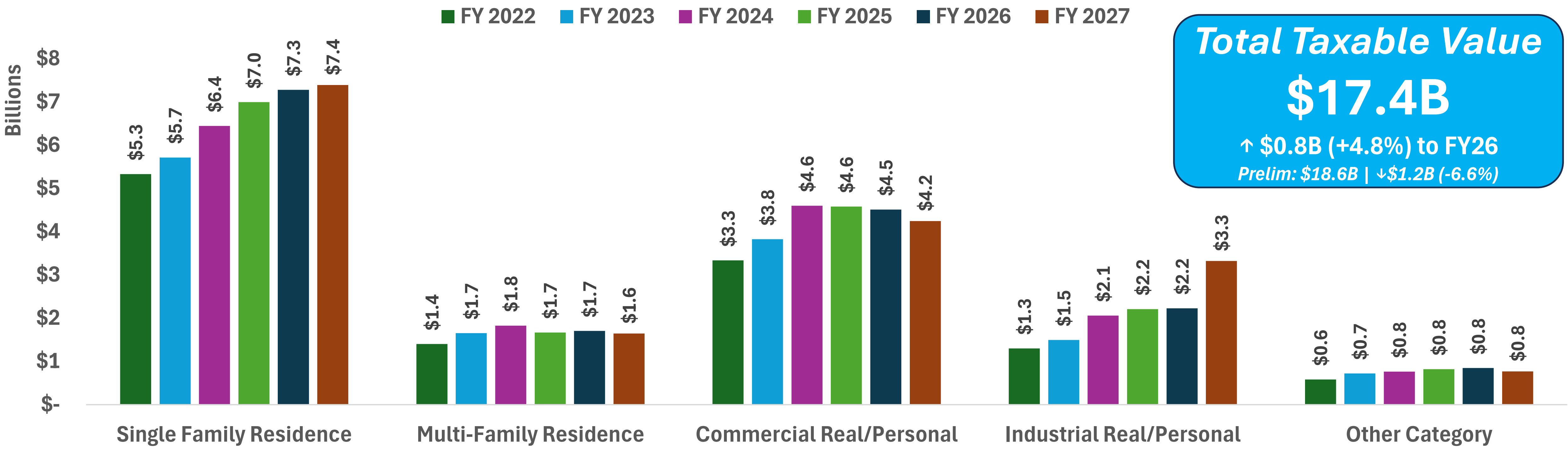
# Property Tax Certified Values & Proposed Tax Rate

