



# Josephine's FY2026 Budget Book

Adopted 8/11/2025



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# City of Josephine

## Fiscal Year 2025–2026

### Budget Cover Page

This budget will raise more revenue from property taxes than last year's budget by an amount of \$164,985, which is a 12.77 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$118,252.

The members of the governing body voted on the budget as follows:

**FOR:** Doug Ewing, Brad Ahlfinger, Alex Esquivel, Gary Chappell

**AGAINST:** Pam Sardo

**PRESENT** and not  
voting:

**ABSENT:** Jason Turney

#### Property Tax Rate Comparison

|                                                   | 2025–2026      | 2024–2025      |
|---------------------------------------------------|----------------|----------------|
| Property Tax Rate:                                | \$0.468097/100 | \$0.468097/100 |
| No-New-Revenue Tax Rate:                          | \$0.450547/100 | \$0.433067/100 |
| No-New-Revenue Maintenance & Operations Tax Rate: | \$0.344180/100 | \$0.331629/100 |
| Voter-Approval Tax Rate:                          | \$0.467702/100 | \$0.454710/100 |
| Debt Rate:                                        | \$0.111476/100 | \$0.111474/100 |

Total debt obligation for City of Josephine secured by property taxes: \$362,719|





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Josephine  
Texas**

For the Fiscal Year Beginning

**October 01, 2024**

*Christopher P. Morrill*

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Josephine, Texas for its annual budget for the Fiscal Year beginning October 1, 2024. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award. This is the first year the City has received this award.

# Reader's Guide

## 1. Purpose of the Reader's Guide

This guide is designed to help readers understand and navigate the Municipal Budget Book. Whether you are a resident, elected official, business owner, or city staff member, this section will explain the purpose, structure, and key components of the budget in plain language.

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## 2. What Is the Municipal Budget?

A municipal budget is a financial plan that outlines how the city/town will collect and spend funds over the upcoming fiscal year. It reflects community priorities and ensures resources are allocated to essential services, programs, and infrastructure.

The budget typically includes:

- Revenue projections (e.g., taxes, fees, grants)
  - Operating expenses (e.g., salaries, supplies)
  - Capital expenditures (e.g., buildings, roads, equipment)
  - Long-term financial planning
- 

## 3. How to Use This Budget Book

This budget document is organized to provide both high-level overviews and detailed information. Here's how to navigate it:

- **Executive Summary:** Overview of the entire budget, including key priorities, challenges, and goals.
- **Budget Overview:** Summary of revenues, expenditures, and fund balances.
- **Departmental Budgets:** Details for each city department, including goals, accomplishments, and financial data.
- **Capital Improvement Plan (CIP):** Planned infrastructure and facility investments over a multi-year period.
- **Appendices:** Glossary, acronyms, and financial policies.

**Tip:** Use the Table of Contents to jump to the section that interests you.

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## 4. Understanding Key Terms

- **Fund:** A self-balancing set of accounts to track specific activities or funding sources (e.g., General Fund, Water Fund).
  - **Operating Budget:** Covers day-to-day services such as police, fire, parks, and administration.
  - **Capital Budget:** Funds large-scale infrastructure or equipment projects.
  - **Revenue:** Money the city expects to receive (e.g., taxes, service charges).
  - **Expenditures:** Money the city plans to spend.
  - **Fiscal Year (FY):** The 12-month period used for budgeting. (e.g., FY 2025 = October 1, 2024 – September 30, 2025)
- 

## 5. How the Budget Is Developed

1. **Planning:** Departments assess needs and submit requests.
  2. **Review:** Finance staff and leadership analyze requests.
  3. **Proposal:** City Administrator presents proposed budget.
-

4. **Public Input:** Community meetings and hearings are held.
  5. **Adoption:** City Council approves the final budget.
- 

## 6. Public Involvement

Your voice matters! Residents can:

- Attend budget workshops or hearings
  - Participate in surveys or community forums
  - Review the budget online
  - Contact your council representative
- 

## 7. How to Find What You're Looking For

| Interest Area           | Go To Section                      |
|-------------------------|------------------------------------|
| Overall city priorities | Executive Summary                  |
| Department spending     | Department Budgets                 |
| Major projects planned  | Capital Improvement Plan           |
| Revenue sources         | Revenue Overview or Budget Summary |
| Definitions and terms   | Glossary (Appendix)                |

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## 8. Need More Help?

If you have questions, you can:

- Contact the City Finance Department: Melissa Stillwell, 469-717-0033, [mstillwell@cityofjosephinetx.com](mailto:mstillwell@cityofjosephinetx.com)
- Visit our Budget webpage: <https://cityofjosephinetx.com/departments/finance/>
- Attend a public meeting: Second Monday of every Month



# Budget Transmittal Letter

September 22, 2025

City of Josephine

201 S Main Street

Josephine, TX 75173

Honorable Mayor Turney and Members of the Josephine City Council,

In accordance with Chapter 102 of the Texas Local Government Code, I am pleased to present the proposed budget for the fiscal year beginning October 1, 2025, and ending September 30, 2026. This budget serves as both a financial plan and a policy document, outlining how the City of Josephine will allocate resources to meet community needs while maintaining a strong commitment to fiscal responsibility. As in prior years, the City's foremost goal is to provide high-quality services in the most efficient and cost-effective manner possible. The proposed budget reflects Josephine's continued rapid growth and the challenges that accompany it, while ensuring taxpayers are protected through conservative financial practices.

The coming year is especially significant for public safety, as the completion of the new Public Safety Building is expected in late October, with a community open house planned for December. The City will also welcome its first paid Fire Chief, a milestone in the professionalization of the Fire Department. This new leadership role will help establish priorities for future staffing within available resources. At the same time, police staffing and resources remain a top priority to ensure the safety and security of our growing community. In alignment with recommendations from the Clear Career Professionals study, the City is implementing an increase in the Public Safety Fee to recover the cost of police and fire services provided to Municipal Utility District (MUD) residents. This approach ensures fairness by preventing City taxpayers from subsidizing those services and creating equity, with both MUD and City residents contributing equally. Under the new structure, the annualized cost of public safety operations will be \$928.83 per home. The budget also includes funding for competitive wages and strategic staffing increases across departments, helping to sustain service levels in light of Josephine's growth.

Beyond public safety, voters in November 2024 approved two significant changes to local economic development. The first eliminated the Josephine Community Development Board and redirected its sales tax revenue to the General Fund, which will eventually allow for property tax relief as additional retail and commercial activity takes hold. The second created the Josephine Municipal Development District (MDD), which will collect sales tax both inside the city limits and within the ETJ. While revenues are modest today, they will grow as development expands. The City Council will soon appoint an MDD Board, which may include both City and ETJ residents, creating new opportunities for economic development, reinvestment, and community projects.

In the area of infrastructure, municipal bonds have been issued to complete the North Wastewater Treatment Plant, rehabilitate the Milton Street Sanitary Sewer Line, and add water ground storage. These investments will ensure continued capacity for growth, and importantly, they do not require an increase in property taxes. The debt will be repaid through utility revenues generated by new customers as they are added to the system.

The proposed budget will raise \$164,985 more in property tax revenue than last year's budget, representing a 12.77 percent increase, of which \$118,252 comes from new property added to the tax roll. Total estimated revenues for FY 2025–2026 are \$15,375,860, with the property tax rate remaining unchanged for the third consecutive year. This is a lean and focused budget that emphasizes quality over quantity, ensuring essential needs are met while preserving flexibility for the future. Revenue projections remain conservative, with the most significant new factor being the adjustment to the Public Safety Fee for MUDs.

