## SEGUIN

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# 5 YEAR GAPITAL <br> IMPROVEMENT PLAN AND <br> FINANCIAL FORECAST 

FOR FISCAL YEAR 2024-2028

- Combines financial forecasting with financial strategizing to


## What is a

 Long-Term Financial Plan? identify future challenges and opportunities- Considers future scenarios and the financial consequences of those scenarios
- Helps develop appropriate policies and strategies
- It is a dynamic document-always changing
- Rating agencies have indicated that such a plan is a positive indicator for cities with the higher credit ratings
- Helps demonstrate the City's dedication to sound financial management
- Helps governments to plan for a consistent level of essential services


## Undertake

Long-Term Financial Planning?

- Stimulates long-term thinking
- City Council can see how decisions made today might affect the future years
- City Departments can take a look at their long-term service planning
- Citizens can see how tax increases or cuts, debt issuance or other revenues or expenditures might affect the long-term outlook
- In January 2018 during a bond rating review, Standard \& Poor upgraded the City's rating, citing the implementation of a long-term financial plan as one of the factors
- Long-term revenues and expenditure projections for both General and Utility Funds
- Analysis of service-level, staffing, debt position and capital needs
- Maintain City's financial viability
> Minimum three-months average operating expenditures in fund balance/retained earnings.


## Key Goals

- Maintain levels of service on current facilities as well as new facilities
- Manage costs in order to maximize revenues and minimize tax rate or usage fees
- Keep focus on priorities

Key Goals (continued)

- Provide market based/competitive salaries and benefits and maintain high employee retention rates
- Continue economic development marketing efforts
- Maintain \& improve streets, sidewalks, drainage \& curbs
- Maintain annual capital lease purchase program of police vehicles and administrative vehicles
- Complete the MPO project for Rudeloff Road, Phase I by second quarter 2026
- Complete the North Milam Street project by fourth quarter 2025
- Begin GLO drainage project in 2024 to be completed by end of 2027

Year Plan -
General Fund
Highlights
of Five-

## (continued)

- Begin Cordova Road and Rudeloff Road Phase II projects by end of 2025
- Continue to provide sufficient funding annually towards technology advancements
- Continue to implement recommendations of the Master Plan and Downtown Master Plan
- Continue to adjust for growth in homes and retail
- Continue to work with consultants for the development of the old Wells Fargo building
- Ad Valorem Tax Base Growth 7.5\% per year
- No ad valorem tax rate increase from current rate of $\$ .5125$
- Based upon the latest unfrozen values and a 98\% collection rate, $\$ .01$ increase of property tax rate generates
- FY25-\$396,245
- FY26-\$425,963
- FY27-\$457,910
- FY28-\$492,254
- Building Permits are based upon 2.5\% increase per year
- Sales Tax Growth is based upon 7\% increase per year
- EMS based upon a $1 \%$ increase per year

General Fund Assumptions (continued)

- Sanitation revenues are based upon $2 \%$ increase per year
- Salaries and benefits include a $5 \%$ increase per year before new positions and upgrades are included, with the exception of health insurance which includes a 7.5\% increase
- Indigent Health Care contribution is projected to increase 5\% each year


## General Fund Assumptions (continued)

 refunds- All requested positions are included in the forecast
- These positions are not yet approved
- Capital outlay is based upon actual net revenues over expenditures from the previous fiscal year

|  | FY2024 | FY2025 | FY2026 | FY2027 | FY2028 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| REVENUES | $\$ 50,046,600$ | $\$ 54,007,578$ | $\$ 58,244,309$ | $\$ 62,705,523$ | $\$ 67,845,598$ |
| EXPENDITURES | $\$ 49,846,600$ | $\$ 51,804,945$ | $\$ 55,835,099$ | $\$ 60,699,144$ | $\$ 63,954,412$ |
|  | $\$ 200,000$ | $\$ 2,202,632$ | $\$ 2,409,210$ | $\$ 2,006,379$ | $\$ 3,891,186$ |