# Certified Taxable Property Values




***Total Taxable Value***

**$17.4B**

↑ $0.8B (+4.8%) to FY26

*Prelim: $18.6B | ↓$1.2B (-6.6%)*

***Single-Family***

**$7.4B**

*Prelim: $7.6B | ↓$0.2B*

5-Yr: 5.3% | FY27: 1.5%

***Multi-Family***

**$1.6B**

*Prelim: $1.9B | ↓$0.3B*

5-Yr: -0.1% | FY27: -3.5%

***Commercial***

**$4.2B**

*Prelim: $5.0B | ↓$0.8B*

5-Yr: 2.1% | FY27: -5.9%

***Industrial***

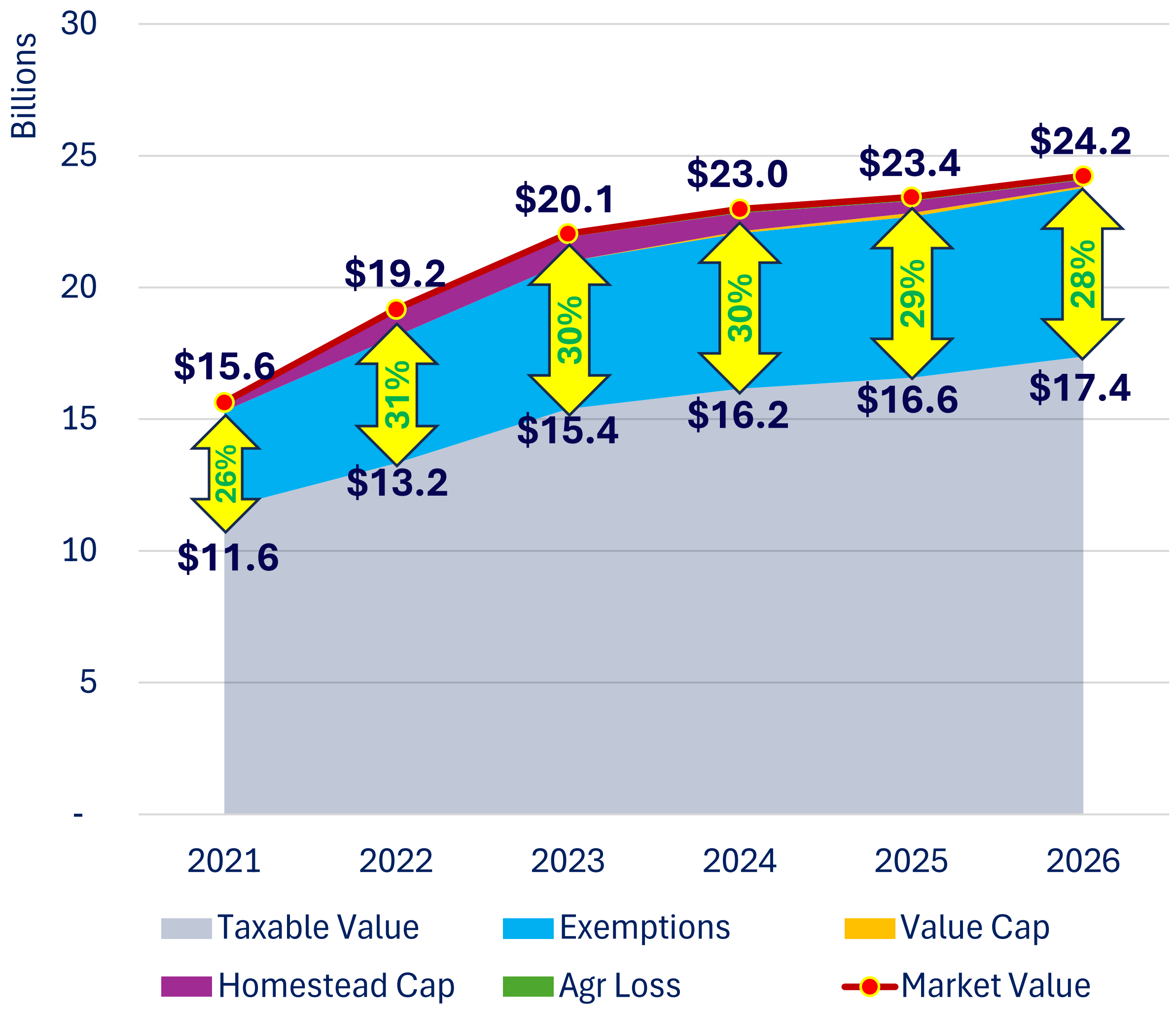
**$3.3B**

*Prelim: $4.0B | ↓$0.7B*

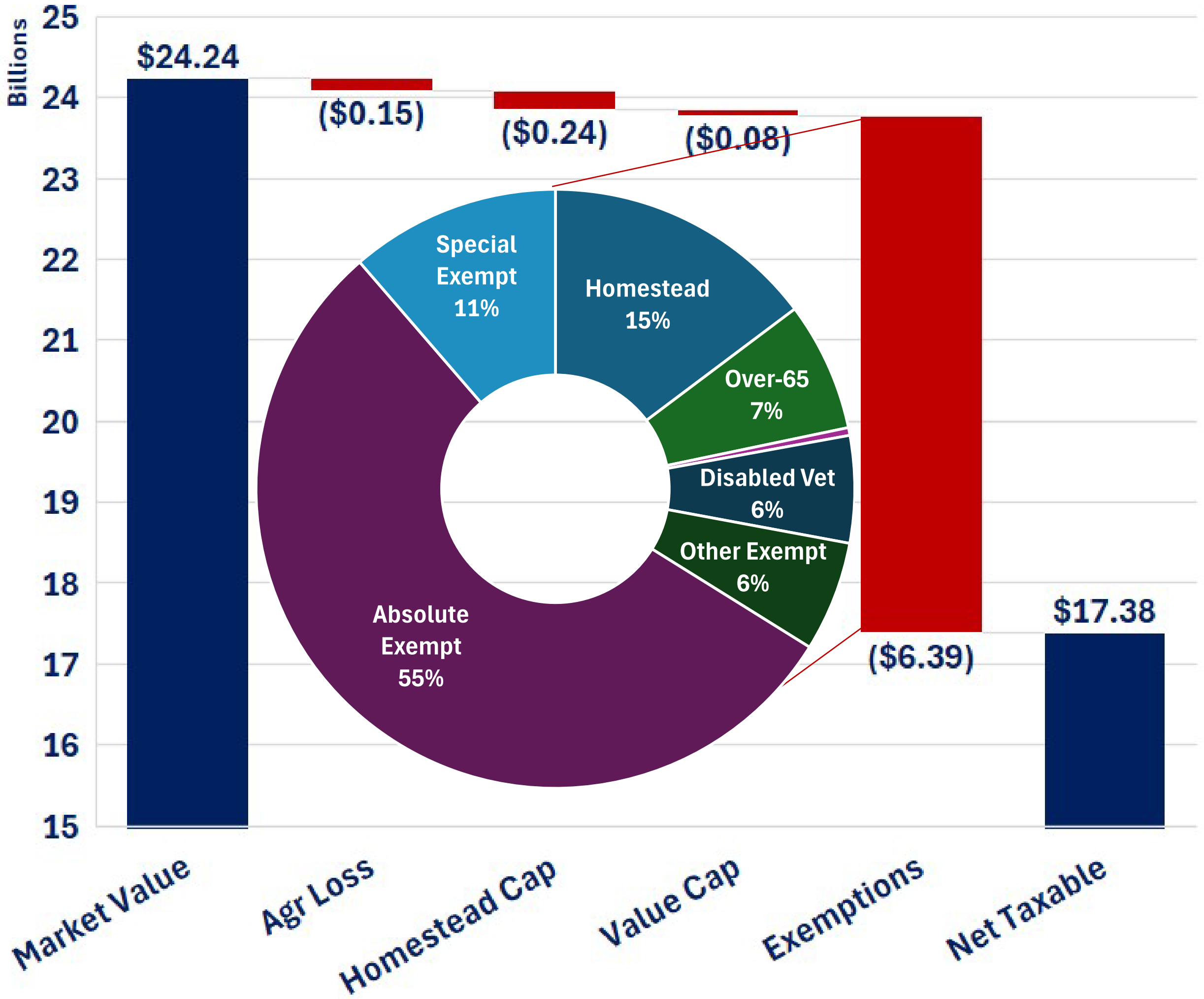
5-Yr: 17.3% | FY27: 48.9%

# $24.2B Market → $17.4B Taxable Value

## Gap Trend: Market vs Taxable




## FY 2027 Value Reduction Breakdown

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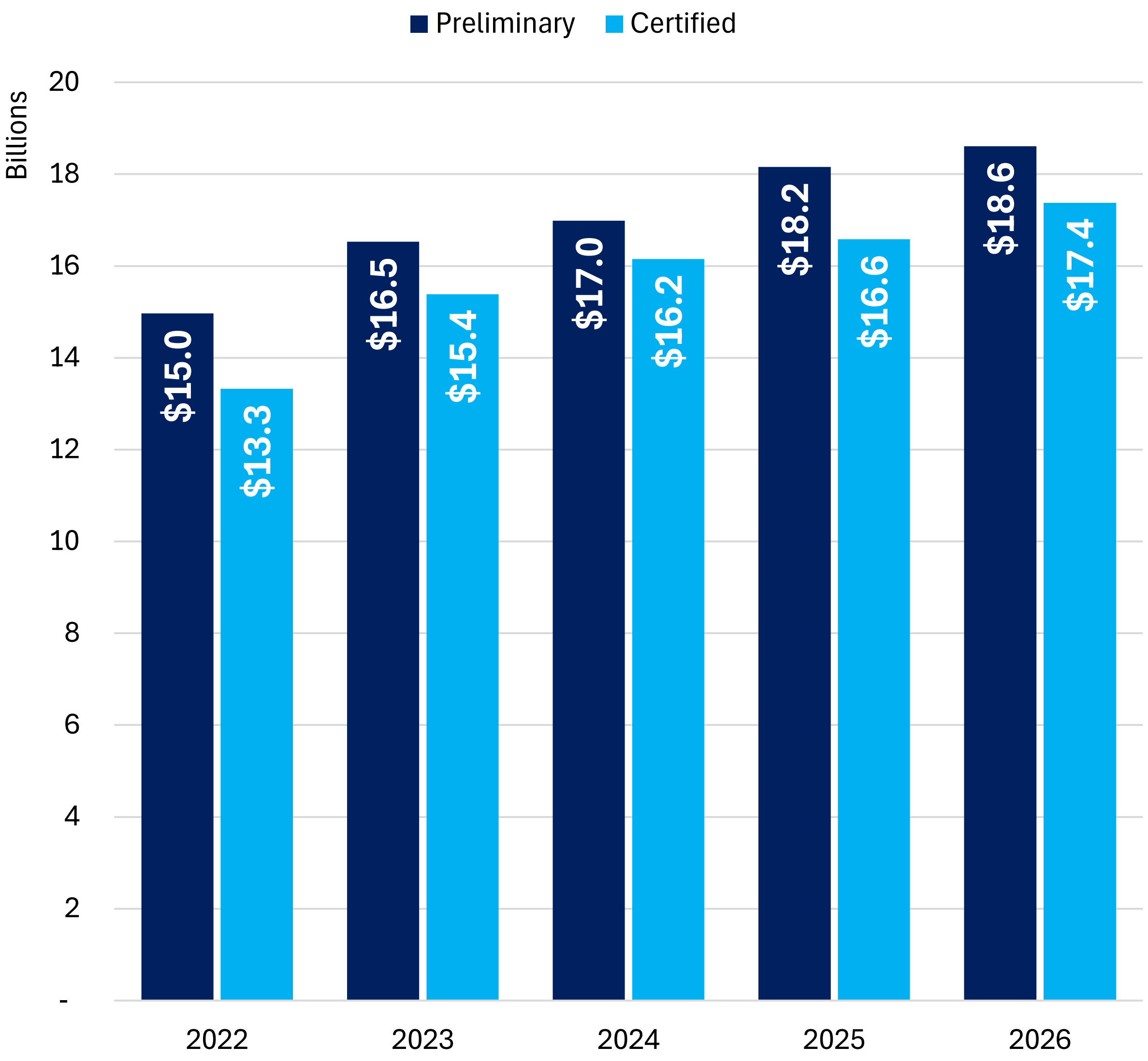
# Property Values

## Certified Taxable Value




## General Fund Revenue Impact

| ($ in Millions) | Tax Rate | Total Levy | $ vs FY26 |
|---|---|---|---|
| FY 2026 Gen Fund Revenue | 0.755000 | $ 89.7 | |
| **MCAD Preliminary Values ($18.6B)** | | | |
| Current Tax Rate | 0.755000 | $ 99.4 | $ 9.7 |
| Voter-Approval Tax Rate | 0.796926 | 106.4 | 16.7 |
| **Certified Values ($17.4B)** | | | |
| **Current Tax Rate** | **0.755000** | **$ 89.7** | **$ -** |
| Voter-Approval Tax Rate | 0.853198 | 105.0 | 15.3 |

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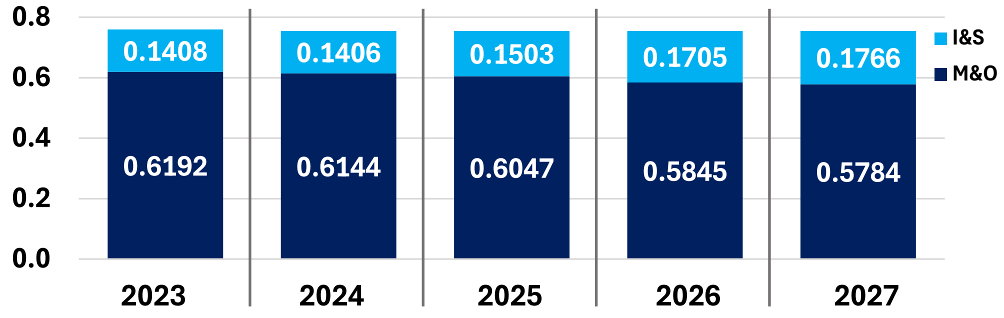
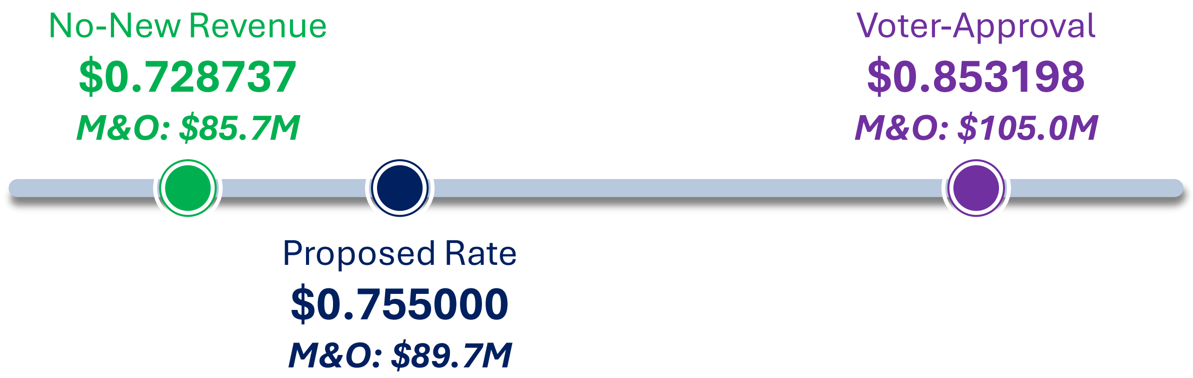
# FY 2027 Proposed Tax Rate