The preparation of this budget was a team effort. Department directors contributed valuable expertise in balancing community priorities with fiscal realities, and special recognition is due to Finance Director Melissa Stillwell for her



dedication to financial analysis, reporting, and presentation materials, which ensure transparency and accountability in every stage of the budget process. The City Council's support and guidance continue to be instrumental as Josephine moves along its journey from small town to a dynamic, growing community.

Josephine continues to balance rapid development with the preservation of its small-town character. This budget provides the resources to maintain excellent services, strengthen public safety, and invest in a sustainable future. It is my honor to serve as your City Administrator and to work alongside the Council, City staff, and residents as we build Josephine's future together.

Respectfully submitted,

**Lisa Palomba**

City Administrator

# Basis of Budgeting

## Basis of Budgeting Accrual for Each Category of Funds

**Governmental Funds:** For governmental funds, the City of Josephine employs a modified accrual basis of budgeting. This basis is consistent with the modified accrual basis of accounting used in the audited fund financial statements in the basic financial statements. Under this approach:

- **Revenue Recognition:** Budgeted revenues are recognized when measurable and available. This typically includes property taxes when levied, intergovernmental grants when authorized, and charges for services when rendered.
- **Expenditure Recognition:** Budgeted expenditures are recognized when the related liability is incurred, except for long-term debt principal and interest payments.

**Proprietary Funds:** Proprietary funds, such as the City's water and sewer enterprise funds, utilize a full accrual basis of budgeting. This is consistent with the full accrual basis of accounting used in the audited fund financial statements. Key aspects include:

- **Revenue Recognition:** Budgeted revenues are recognized when earned, which aligns with the recognition criteria for fees charged for services provided.
- **Expense Recognition:** Budgeted expenses are recognized when incurred, including depreciation on capital assets and interest on long-term debt.

**Fiduciary Funds:** Fiduciary funds, which include pension trust and agency funds, follow a cash basis of budgeting. This differs from the accrual basis of accounting used in the audited fund financial statements:

- **Budgeting Basis:** Budgeted transactions are recorded when cash is received or disbursed, ensuring alignment with fiduciary responsibilities and legal requirements.
- **Accounting Basis:** In contrast, the audited financial statements for fiduciary funds adhere to the accrual basis, recognizing revenues when earned and expenses when incurred.

## Summary of Differences:

- **Governmental Funds:** Budgeting basis (modified accrual) is largely consistent with accounting basis (modified accrual).
- **Proprietary Funds:** Budgeting basis (full accrual) is identical to accounting basis (full accrual).
- **Fiduciary Funds:** Budgeting basis (cash) differs from accounting basis (accrual).

**Conclusion:** The City of Josephine maintains clear distinctions between the basis of budgeting accrual used for governmental, proprietary, and fiduciary funds. These practices ensure transparency, accountability, and compliance with generally accepted accounting principles (GAAP) and governmental accounting standards.



# Budget Timeline

## Process for Preparing, Reviewing, Adopting, and Amending the Municipal Budget

**Internal Process to Prepare the Budget:** The preparation of the municipal budget for the coming fiscal year begins well in advance to ensure a thorough and deliberative process. Typically, the process kicks off in February with department heads and budget staff receiving budget preparation guidelines. Each department submits their budget requests by the end of May, which are reviewed by the Finance Department.

From February to June, budget workshops and meetings are held to discuss revenue projections, expenditure priorities, and capital improvement plans. These sessions involve collaboration among department heads, the Finance Department, and the City Administrator's office to align budget requests with strategic goals and available resources.

By the July Council Meeting, a preliminary budget draft is presented to the City Council for initial review and feedback. This draft incorporates input from departmental workshops, revenue forecasts, and community needs assessments.

**Opportunities for Public Input:** Public input is integral to the budget process and is solicited through various channels. Public hearings are scheduled in July and August to gather community feedback on budget priorities, proposed tax rates, and service levels. Notices are published in local newspapers, posted on the city website, and shared via social media to ensure broad participation.

In addition to public hearings, residents and stakeholders can submit comments and suggestions via online forums, email, or in-person meetings with city officials. These inputs are considered during budget deliberations to ensure that community perspectives are reflected in the final budget document.

**Adoption of the Budget:** The final budget is typically adopted by the City Council no later than September 9th, following a series of deliberations and revisions based on public feedback and financial considerations. The adoption process involves formal approval by the City Council through a single resolution vote.

Prior to adoption, the City Council conducts a final review of the budget in August, during which any last-minute adjustments or amendments are proposed and discussed. This ensures that the budget aligns with current economic conditions and community priorities.

**Procedures for Amending the Budget After Adoption:** Once adopted, the municipal budget may be amended as necessary to address unforeseen circumstances or new priorities. Amendments require approval by the City Council, typically at a regular meeting.

Amendments are proposed by the City Administrator or department heads in response to changing needs or unexpected events. They undergo thorough review by the Finance Department to assess fiscal impact and ensure compliance with budgetary constraints.

### Key Dates:

- February: Budget preparation guidelines distributed to departments.
- May: Departmental budget requests due.
- May to June: Budget workshops and meetings held.
- July: Preliminary budget draft presented to City Council.
- July and August: Public hearings on the budget.
- August or September: Final budget adoption by City Council.
- Throughout the year: Amendments to the budget are reviewed and approved as needed.

**Conclusion:** The budget process in the City of Josephine is designed to be transparent, inclusive, and responsive to community needs. By engaging stakeholders, soliciting public input, and adhering to legal requirements, we ensure that the budget reflects our commitment to fiscal responsibility and the delivery of essential services to our residents.

Sincerely,

Melissa Stillwell

Finance Director

City of Josephine

469-717-0055

[mstillwell@cityofjosephinetx.com](mailto:mstillwell@cityofjosephinetx.com)