General Fund - Recap Prior to Capital Outlay Funding

|  | FY2024 | FY2025 | FY2026 | FY2027 | FY2028 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| ANNUAL COST OF NEW POSITIONS | \$0 | \$1,303,412 | \$2,641,785 | \$3,981,280 | \$4,758,379 |
| ANNUAL DEBT |  |  |  |  |  |
| SERVICE PAYMENTS (PROPOSED BONDS) | \$0 | \$0 | \$1,575,500 | \$3,452,425 | \$3,889,450 |
| TOTAL ANNUAL |  |  |  |  |  |
| COST OF NEW |  |  |  |  |  |
| POSITIONS/BOND |  |  |  |  |  |
| PAYMENTS | \$0 | \$1,303,412 | \$4,217,285 | \$7,433,705 | \$8,647,829 |
| TAX INCREASE |  |  |  |  |  |
| NEEDED FROM FY24 |  |  |  |  |  |
| RATE TO FUND ALL |  | \$0.0329 | \$0.0991 | \$0.1624 | \$0.1758 |
| POSITIONS AND |  |  |  |  |  |
| BONDS |  |  |  |  |  |

## General Fund - Recap Effect of Positions and Potential Bond Issues

- Maintain \& improve electric, water and sewer infrastructure
- Plan, design and construct expansion of Geronimo Creek Wastewater Treatment Plant from 2.13 MGD to 15 MGD to include decommissioning/demolition of the Walnut Branch Wastewater Treatment Plant, the design and construction of a new wastewater pump station to convey flow to the Geronimo Creek Wastewater Treatment Plant
- Complete Springs Hill CCN transfer projects by first quarter of 2026
- Complete Mays Creek sewer lift station project by mid-2026
- Extend wastewater collection system to unserved areas to promote and serve new residential and commercial development
- Extend water distribution projects to provide services to new developments throughout the City
- Continue the implementation of the transfer of the Springs Hill CCN
- Complete all projects associated with the issuance of previously issued Utility Revenue Bonds
- Continue to provide sufficient funding annually towards technology advancements
- Continue to meet required covenants related to the Utility System Revenue Bonds
- Continue to implement recommendations of the Master Plan and Downtown Master Plan
- Electric Revenues are based upon revenue estimates provided during Electric Cost of Service Study and reviewed annually
- Water and Sewer Revenues were based upon revenue estimates during Water/Sewer Cost of Service Study and updated annually
- Utility rates include any future debt service issues
- Electric/Water/Sewer Connection Fees are based upon 2\% to 2.5\% growth per year
- Wholesale Power Costs is based upon estimates provided during the Electric Cost of Service Study and updated annually
- Water Purchased is based upon estimates provided during the Water/Sewer Cost of Service Study and updated annually
- Salaries and benefits include a 5\% increase per year before new positions and upgrades are included, with the exception of health insurance which includes a 7.5\% increase
- Water Rights is based upon an annual 5\% increase from GBRA
- All requested positions are included in the forecast
- A portion of capital outlay funding is based upon actual net revenues over expenditures from the previous fiscal year in addition to any surplus in budget
- Proposed bonds include some capitalized interest
- New impact fees were implemented in FY2024. Those new fees are not considered in this forecast

|  | FY2024 | FY2025 | FY2026 | FY2027 | FY2028 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Revenues | $\$ 66,059,874$ | $\$ 70,127,637$ | $\$ 73,713,214$ | $\$ 77,721,336$ | $\$ 81,136,083$ |
| Expenditures | $\$ 64,311,028$ | $\$ 69,522,876$ | $\underline{\$ 76,611,589}$ | $\underline{\$ 81,767,638}$ | $\underline{\$ 84,417,344}$ |
|  | $\$ 1,748,848$ | $\$ 604,761$ | $\underline{(\$ 2,898,375)}$ | $\underline{(\$ 4,046,302)}$ | $\underline{(\$ 3,281,261)}$ |
|  |  |  |  |  |  |

Utility Fund - Recap Prior to Capital Outlay Funding


## Utility Fund - Recap Effect of Positions and Potential Bond Issues