**$0.755000** per $100 valuation | unchanged for 5th year | lowest rate in 20 years | 0.61¢ shift from M&O to I&S

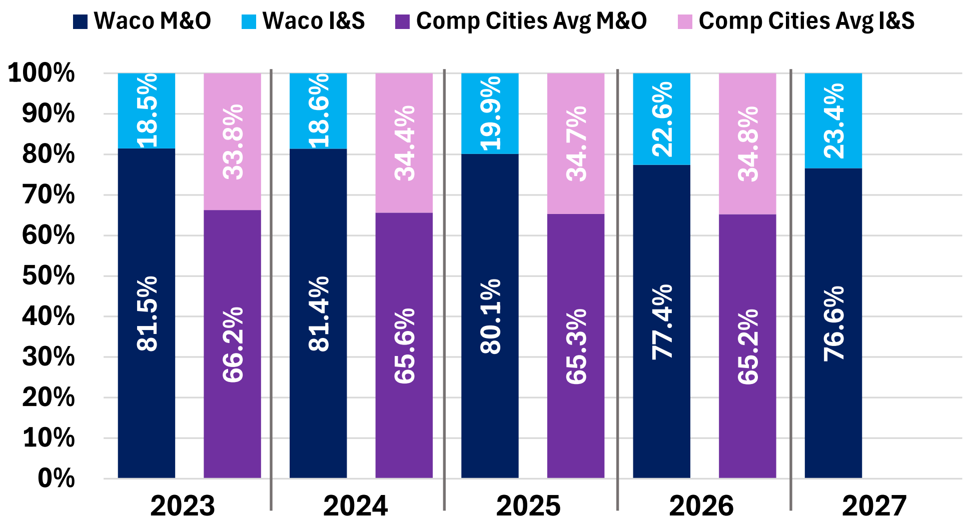
## Total Rate Holds Flat, Mix Shifts – FY23 – FY27




## FY27 Proposed Tax Rate vs. Certified Benchmarks




## Peer Tax Rate Split Comparison




## Historical Tax Rate Split with Levies

| | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|---|---|---|---|---|
| **Adopted Tax Rate** | **$ 0.755000** | **$ 0.755000** | **$ 0.755000** | **$ 0.755000** |
| M&O Tax Rate | 0.614409 | 0.604652 | 0.584500 | 0.578371 |
| I&S Tax Rate | 0.140591 | 0.150348 | 0.170500 | 0.176629 |
| Anticipated M&O Levy | $ 88,997,214 | $ 91,218,511 | $ 89,723,930 | $ 89,743,807 |
| Anticipated I&S Levy | 20,364,623 | 22,681,676 | 26,706,814 | 27,966,229 |
| Value of 1-Cent Tax Rate | $ 1,448,501 | $ 1,508,612 | $ 1,573,601 | $ 1,590,891 |

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# Personnel Budgeting

# Employee Compensation

**Four-Year Compensation Growth – Civil Service & Non-Civil Service**


## Civil Service Compensation

The FY27 budget reflects our priority of community safety through significant compensation investments for sworn Fire and Police employees.

### Fire Civil Service

FY27 Increase
to Total Compensation

**4.0%**

4-Year Total

**33.4%**

### Police Civil Service

FY27 Increase
to Total Compensation

**4.0%**

4-Year Total

**27.4%**

## Non-Civil Service Compensation

With ongoing economic conditions at the local, state, and national levels, the City is proposing a 3.0% general salary increase as part of its continued investment in our workforce.

### Non-Civil Service

FY27 General
Salary Increase

**3.0%**

4-Year Total

**14.9%**

# Employee Health Insurance

***FY27 Proposed Budget includes a funding increase of 12% for the City and 7% for Employees***

$17.5898 hourly / $36,586.78 annual + 3.0% GSI = $18.1174 hourly / $37,684.39 annual

## City of Waco
Contribution per Employee

FY 2025-26
**$11,023**

FY 2026-27
**$11,992**

## Employee Only
with Wellness Incentive

| | |
|---|---|
| + Wage increase (3.0% GSI) | + $1,097.60 |
| – Health premium increase<br>$39.52 → $42.30 / month | – $33.36 |
| = Net annual pay increase | $1,064.24 |

## Employee + Family
with Wellness Incentive

| | |
|---|---|
| + Wage increase (3.0% GSI) | + $1,097.60 |
| – Health premium increase<br>$580.10 → $620.72 / month | – $487.44 |
| = Net annual pay increase | $610.16 |

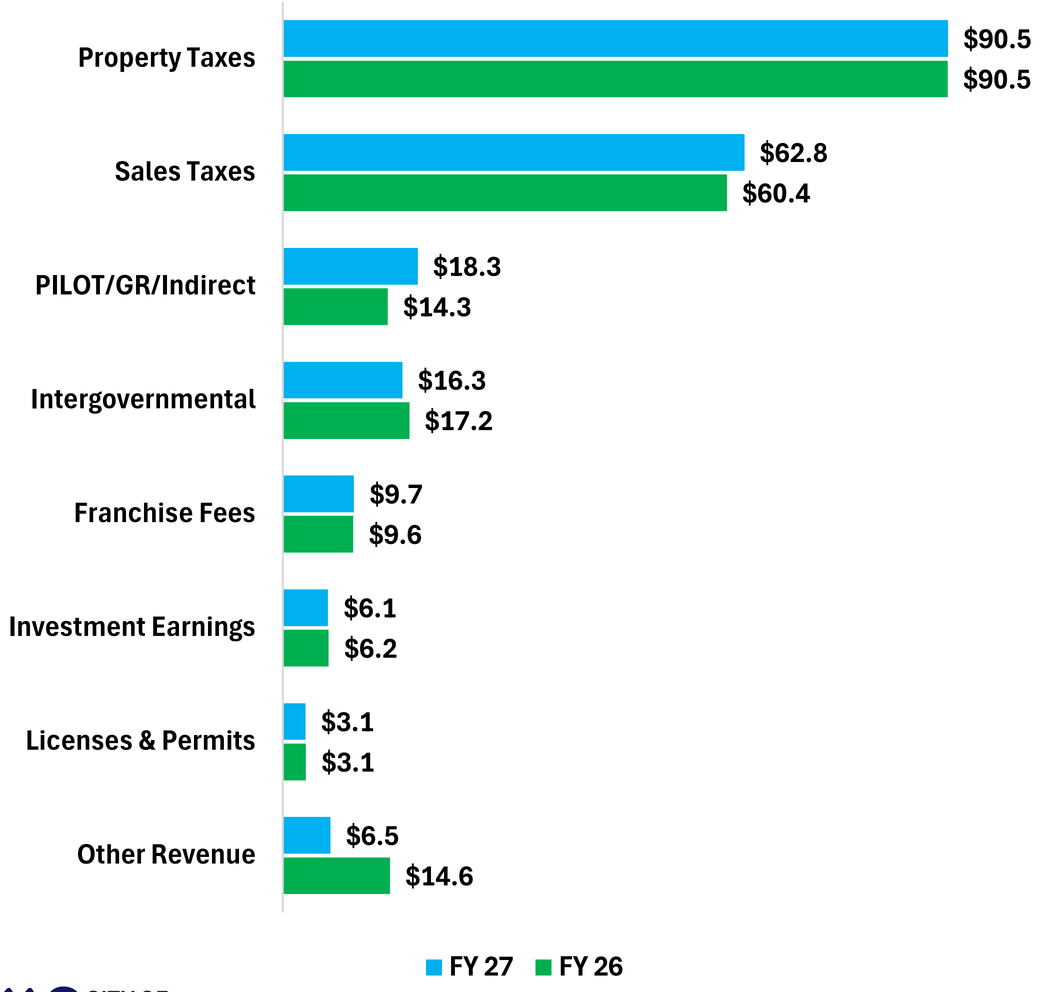
# Major Funds Budget Highlights

# General Fund Budget

## Revenues → $213,307,657 | ↓ $2,593,328 (-1.2%) vs FY 2026

***Property Tax and Sales Tax represent 72% of all General Fund revenue***

FY 2026 BUDGET VS. FY 2027 BUDGET ($M)




FY 2027 BUDGET || FORECAST FY 2028 – FY 2032 ($M)

| | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | CAGR |
|---|---|---|---|---|---|---|---|
| Property Taxes | $ 90.5 | $ 92.4 | $ 95.1 | $ 97.8 | $ 101.0 | $ 104.6 | 2.5% |
| Sales Taxes | 62.8 | 63.9 | 65.4 | 68.3 | 72.0 | 75.2 | 3.3% |
| PILOT/GR/Indirect | 18.3 | 18.7 | 19.1 | 19.5 | 19.9 | 20.3 | 1.6% |
| Intergovernmental | 16.3 | 16.3 | 16.4 | 16.4 | 16.5 | 16.5 | 0.2% |
| Franchise Fees | 9.7 | 9.9 | 10.1 | 10.3 | 10.5 | 10.7 | 1.6% |
| Investment Earnings | 6.1 | 6.3 | 6.5 | 6.7 | 6.8 | 7.0 | 2.2% |
| Licenses & Permits | 3.1 | 3.1 | 3.2 | 3.2 | 3.3 | 3.3 | 1.2% |
| Other Revenue | 6.5 | 4.3 | 5.4 | 6.0 | 6.0 | 6.6 | 8.8% |
| Total Revenue | $ 213.3 | $ 215.0 | $ 221.1 | $ 228.1 | $ 235.9 | $ 244.2 | 2.6% |