# Tax Rate Planning Calendar

# CITY OF JOSEPHINE

## 2025 PLANNING CALENDAR



|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>May</u>                  | Mailing of "Notices of Appraised Value" by Chief Appraiser.                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <u>April 30</u>             | The Chief Appraiser prepares and certifies to the Tax Assessor an estimate of the taxable value.                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <u>May 15</u>               | Deadline for submitting Appraisal Records to ARB.                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <u>July 20</u>              | Deadline for ARB to approve Appraisal Records.                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <u>July 25</u>              | Deadline for Chief Appraiser to certify Appraisal Rolls to each Taxing Unit.                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <u>August</u>               | Certification of anticipated collection rate by Tax Assessor Collector.                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <u>July 25 - Aug.</u>       | Calculation of No-New-Revenue Tax Rate and Voter-Approval Tax Rates.                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <u>July 25 - Aug.</u>       | Submission of No-New-Revenue and Voter-Approval Tax Rates to governing body from Tax Office.                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <u>August 7</u>             | Central Appraisal District's deadline to post Transparency Website Notice.                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <u>August 18</u>            | Deadline to call an election.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <u>August 25</u>            | Deadline to adopt a tax rate above the Voter-Approval Tax Rate.                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <u>August 4</u>             | 72 Hour Notice for Meeting (Open Meetings Notice).                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <u>August 7</u>             | <p><b>Meeting of Governing Body to Discuss Tax Rates.</b></p> <p>If proposed tax rate will exceed the No-New Revenue or Voter-Approval Tax Rate (whichever is lower), take record vote and schedule Public Hearing on the Tax Rate.</p> <p>Document record vote for "Notice of Public Hearing" (See <b>"Governing Body Vote" Tab</b>).</p>                                                                                                                                                                               |
| <u>August 14</u>            | <p><b>Publish the "Notice of Public Hearing"</b></p> <ul style="list-style-type: none"> <li>- Notice must be published in newspaper at least <b>five (5) days</b> before Public Hearing.</li> <li>- Notice must be posted on the Transparency Website, <b><a href="http://www.CollinTaxes.org">www.CollinTaxes.org</a></b>, at least five (5) days before Public Hearing.</li> <li>- Notice must be posted prominently on the homepage of the entity's website at least seven (7) days before Public Hearing.</li> </ul> |
| <u>August 13</u>            | <p><b>Post "Notice of Tax Rates"</b> prominently on the homepage of entity's website seven (7) days before Public Hearing.</p> <p>72 Hour Notice for Meeting (Open Meetings Notice).</p>                                                                                                                                                                                                                                                                                                                                 |
| <u>August 15</u>            | <b>Public Hearing</b> At least five (5) days after publication of "Notice of Public Hearing."                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <u>August 20</u>            | <p>Tax rate can be adopted at this meeting. If not adopted at this meeting, announce the date and time of the meeting to vote to be held within <b>seven (7) days of Public Hearing</b>.</p> <p>72 Hour Notice for Public Hearing (Open Meetings Notice).</p>                                                                                                                                                                                                                                                            |
| <u>August 22</u>            | <b>Meeting to Vote on Tax Rate</b> if tax rate was not adopted at the previous Public Hearing.                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <u>August 25</u>            | Meeting to vote can be no later than <b>seven (7) days</b> after Public Hearing on tax rate.                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <u>Noon on September 17</u> | If tax rate is not adopted at the Public Hearing, it must be adopted at this meeting.                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                             | <b>Deadline to submit the signed Tax Rate Ordinance to the Collin County Tax Office.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                 |

# Budget and Tax Planning Calendar

|  |                         |     | Budget Planning Calendar for FY 25/26                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------|-------------------------|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Deadline Date                                                                     | Responsibility          | All | Action                                                                                                                                                                                                                                                     |
| Mar 18 Apr 1                                                                      | City Management         |     | Budget Prep/Kickoff Meeting ahead of Strategic Planning Workshop                                                                                                                                                                                           |
| Apr 28 April 30                                                                   | Finance Council Meeting |     | Open Preliminary Draft Budget in ClearGov                                                                                                                                                                                                                  |
|                                                                                   | CAD Directors           |     | Special Meeting: Strategic Planning Workshop                                                                                                                                                                                                               |
| April 30                                                                          | CAD Directors           |     | Capital Budget & 5-YR CIP Planning Meeting                                                                                                                                                                                                                 |
| May 7                                                                             | Directors Finance/HR    |     | Last day for Chief Appraiser to certify estimate of taxable values to counties, municipalities and school districts                                                                                                                                        |
| May 7                                                                             | Directors/Finance       |     | Personnel Requests & Capital Budget Requests due in ClearGov                                                                                                                                                                                               |
| May 8-May 29                                                                      |                         |     | Last Day to enter Preliminary Draft Budgets in ClearGov                                                                                                                                                                                                    |
| May 19                                                                            |                         |     | Position Budget Work                                                                                                                                                                                                                                       |
|                                                                                   |                         |     | Budget Review Meetings                                                                                                                                                                                                                                     |
|                                                                                   |                         |     | 1-3pm with Finance Director: Utility Billing Review, Municipal Court, City Secretary                                                                                                                                                                       |
|                                                                                   |                         |     | 3-5pm with Finance Director: Police Department Review                                                                                                                                                                                                      |
| May 20                                                                            | Directors/Finance       |     | Budget Review Meetings                                                                                                                                                                                                                                     |
|                                                                                   |                         |     | 1-4pm with Finance Director: Director of Public Works review of Streets, Water & Sewer, Parks and Capital Projects                                                                                                                                         |
| May 21                                                                            | Directors/Finance       |     | Budget Review Meetings                                                                                                                                                                                                                                     |
|                                                                                   |                         |     | 1-3pm with Finance Director: City Administrator & City Secretary for Contract Review, Impact Fees and Capital Projects                                                                                                                                     |
| May 27                                                                            | Finance                 |     | Draft of Capital Improvements Plan to City Administrator                                                                                                                                                                                                   |
| May 30-June 30                                                                    | Directors/Finance       |     | Budget Recap/Reductions/Overall Plan-Balanced Budget Initiative                                                                                                                                                                                            |
| June 30                                                                           | Council Meeting         |     | Special Meeting: Budget Workshop                                                                                                                                                                                                                           |
|                                                                                   | City Secretary          |     | Publish notice of budget hearing (at least 31 days before tax rate adoption) & have draft budgets available to public at City Hall                                                                                                                         |
| July 18                                                                           |                         |     | Post FY 2026 Proposed Budget and Capital Improvements Program on the City's website until hearing on Aug 18th is concluded                                                                                                                                 |
| July 18                                                                           |                         |     | Deadline to File Proposed Budget with the City Secretary                                                                                                                                                                                                   |
| July 19                                                                           |                         |     | Deadline for Chief Appraiser to certify rolls to taxing units                                                                                                                                                                                              |
| July 25                                                                           | CAD City                |     | Deadline for the City Secretary to publish a NOTICE of PUBLIC HEARING on PROPOSED BUDGET                                                                                                                                                                   |
| Aug 4                                                                             | Secretary               |     | Deadline for designated officer to provide tax rate calculations                                                                                                                                                                                           |
| Aug 7                                                                             | CAD                     |     | Submit Tax Rates to Council and Presentation of Proposed FY 2026 Budgets to City Council                                                                                                                                                                   |
| Aug 4                                                                             | Finance                 |     | Meeting of Governing Body to Discuss Tax Rates                                                                                                                                                                                                             |
| Aug 7                                                                             | Council Meeting         |     | Proposal to Adopt the Maximum Tax Rate the City Council will consider-Record Vote                                                                                                                                                                          |
| Aug 7                                                                             | Council Meeting         |     | If the proposed tax rate will exceed the No-New Revenue or Voter-Approval Tax Rate (whichever is lower), take a record vote and schedule a Public Hearing on the Tax Rate                                                                                  |
|                                                                                   |                         |     | Public Hearing on FY 2026 proposed budget (budget hearing shall be before the date of the tax levy). Budget can be Adopted at this meeting.                                                                                                                |
| Aug 11                                                                            |                         |     | Post notice on the City's website of the no-new-revenue tax rate and voter-approval tax rate worksheet, the estimated amount of unencumbered interest and sinking and general fund balances and a schedule of City's debt obligations. Per Tax Code 26.04c |
| Aug 11                                                                            |                         |     | Call a Public Hearing on the Proposed Property Tax Rate to be held on Aug 18th                                                                                                                                                                             |
| Aug 14                                                                            |                         |     | Direct the City Secretary to publish a NOTICE of 2025 TAX YEAR PROPOSED PROPERTY TAX RATE FOR THE CITY OF JOSEPHINE, TEXAS                                                                                                                                 |
| Aug 14                                                                            |                         |     | Post 72-hour notice for property tax public hearing to be held August 18, 2025                                                                                                                                                                             |
| Aug 15                                                                            |                         |     | Adoption of tax rate                                                                                                                                                                                                                                       |
| Aug 20                                                                            | City Secretary          |     | If the adopted tax rate exceeds the greater of the voter-approval rate or the de minimis rate, City                                                                                                                                                        |
|                                                                                   | Council Meeting         |     | Council must order an automatic election (no later than 78 days before the November uniform election date)                                                                                                                                                 |
|                                                                                   |                         |     | Document record vote for "Notice of Public Hearing"                                                                                                                                                                                                        |
|                                                                                   |                         |     | Ratify the property tax revenue increase                                                                                                                                                                                                                   |
|                                                                                   |                         |     | Adoption of the FY 2026 budget (City, MDD, and Capital Improvements)                                                                                                                                                                                       |
|                                                                                   |                         |     | Deadline to adopt a tax rate above Voter-Approval Tax Rate                                                                                                                                                                                                 |
|                                                                                   |                         |     | Update first page of proposed budget and change to adopted budget                                                                                                                                                                                          |
| Aug 22                                                                            | Council Meeting         |     |                                                                                                                                                                                                                                                            |