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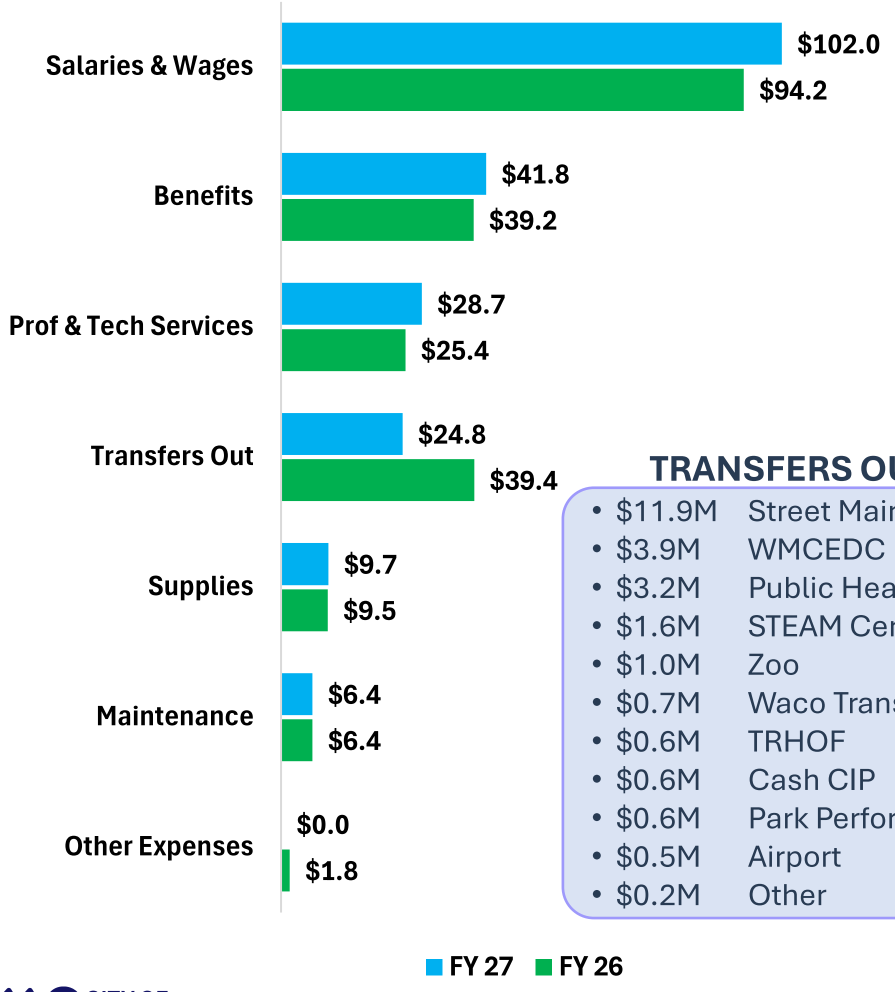
# General Fund Budget

## Expenses → $213,307,657 | ↓ $2,593,326 (-1.2%) vs FY 2026

***Salaries, Wages, and Benefits account for nearly 68¢ of every dollar spent – the cost of delivering services***

### FY 2026 BUDGET VS. FY 2027 BUDGET ($M)




**TRANSFERS OUT**

- $11.9M Street Maint.
- $3.9M WMCEDC
- $3.2M Public Health
- $1.6M STEAM Center
- $1.0M Zoo
- $0.7M Waco Transit
- $0.6M TRHOF
- $0.6M Cash CIP
- $0.6M Park Performance
- $0.5M Airport
- $0.2M Other

### FY 2027 BUDGET || FORECAST FY 2028 – FY 2032 ($M)

| | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | CAGR |
|---|---|---|---|---|---|---|---|
| Salaries & Wages | $ 102.0 | $ 104.5 | $ 108.2 | $ 112.0 | $ 115.9 | $ 119.9 | 2.8% |
| Benefits | 41.8 | 42.8 | 44.3 | 45.9 | 47.5 | 49.1 | 2.8% |
| Prof & Tech Services | 28.7 | 26.8 | 27.3 | 27.8 | 28.4 | 28.9 | 1.6% |
| Transfers Out | 24.8 | 23.7 | 24.3 | 24.9 | 25.6 | 27.7 | 3.1% |
| Supplies | 9.7 | 10.0 | 10.3 | 10.7 | 11.0 | 11.4 | 2.7% |
| Maintenance | 6.4 | 6.4 | 6.6 | 6.7 | 6.9 | 7.1 | 2.0% |
| Other Expenses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0% |
| Total Expense | $ 213.3 | $ 214.2 | $ 221.0 | $ 228.0 | $ 235.2 | $ 244.2 | 2.7% |

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# Where Does My Tax Dollar Go?

***The investment in Public Safety is more than the total amount the City collects from all property taxes (General Fund and Debt Service) combined***

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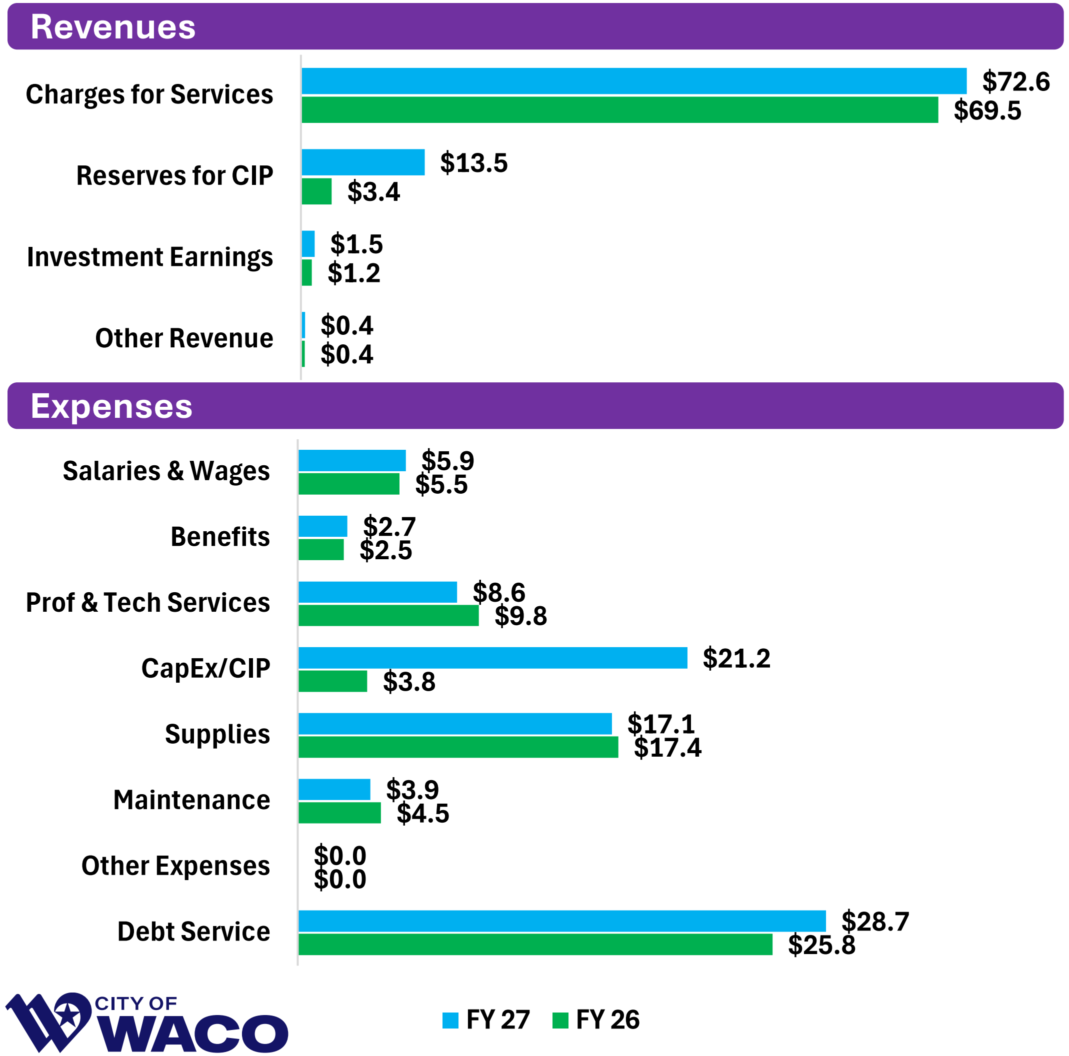
# Water

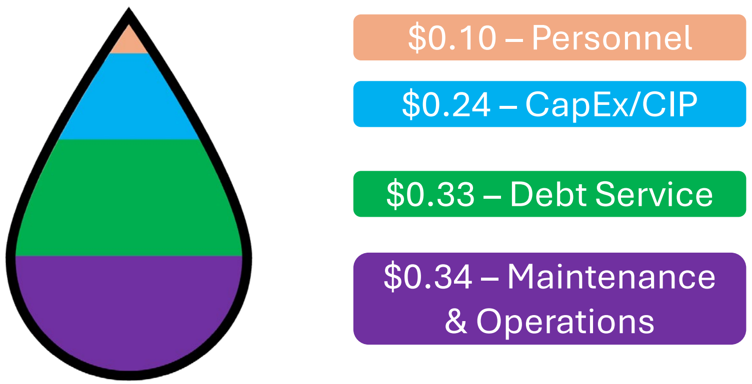
## FY27 vs FY26: Revenues → $88.1M (↑ $13.6M) || Expenses → $88.1M (↑ $18.7M)

***93% of the $18.7M increase in spending is related to capital expenditures***

### FY 2026 BUDGET VS. FY 2027 BUDGET ($M)




### What Does $1.00 of My Water Bill Pay For?




### FY 2027 BUDGET || FORECAST FY 2028 – FY 2032 ($M)

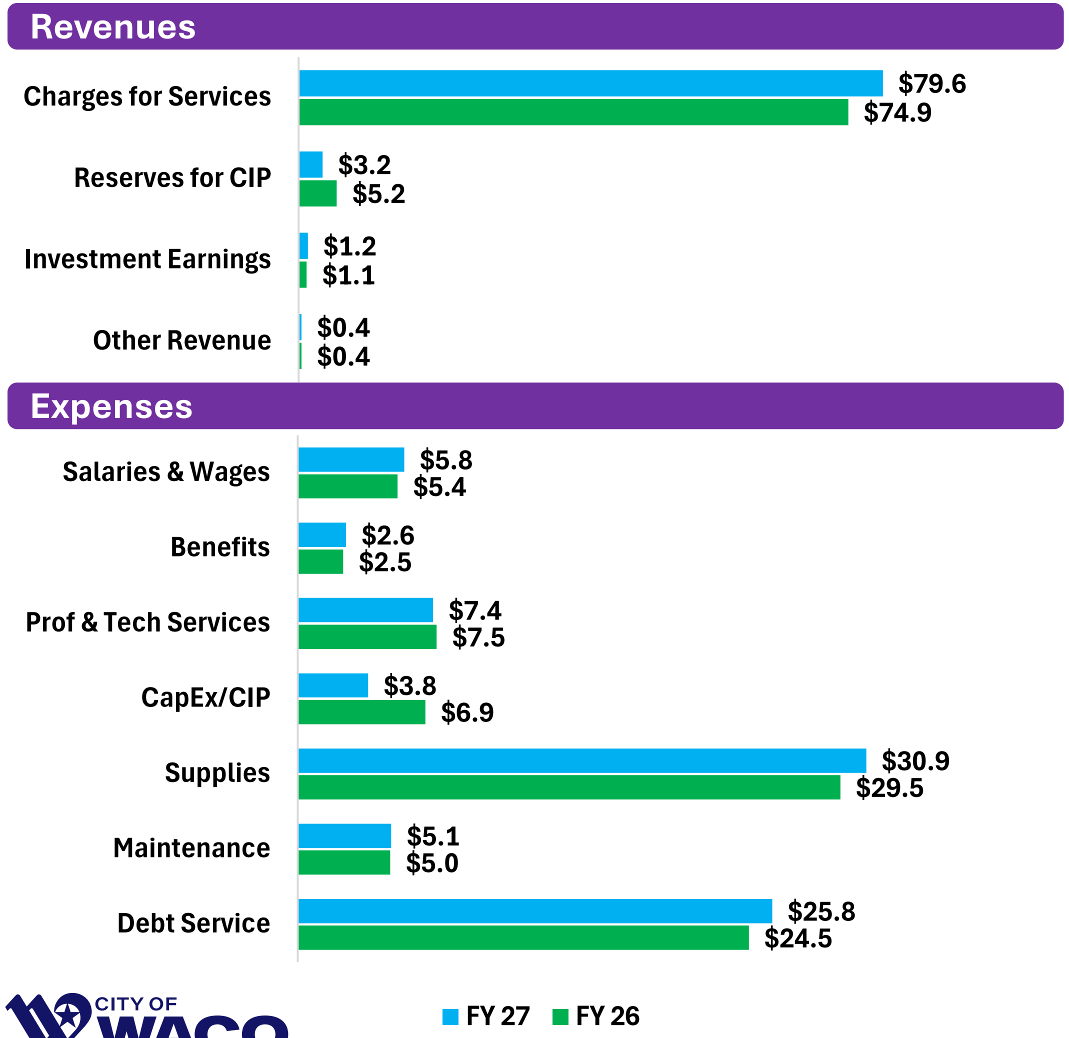
| | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | CAGR |
|---|---|---|---|---|---|---|---|
| Other Revenues | $ 2.0 | $ 9.7 | $ 10.0 | $ 10.2 | $ 10.5 | $ 10.8 | 2.1% |
| Water Sales Revenue | 72.6 | 67.0 | 69.6 | 71.5 | 73.5 | 75.9 | 2.5% |
| Transfer from Surplus | 13.5 | - | - | - | - | - | 0.0% |
| Water Fund Revenue | $ 88.1 | $ 76.8 | $ 79.6 | $ 81.7 | $ 84.0 | $ 86.6 | 2.5% |
| | | | | | | | |
| Combined Operating Expenses | $ 23.2 | $ 25.5 | $ 26.2 | $ 26.9 | $ 27.7 | $ 28.4 | 2.2% |
| G&A (PILOT, Franchise, Indirect) | 15.0 | 15.5 | 16.0 | 16.4 | 16.9 | 17.4 | 2.3% |
| Capital Outlay | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 2.3% |
| CIP Projects Funded w/Cash | 21.0 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 0.0% |
| Debt Service | 28.7 | 29.4 | 31.0 | 31.6 | 33.8 | 36.7 | 4.5% |
| Total Expenditures | $ 88.1 | $ 72.1 | $ 74.9 | $ 76.7 | $ 80.1 | $ 84.3 | 3.2% |

# Wastewater-WMARSS

## FY27 vs FY26: Revenues → $84.5M (↑ $2.9M) || Expenses → $81.3M (↔$0.0M)

***90% of every wastewater dollar is spent directly on system improvements***

### FY 2026 BUDGET VS. FY 2027 BUDGET ($M)




### What Does $1.00 of My Wastewater Bill Pay For?

$0.05 – CapEx/CIP

$0.10 – Personnel

$0.32 – Debt Service

$0.53 – Maintenance & Operations

### FY 2027 BUDGET || FORECAST FY 2028 – FY 2032 ($M)

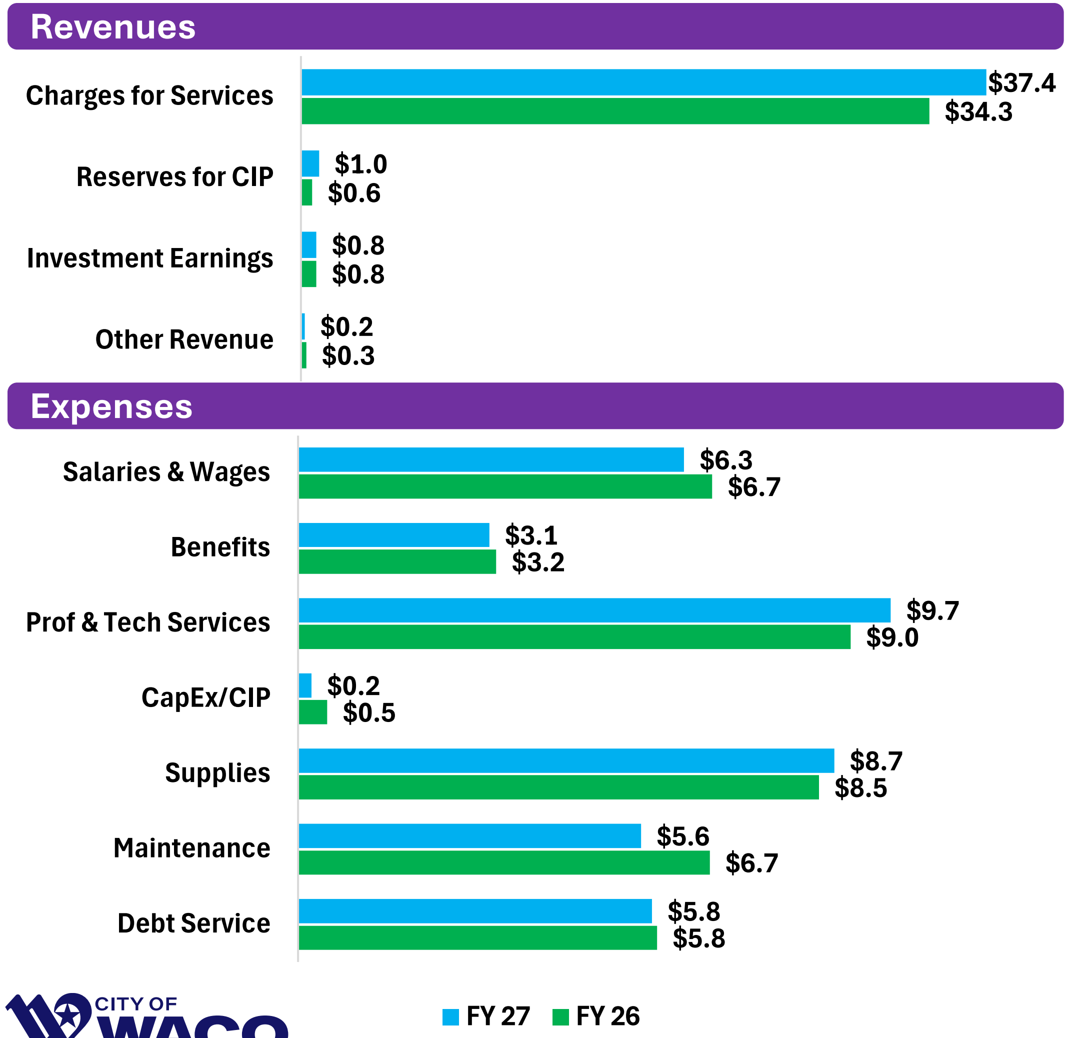
| | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | CAGR |
|---|---|---|---|---|---|---|---|
| Other Revenues | $ 4.9 | $ 2.0 | $ 2.0 | $ 2.1 | $ 2.1 | $ 2.1 | 1.0% |
| Wastewater Sales Revenue | 79.6 | 83.3 | 87.2 | 91.6 | 97.2 | 99.9 | 3.7% |
| Transfer from Surplus | | 1.0 | 0.6 | 0.4 | - | - | -100.0% |
| **Total Revenue** | $ 84.5 | $ 86.3 | $ 89.8 | $ 94.0 | $ 99.3 | $ 102.0 | 3.4% |
| | | | | | | | |
| Combined Operating Expenses | $ 43.1 | $ 44.8 | $ 46.7 | $ 48.8 | $ 50.8 | $ 52.0 | 3.0% |
| G&A (PILOT, Franchise, Indirect) | 9.7 | 9.9 | 10.1 | 10.3 | 10.5 | 10.7 | 1.6% |
| Capital Outlay | 9.9 | 10.7 | 11.8 | 13.0 | 14.1 | 14.4 | 6.0% |
| CIP Projects Funded w/Cash | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 0.0% |
| Debt Service | 19.5 | 19.9 | 20.3 | 20.9 | 22.6 | 23.9 | 3.7% |
| **Total Expenditures** | $ 83.1 | $ 86.3 | $ 89.8 | $ 94.0 | $ 99.1 | $ 102.0 | 3.4% |