|                      |           |                                                                                                    |
|----------------------|-----------|----------------------------------------------------------------------------------------------------|
|                      |           | File adopted budget with City Secretary in electronic format                                       |
|                      |           | Post Notice of Final Rate on the City's website per Tax Code 26.05(b)(2)                           |
|                      |           | Post adopted budget on the City's website                                                          |
|                      |           | Send tax rate adoption ordinance to CAD for collecting the tax                                     |
| Noon on September 17 |           | Deadline to submit signed Tax Rate Ordinance to the Collin County Tax Office                       |
| Sep 30               | Directors | Department Narratives, FY25 Achievements, FY26 Initiatives and Performance Measures due to Finance |

# Financial Policies

1. **Reserve Fund Policy:** Maintaining adequate reserves is a priority to mitigate risks and ensure fiscal resilience. The City maintains a policy to set aside a reserve balance that would cover a minimum six months worth of operating expenditures in unrestricted reserves and contingencies such as economic downturns or unforeseen emergencies.
2. **Debt Management Policy:** The City follows a prudent debt management policy to ensure that borrowing is undertaken only for essential capital projects with long-term benefits. This policy includes guidelines on debt limits, debt service coverage ratios, and strategies to manage and reduce debt over time.

## Revenue Policies:

1. **Revenue Diversification:** The City seeks to diversify revenue sources to reduce reliance on any single funding stream. This includes balanced contributions from property taxes, local sales taxes, user fees, grants, and other sources, while maintaining competitive tax rates to promote economic growth.
2. **Fee Structure Policy:** Fees for city services are periodically reviewed to reflect the cost of service delivery and ensure fairness and equity among residents and businesses. Adjustments are made based on cost studies and benchmarking with neighboring municipalities.

## Expenditure Policies:

1. **Operating and Capital Expenditure Alignment:** The City aligns operating expenditures with strategic priorities outlined in the budget. Capital expenditures are prioritized based on infrastructure needs assessments, asset management plans, and input from department heads.
2. **Maintenance and Replacement Reserve Policy:** To ensure the long-term sustainability of infrastructure assets, the City maintains a policy to allocate funds for routine maintenance and replacement reserves. This proactive approach minimizes deferred maintenance costs and enhances asset longevity.
3. **Performance-Based Budgeting:** Expenditure decisions are guided by performance-based budgeting principles, where departments are accountable for achieving measurable outcomes tied to strategic objectives. Regular performance reviews and outcome evaluations inform resource allocation decisions.

## Balanced Operating Budget Policy:

Josephine will achieve a balanced operating budget, meaning that projected revenues will equal or exceed projected expenditures for each fiscal year. This balanced approach ensures fiscal responsibility and prevents the accumulation of budget deficits.

**Conclusion:** The City of Josephine is committed to sound financial management practices that support sustainable growth, fiscal responsibility, and service delivery excellence. These entity-wide long-term financial policies provide a framework for prudent financial planning, revenue generation, and expenditure management to meet the evolving needs of our community while ensuring transparency and accountability.



# Demographics

## City of Josephine – Economic Overview (2025)

### Population & Growth

- Josephine has experienced rapid population growth in recent years, with estimates showing an increase from about 2,119 in 2020 to over 7,000 by 2023–2025. This reflects strong residential expansion as part of the greater Dallas–Fort Worth area growth trend. [Wikipedia](#)

### Economic Base

- Josephine's economy is small and primarily residential in nature, with many residents employed locally or commuting to nearby cities for work. [Data USA](#)
- The city promotes a **business-friendly environment** aimed at supporting local investment and entrepreneurship. [City of Josephine](#)
- Historically, Josephine's agricultural roots have shifted toward a mix of service and local government employment as the community has grown. [TX Almanac](#)

### Major Industries & Employment

According to the most recent data:

- **Public Administration** is the largest local employment sector. [Data USA](#)
- Josephine's employed population was approximately 2,215 residents in 2023, with employment growing by about 27.7% year-over-year, indicating increasing workforce participation. [Data USA](#)
- Common occupations include health practitioners, law enforcement, and management roles, while professional and administrative positions make up a large share of the workforce. [Point2Homes](#)
- Homeownership is high (over 95%), and median household income is strong relative to statewide averages. [Data USA](#)

### Top Taxpayers & Business Environment

- Specific current data on the top taxpayers is shown below and provided by Collin County. Municipal reports indicated that the **top 10 taxpayers comprised a modest share of taxable value**, suggesting a relatively diversified and not overly concentrated tax base. [City of Josephine](#)
- Local business directories show a mix of small service firms, contractors, and professional services operating in the city. [Chamber of Commerce](#)

**For Entity :** JOSEPHINE CITY**Year:** 2025**State Code:** <ALL>

| Owner ID | Taxpayer Name                                         | Market Value | Taxable Value |
|----------|-------------------------------------------------------|--------------|---------------|
| 445215   | SHEPHERD PLACE HOMES INC                              | \$10,413,779 | \$10,398,595  |
| 1313490  | BRIGHTLAND HOMES LTD                                  | \$5,670,771  | \$5,670,771   |
| 1233544  | ASTORIA HOMES LLC                                     | \$4,623,875  | \$4,519,029   |
| 1251808  | STARLIGHT HOMES TEXAS LLC                             | \$3,184,200  | \$3,184,200   |
| 1235358  | GG LIBERTY RANCH LIMITED PARTNERSHIP                  | \$2,193,400  | \$2,193,400   |
| 1240779  | ONCOR ELECTRIC DELIVERY CO LLC                        | \$1,636,800  | \$1,636,800   |
| 1272512  | PAPADOPOULES RACHEL RESTATED REVOCABLE LIVING TRUST O | \$1,545,360  | \$1,545,360   |
| 1139514  | AB PETROLEUM INC                                      | \$1,741,020  | \$1,531,182   |
| 654630   | TALLANT RENTALS LLC                                   | \$1,500,918  | \$1,500,918   |
| 841315   | MERITAGE HOMES OF TEXAS LLC                           | \$1,440,001  | \$1,440,001   |
| 842030   | MARTINEZ JHONY &                                      | \$1,274,760  | \$1,274,760   |
| 1331005  | STARLIGHT HOMES TEXAS LLC                             | \$1,096,200  | \$1,096,200   |
| 64618    | BATA TRUST                                            | \$950,182    | \$950,182     |
| 988254   | ROUTE61 CORPORATION                                   | \$2,285,775  | \$914,113     |
| 1357383  | DRP SOLARIS D, LLC                                    | \$908,280    | \$908,280     |
| 1065000  | STARLIGHT HOMES TEXAS LLC                             | \$898,272    | \$898,272     |
| 1074674  | CASTILLEJA HERBERT &                                  | \$961,839    | \$848,117     |
| 1340079  | STAR BORROWER SFR4, LP                                | \$799,781    | \$799,781     |
| 1260530  | BANDARU NAGENDRA P &                                  | \$788,137    | \$788,137     |
| 983275   | MARTINEZ AUXILIADORA                                  | \$793,380    | \$776,936     |

## Local Economy in Context

### Collin County Comparison

- Collin County overall is one of the fastest-growing counties in Texas and the nation, with strong employment growth and high median household income compared to state and national figures. [Collin County +1](#)
- Josephine's median household income (approximately \$99k) is competitive with broader regional figures, though slightly below some affluent Collin County cities. [Data USA](#)
- The city benefits from proximity to major employment centers while retaining smaller town characteristics.