# Solid Waste

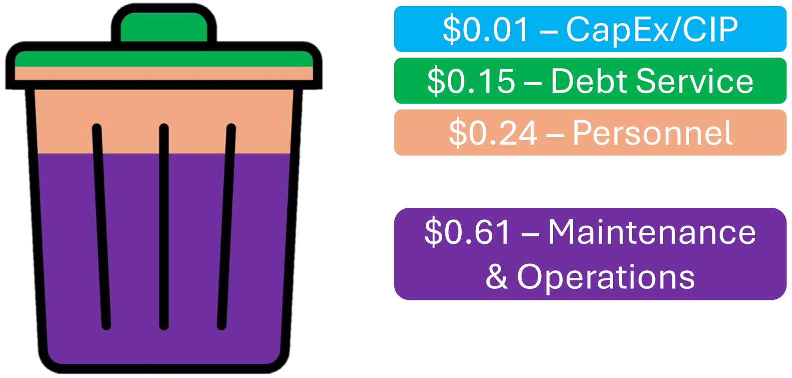
## FY27 vs FY26: Revenues → $39.4M (↑ $3.4M) || Expenses → $39.4M (↓ $1.1M)

***76% of every solid waste dollar is spent directly on system improvements***

FY 2026 BUDGET VS. FY 2027 BUDGET ($M)




**What Does $1.00 of My Solid Waste Bill Pay For?**




FY 2027 BUDGET || FORECAST FY 2028 – FY 2032 ($M)

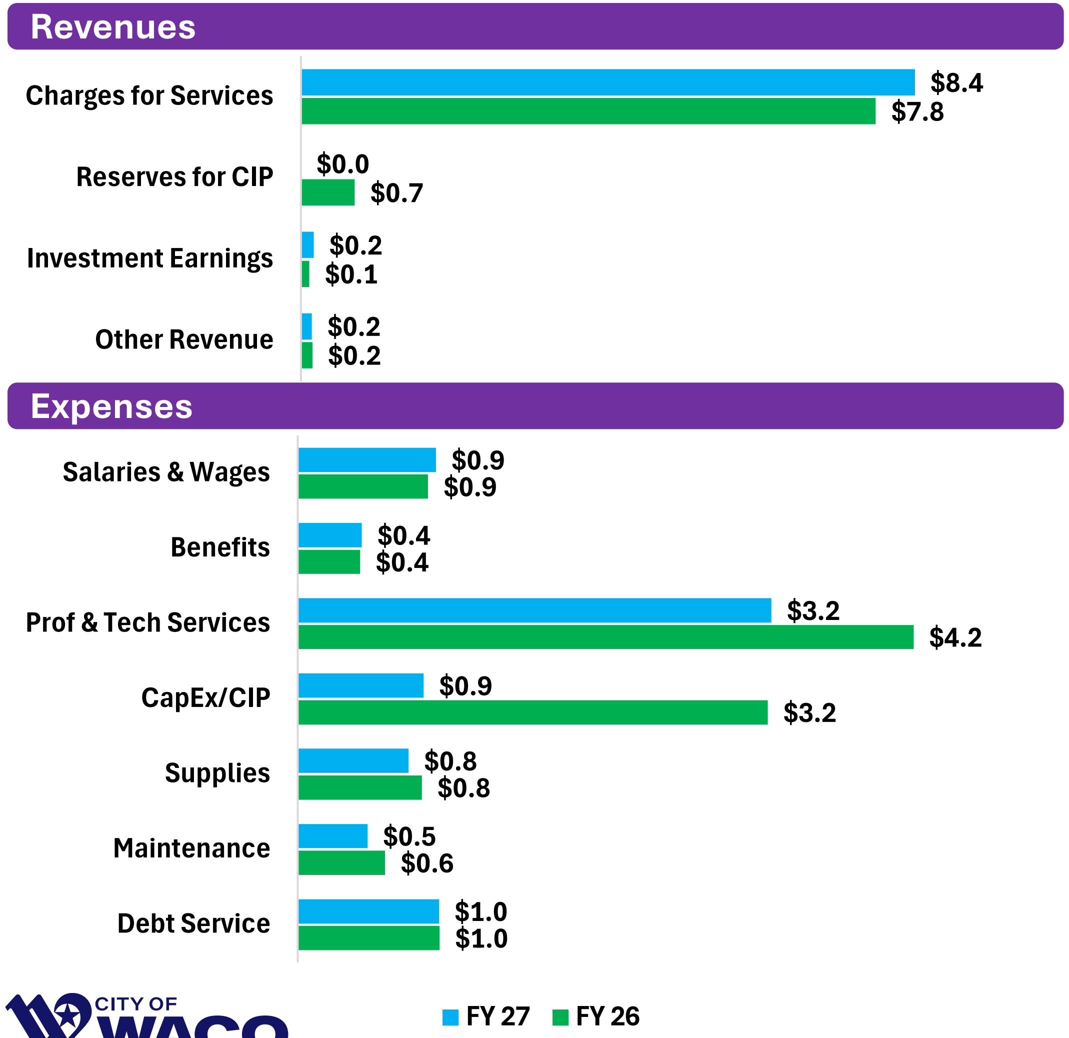
| | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | CAGR |
|---|---|---|---|---|---|---|---|
| Other Revenues | $ 1.0 | $ 2.5 | $ 2.5 | $ 2.4 | $ 2.4 | $ 2.4 | -0.9% |
| Solid Waste Fee | 37.4 | 38.5 | 39.9 | 41.4 | 43.0 | 44.2 | 2.8% |
| Transfer from Surplus | 1.0 | - | 0.3 | - | - | - | 0.0% |
| **Total Revenue** | $ 39.4 | $ 41.0 | $ 42.7 | $ 43.8 | $ 45.3 | $ 46.6 | 2.6% |
| | | | | | | | |
| General Administrative | $ 9.4 | $ 9.7 | $ 9.9 | $ 10.2 | $ 10.5 | $ 10.7 | 2.2% |
| Maintenance & Operations | 24.2 | 24.8 | 25.4 | 26.1 | 26.8 | 27.4 | 2.0% |
| Debt Service | 5.8 | 6.4 | 7.3 | 6.6 | 7.6 | 8.0 | 4.3% |
| **Total Expenditures** | $ 39.4 | $ 40.9 | $ 42.7 | $ 42.9 | $ 44.8 | $ 46.1 | 2.4% |