### Comparisons to Nearby Cities

- Cities such as **Fate, McLendon-Chisholm, and Rockwall** have larger populations and more diversified commercial bases, often with higher median household incomes and more corporate or retail employers. [AreaVibes](#)
- Josephine's economy remains more residential and service-oriented, with many residents commuting to larger nearby employment hubs.

### Local Economic Trends & Projections

- Ongoing residential development and planned master-planned communities continue to drive growth in population, housing construction, and local services demand. [Constant Contact](#)
- Continued strategic planning efforts focus on balancing growth with infrastructure needs and maintaining local quality of life.

## Population

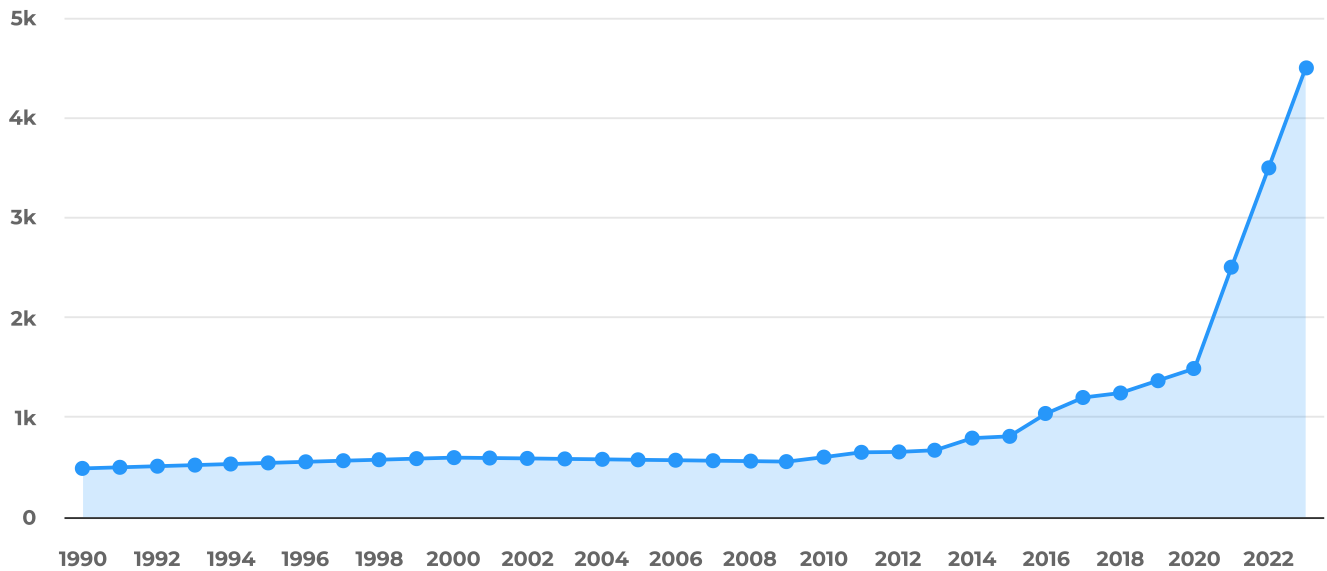


TOTAL POPULATION

**4,498****28.62%**  
vs. 2022

GROWTH RANK

**35** out of **1222** Municipalities in Texas



*\* Data Source: U.S. Census Bureau American Community Survey 5-year Data and the 2020, 2010, 2000, and 1990 Decennial Censuses*



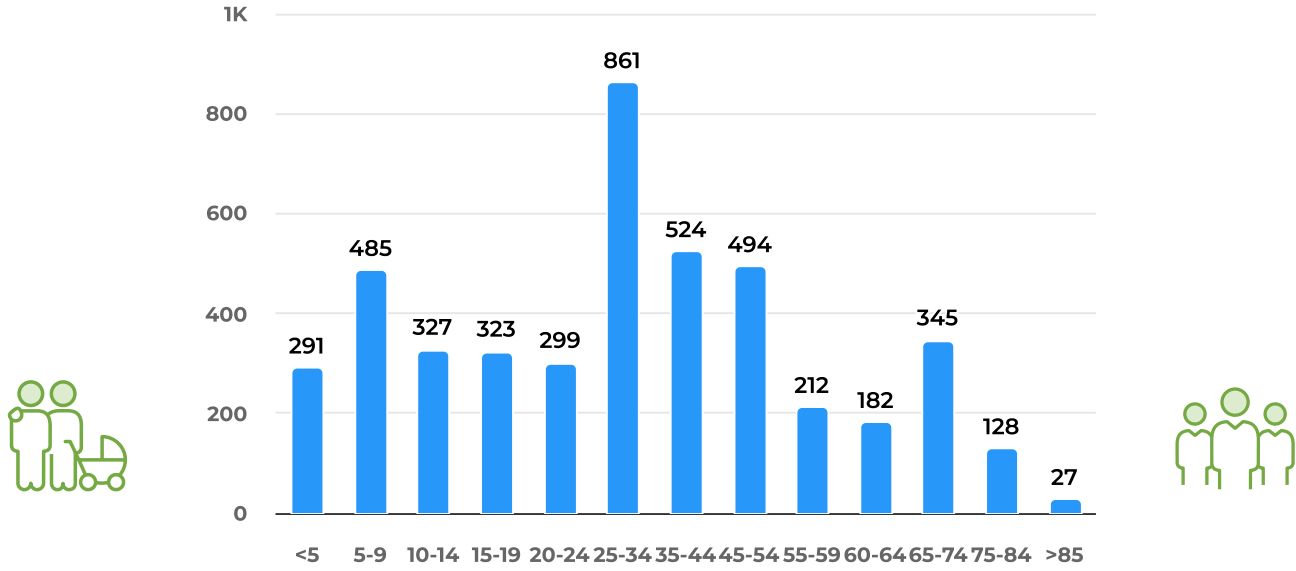
#### DAYTIME POPULATION

**2,765**

Daytime population represents the effect of persons coming into or leaving a community for work, entertainment, shopping, etc. during the typical workday. An increased daytime population puts greater demand on host community services which directly impacts operational costs.

*\* Data Source: American Community Survey 5-year estimates*

## POPULATION BY AGE GROUP



*Aging affects the needs and lifestyle choices of residents. Municipalities must adjust and plan services accordingly.*

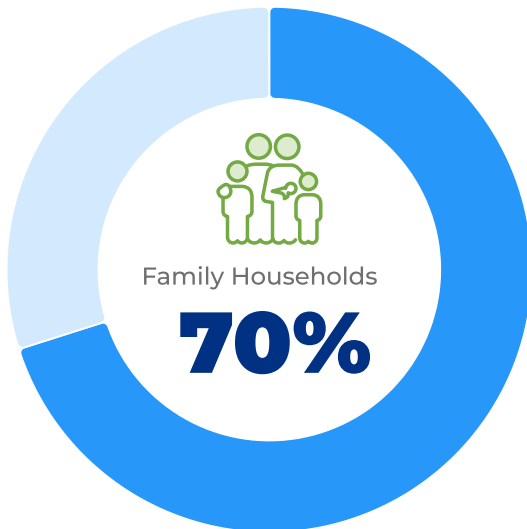
*\* Data Source: American Community Survey 5-year estimates*

## Household

### TOTAL HOUSEHOLDS

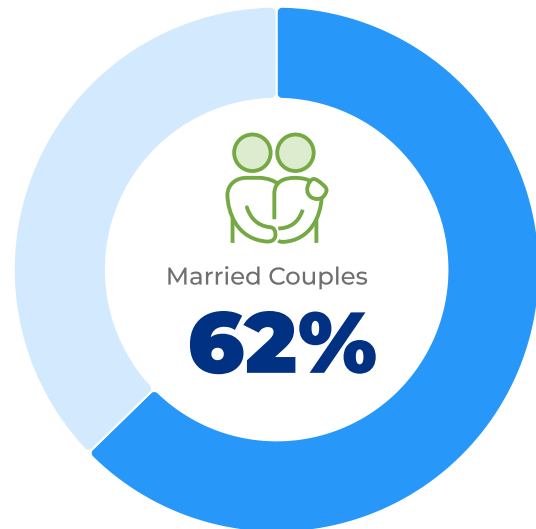
# 1,437

Municipalities must consider the dynamics of household types to plan for and provide services effectively. Household type also has a general correlation to income levels which affect the municipal tax base.



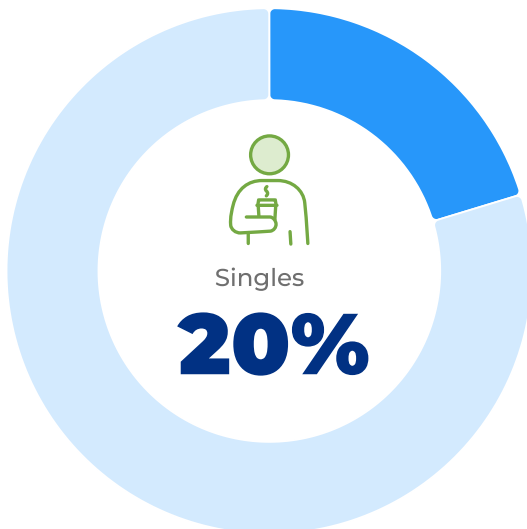
**42%**

higher than state average



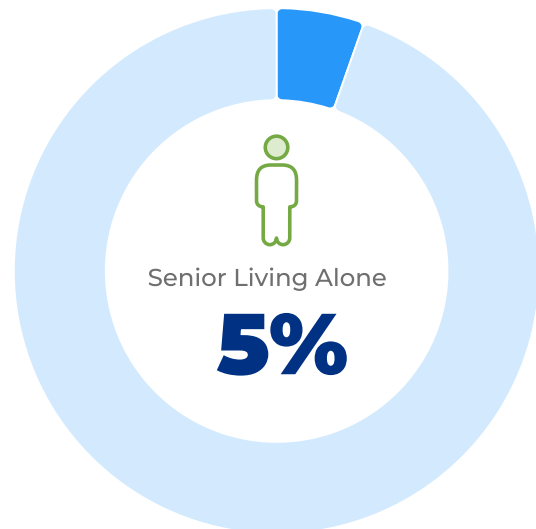
**24%**

higher than state average



**-19%**

lower than state average



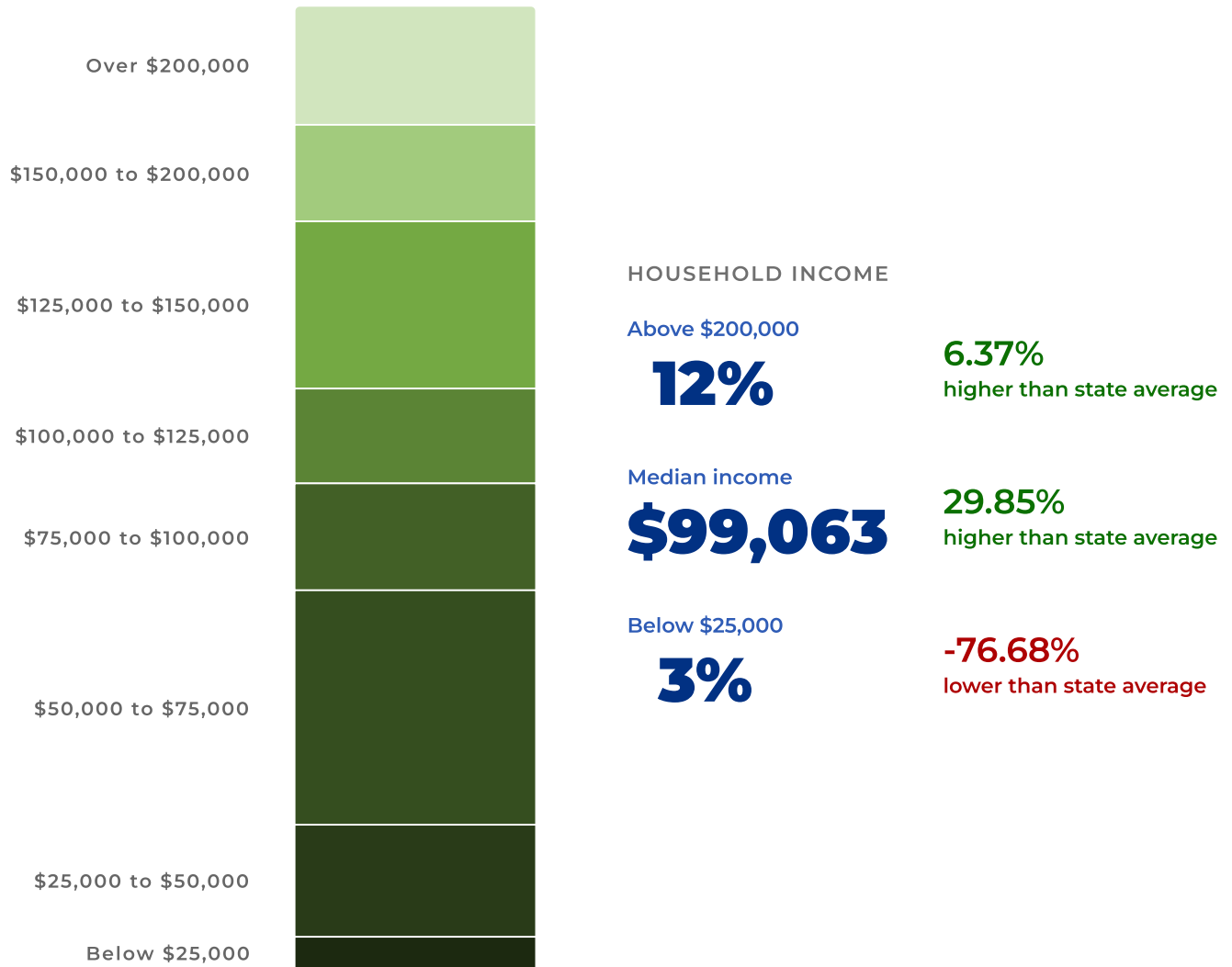
**-60%**

lower than state average

*\* Data Source: American Community Survey 5-year estimates*

## Economic

Household income is a key data point in evaluating a community's wealth and spending power. Pay levels and earnings typically vary by geographic regions and should be looked at in context of the overall cost of living.