# Drainage

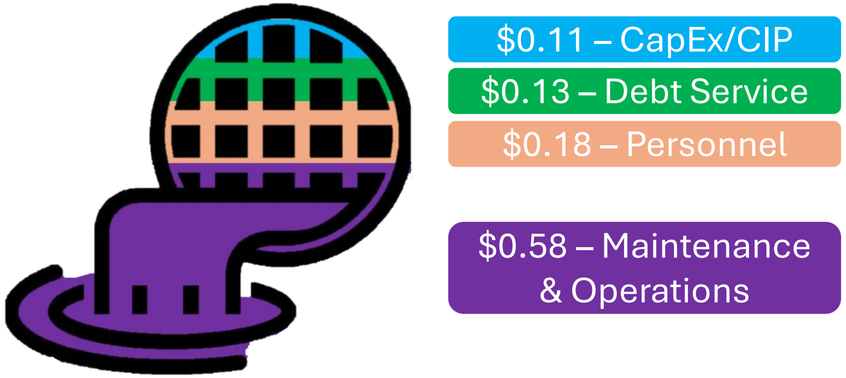
## FY27 vs FY26: Revenues → $8.7M (↓ $0.1M) || Expenses → $7.6M (↓ $3.4M)

***Reduction in expenses related to one-time capital projects in FY26***

### FY 2026 BUDGET VS. FY 2027 BUDGET ($M)




### What Does $1.00 of My Drainage Bill Pay For?




### FY 2027 BUDGET || FORECAST FY 2028 – FY 2032 ($M)

| | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | CAGR |
|---|---|---|---|---|---|---|---|
| Other Revenues | $ 0.3 | $ 0.1 | $ 0.1 | $ 0.1 | $ 0.1 | $ 0.1 | 2.7% |
| Drainage Fee | 8.4 | 8.9 | 9.5 | 10.0 | 10.2 | 10.7 | 3.6% |
| Transfer from Surplus | - | - | - | - | - | - | 0.0% |
| Total Revenue | $ 8.7 | $ 9.0 | $ 9.6 | $ 10.1 | $ 10.3 | $ 10.8 | 3.6% |
| | | | | | | | |
| General Administrative | $ 1.2 | $ 1.2 | $ 1.3 | $ 1.3 | $ 1.4 | $ 1.4 | 2.5% |
| Maintenance & Operations | 4.5 | 5.3 | 5.6 | 5.8 | 6.1 | 6.4 | 3.7% |
| Capital Outlay | 0.9 | 1.4 | 1.7 | 2.0 | 1.9 | 1.9 | 6.5% |
| Debt Service | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 0.0% |
| Total Expenditures | $ 7.6 | $ 9.0 | $ 9.6 | $ 10.1 | $ 10.3 | $ 10.8 | 3.6% |

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# Proposed Utility Rate Changes

## WATER RATE PLAN

| Residential Water Minimum Charge | 2026 | 2027 | Annual Increase | 2028 | Annual Increase | 2029 | Annual Increase | 2030 | Annual Increase |
|---|---|---|---|---|---|---|---|---|---|
| 3/4" or less | $16.50 | $16.50 | $ - | $16.50 | $ - | $16.94 | $ 0.44 | $17.11 | $ 0.17 |
| 1" | 27.50 | 27.50 | - | 27.50 | - | 28.23 | 0.73 | 28.51 | 0.28 |
| 1.5" | 55.00 | 55.00 | - | 55.00 | - | 56.46 | 1.46 | 57.02 | 0.56 |
| 2" | 88.00 | 88.00 | - | 88.00 | - | 90.33 | 2.33 | 91.24 | 0.91 |
| 3" | 165.00 | 165.00 | - | 165.00 | - | 169.37 | 4.37 | 171.07 | 1.70 |
| **Volumetric Rate (per 1,000 gallons)** | | | | | | | | | |
| 0-3,000 | $ 3.47 | $ 3.65 | $ 0.18 | $ 3.72 | $ 0.07 | $ 3.85 | $ 0.13 | $3.93 | $ 0.08 |
| 3,001-8,000 | 4.36 | 4.76 | 0.40 | 4.81 | 0.05 | 4.98 | 0.17 | 5.08 | 0.10 |
| 8,001-15,000 | 6.95 | 7.30 | 0.35 | 7.43 | 0.13 | 7.71 | 0.28 | 7.86 | 0.15 |
| 15,001 - 25,000 | 9.03 | 9.50 | 0.47 | 9.66 | 0.16 | 10.02 | 0.36 | 10.22 | 0.20 |
| 25,000 + | 12.16 | 12.78 | 0.62 | 13.00 | 0.22 | 13.49 | 0.49 | 13.76 | 0.27 |

## WASTEWATER RATE PLAN

| Residential Sewer Minimum Charge | 2026 | 2027 | Annual Increase | 2028 | Annual Increase | 2029 | Annual Increase | 2030 | Annual Increase |
|---|---|---|---|---|---|---|---|---|---|
| Minimum Charge | $26.98 | $27.04 | $ 0.06 | $28.24 | $ 1.20 | $30.44 | $ 2.20 | $31.84 | $ 1.40 |
| **Volumetric Rate (per 1,000 gallons)** | | | | | | | | | |
| All Volumes | 6.97 | 7.49 | 0.52 | 7.81 | 0.32 | 7.92 | 0.11 | 8.19 | 0.27 |

## SOLID WASTE RATE PLAN

| Residential Solid Waste Collection | 2026 | 2027 | Annual Increase | 2028 | Annual Increase | 2029 | Annual Increase | 2030 | Annual Increase |
|---|---|---|---|---|---|---|---|---|---|
| Monthly Rate | $ 21.93 | $ 22.34 | 0.41 | $ 23.09 | $ 0.75 | $23.84 | $0.75 | $24.59 | 0.03 |
| Additional Cart Fee | 10.97 | 11.18 | 0.21 | 11.43 | 0.25 | $11.68 | 0.25 | $11.93 | 0.02 |

## DRAINAGE RATE PLAN

| Residential Drainage Fee | 2026 | 2027 | Annual Increase | 2028 | Annual Increase | 2029 | Annual Increase | 2030 | Annual Increase |
|---|---|---|---|---|---|---|---|---|---|
| Monthly Rate | $ 5.55 | $ 5.75 | $ 0.20 | $ 6.00 | $ 0.25 | $6.25 | $0.25 | $6.50 | $0.25 |

## STREET MAINTENANCE FEE

| Residential Street Maintenance Fee | 2026 | 2027 | Annual Increase | 2028 | Annual Increase | 2029 | Annual Increase | 2030 | Annual Increase |
|---|---|---|---|---|---|---|---|---|---|
| Monthly Rate | $ 4.00 | $ 5.00 | $ 1.00 | $ 5.50 | $ 0.50 | $6.00 | $0.50 | $6.50 | $0.50 |

# Household Impact

## With all these changes, what is the impact on the average household?

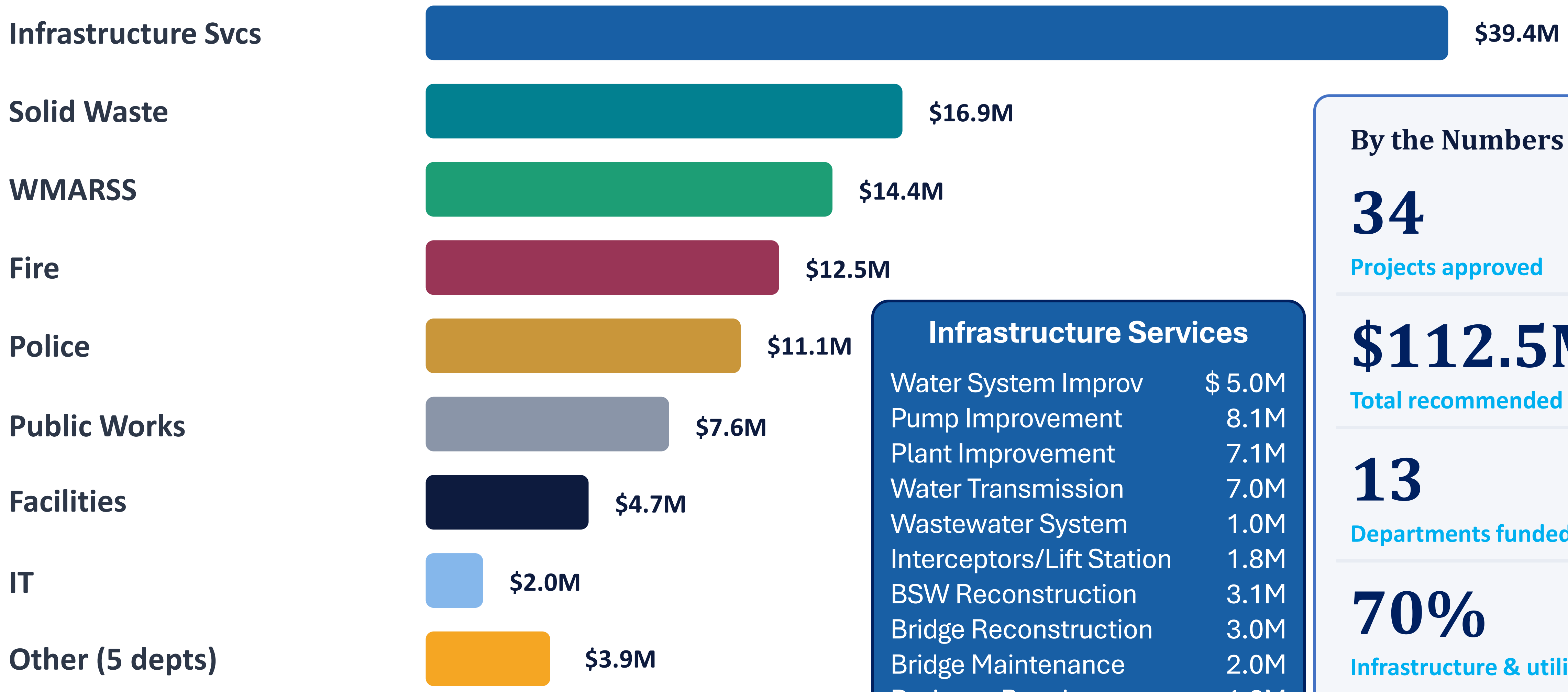
| | FY 2026 | Change | FY 2027 |
|---|---|---|---|
| Water | $584.52 | +$30.48 | $615.00 |
| Wastewater | $741.96 | +$31.92 | $773.88 |
| Solid Waste | $263.16 | +$4.92 | $268.08 |
| Drainage | $66.60 | +$2.40 | $69.00 |
| Street Maintenance | $48.00 | +$12.00 | $60.00 |
| Property Tax Bill | $1,508.27 | −$73.75 | $1,434.52 |
| **Total Annual Bill** | **$3,212.51** | **+ $7.97** | **$3,220.48** |

**Net change: + $7.97/year → $0.02/day**

# FY 2027
# Capital Improvement Program

# Recommended Capital Allocations

## FY 2027 Approved Investments by Department




### Infrastructure Services

| | |
|---|---|
| Water System Improv | $ 5.0M |
| Pump Improvement | 8.1M |
| Plant Improvement | 7.1M |
| Water Transmission | 7.0M |
| Wastewater System | 1.0M |
| Interceptors/Lift Station | 1.8M |
| BSW Reconstruction | 3.1M |
| Bridge Reconstruction | 3.0M |
| Bridge Maintenance | 2.0M |
| Drainage Repairs | 1.3M |

### By the Numbers

**34**
Projects approved

**$112.5M**
Total recommended

**13**
Departments funded

**70%**
Infrastructure & utilities

CITY OF WACO

# Where the Money Comes From

## FY 2027 Recommended Funding: $112.5M by Source

**Self-Supporting Debt**
$30.5M (27.1%)

**Other Funds (Special Revenue Funds)**
$29.5M (26.2%)

**Reserves over Policy (Water)**
$18.6M (16.6%)

**CO Debt**
$15.4M (13.7%)

**Existing Cash**
$11.3M (10.0%)

**New Cash**
$4.7M (4.1%)

**Tax Note**
$2.5M (2.3%)

*FY 2027 Capital Investments*

**57% Cash-Funded**

**$64.0M Cash versus $48.5M Debt**

# Deliberate Pause on New Street Debt

## Streets Strategy: Finish What We've Started

CURRENT STREETS PORTFOLIO

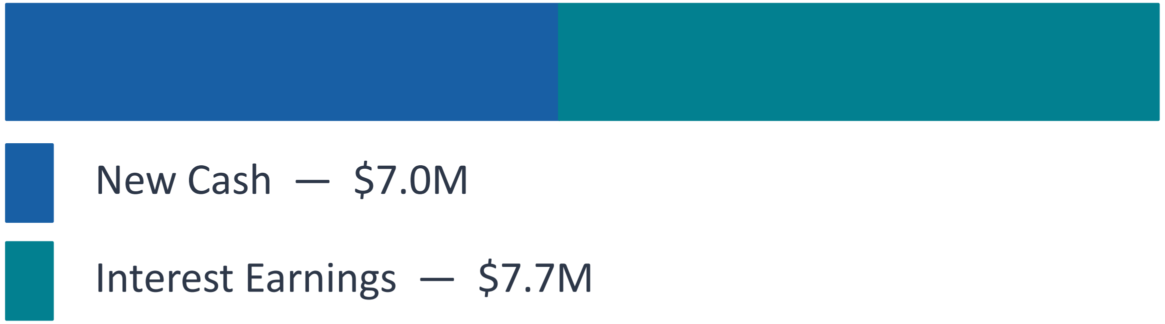
**90** — open project codes (Public Works & Infrastructure Services)

**$99.9M** — currently funded across those 90 open projects

**+$14.7M** — added in FY27 with no new debt issued

**$114.6M** — *total available for streets in FY27*

### Where the Additional $14.7M Comes From




### ✓ Zero new debt issuance for streets in FY27

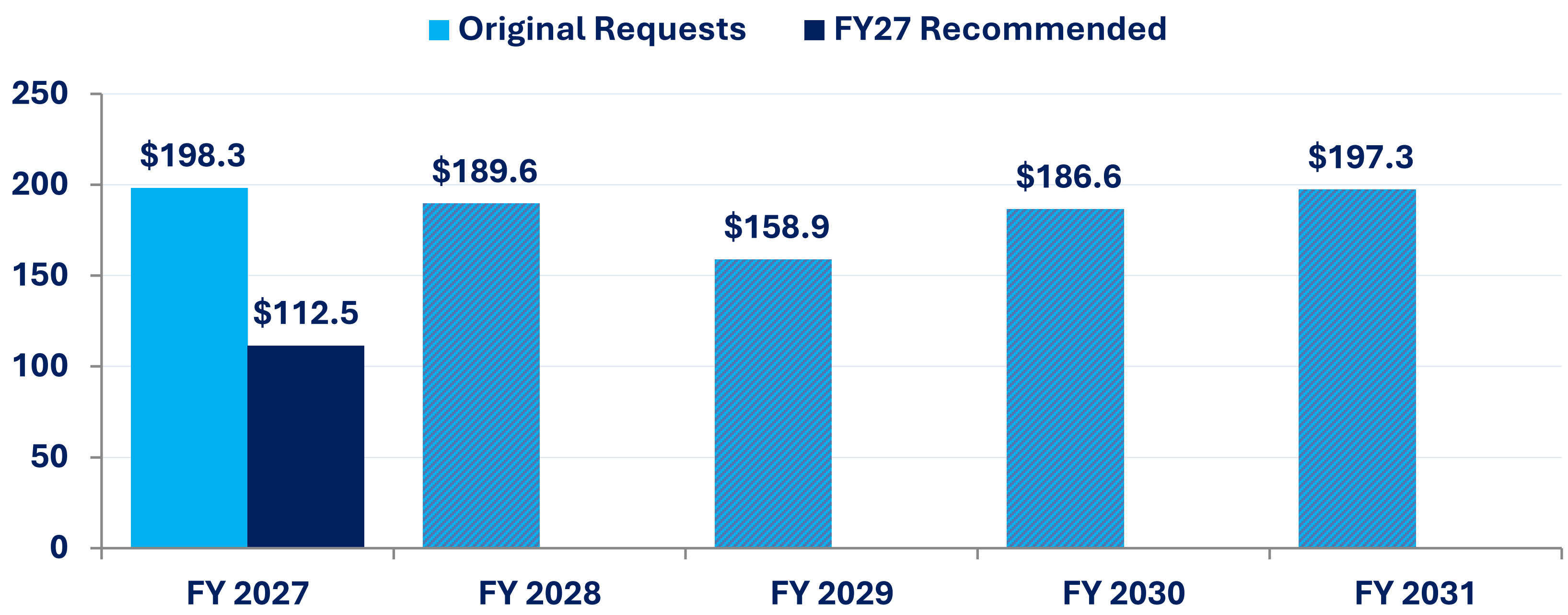
The City is intentionally pausing new street debt to focus existing and incremental funding on completing the 90 projects already underway.

### Looking Ahead

If FY27 progress gets us caught up on this backlog, staff will bring a CIP budget amendment back to Council to consider additional street funding.

# Looking Ahead

## Multi-Year Planning: Original Requests FY 2028–FY 2031




| | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 |
|---|---|---|---|---|---|
| New Debt | $48.5M | $47.2M | $61.2M | $62.8M | $61.6M |
| Debt Roll-off | $49.4M | $52.1M | $53.9M | $55.1M | $55.9M |

**$730M in requests over the next 4 years**
Departments have identified $730M in needs FY28 to FY31. This sets the context for ongoing fiscal planning.

**FY27 reduces total dollars allocated by 44%**
The CMO recommendation cuts FY27 to $112M, setting a precedent for disciplined review in each future year.

**Future years will require the same rigor**
FY28 to FY30 requests will undergo the same closure/reallocation process to minimize new debt.

# FY 2027 Budget: The Four Things to Remember

### $733.3M total budget, down 3.9%

General Fund down 1.2% to $213.3M despite significant input cost inflation citywide

### 75.5-cent tax rate, flat for the 5th year

Lowest rate in 20 years; well below the $0.853198 voter-approval ceiling

### Discipline funds investment

Capital requests cut 44% to $112.5M with zero new street debt; proposed new debt is less than existing debt roll-off

### +$7.97/year for the typical home

About $0.02/day with utility rate increases nearly offset by a lower property tax bill

# Thank You

Please contact Blu Kostelich (bluk@wacotx.gov) or Collin Boothe (cboothe@wacotx.gov) for any questions.