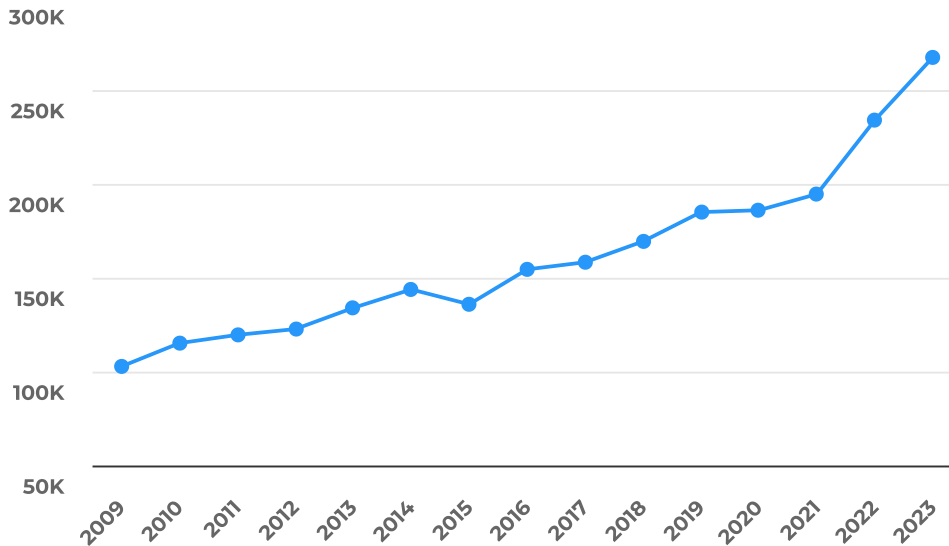
\* Data Source: American Community Survey 5-year estimates

## Housing



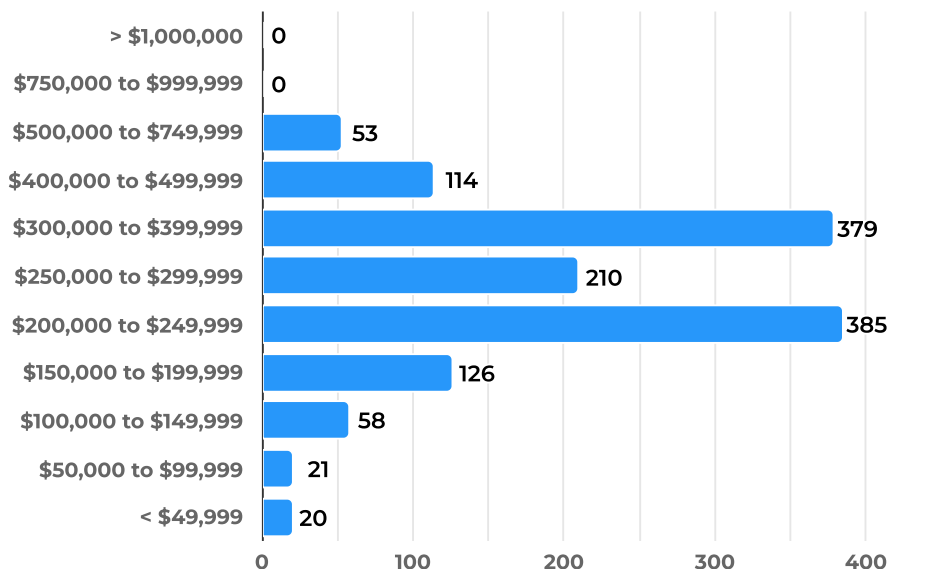
2023 MEDIAN HOME VALUE

# \$267,400



\* Data Source: 2023 [US Census Bureau](#), American Community Survey. Home value data includes all types of owner-occupied housing.

### HOME VALUE DISTRIBUTION



\* Data Source: 2023 [US Census Bureau](#), American Community Survey. Home value data includes all types of owner-occupied housing.

### HOME OWNERS VS RENTERS

Josephine

State Avg.

**5%**  
Rent

**37%**  
Rent

**95%**  
Own

**63%**  
Own

\* Data Source: 2023 [US Census Bureau](#), American Community Survey. Home value data includes all types of owner-occupied housing.

# Comparison Chart Neighboring Communities

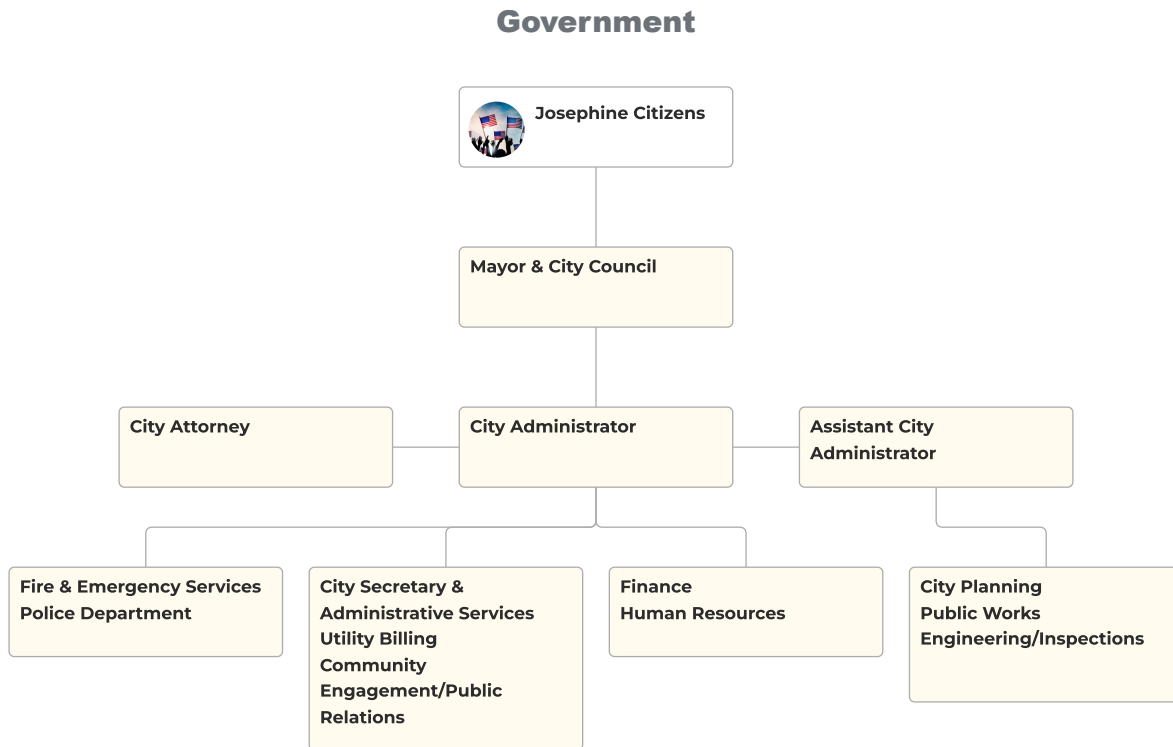
| City                 | Population (est.)                                        | Median Household Income                              | Per Capita Income                            | Poverty Rate                               | Notes                                                              |
|----------------------|----------------------------------------------------------|------------------------------------------------------|----------------------------------------------|--------------------------------------------|--------------------------------------------------------------------|
| <b>Josephine</b>     | ~4,498 (2023 ACS)<br>( <a href="#">Data USA</a> )        | <b>\$99,063</b> ( <a href="#">Data USA</a> )         | \$37,592 ( <a href="#">Data USA</a> )        | ~5% ( <a href="#">Data USA</a> )           | Rapid growth; high homeownership & low poverty relative to region. |
| <b>Lavon</b>         | ~5,624 (2023 ACS)<br>( <a href="#">Census Reporter</a> ) | <b>\$132,778</b> ( <a href="#">Census Reporter</a> ) | \$49,267 ( <a href="#">Census.gov</a> )      | ~1.2% ( <a href="#">Census.gov</a> )       | Highest income & low poverty among peers.                          |
| <b>Royse City</b>    | ~26,387 (2024 est)<br>( <a href="#">Census.gov</a> )     | <b>\$116,424</b> ( <a href="#">Census.gov</a> )      | \$41,286 ( <a href="#">Census.gov</a> )      | ~7.2% ( <a href="#">Census.gov</a> )       | Much larger population; suburban growth.                           |
| <b>Farmers ville</b> | ~3,851 (2023 ACS)<br>( <a href="#">Census Reporter</a> ) | <b>\$47,016</b> ( <a href="#">Census Reporter</a> )  | \$32,572 ( <a href="#">Census Reporter</a> ) | ~12.9% ( <a href="#">Census Reporter</a> ) | Smaller & more rural; lower income & higher poverty.               |
| <b>Caddo Mills</b>   | ~2,589 (2023 ACS)<br>( <a href="#">Census Reporter</a> ) | <b>\$75,385</b> ( <a href="#">Census Reporter</a> )  | \$33,610 ( <a href="#">Census Reporter</a> ) | ~8.5% ( <a href="#">Census Reporter</a> )  | Moderate growth; incomes below larger suburbs.                     |



## Josephine Organizational Chart

The City of Josephine is a Type A General Law Municipality utilizing a Mayor-City Council form of government.

The purpose of the government of the City of Josephine is to provide responsible leadership and the services necessary to achieve a safe environment and high quality of life for our citizens.



## Josephine City Council



**Mayor  
Jason Turney**



**Place 1 (Mayor Pro-Tem)  
Doug Ewing**



**Place 2  
Brad Ahlfinger**



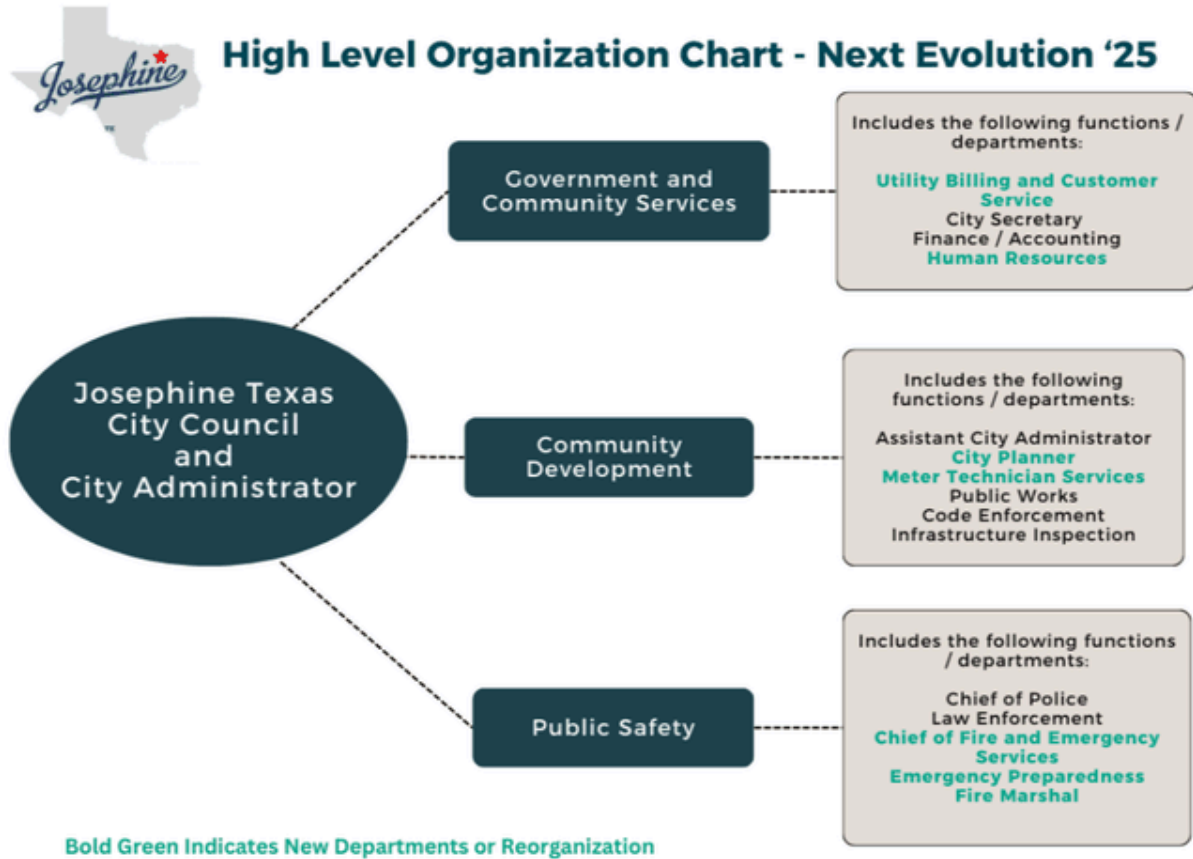
**Place 3  
Alex Esquivel**



**Place 4  
Dr. Pam Sardo**



**Place 5  
Gary Chappell**





# COMMUNITY DEVELOPMENT DEPARTMENTS

Accountable to: City Administrator

Directed by: Assistant City Administrator



CITY OF JOSEPHINE TX

## PUBLIC SAFETY DIVISION

### Accountable to: City Administrator

**Directed by: Chief of Police**



#### POLICE DEPARTMENT PATROL AND COMMUNITY POLICING

Chief of Police  
Police Captain  
Police Lieutenant

The patrol division of the Police Department will need to continue to grow as Josephine grows. It is reasonable to assume adding 3 patrol FTEs for each of the next 5 years with additional supervisory level staff to compliment the growth. The addition of a Captain or Assistant Police Chief is needed.



#### POLICE DEPARTMENT CRIMINAL INVESTIGATION

Chief of Police  
Police Captain  
Police Lieutenant

As patrol grows the Criminal Investigation Department will need to expand its capacity to handle referrals for investigation and preparation of cases for trial. The Lieutenant over Investigation should handle training and other administrative tasks.

**Directed by: Chief of Fire and Emergency Services**



#### EMERGENCY PLANNING AND PREPAREDNESS

Chief of Fire and  
Emergency Services

With the organizational and community growth, partnering with county resources to prepare for and mitigate the risk of emergencies and disasters is vital. The newly created Chief position will fulfill this role while the new fire department is taking shape.



#### FIRE DEPARTMENT

Chief of Fire and  
Emergency Services

In contrast to other departments, it is recommended to bring on a strong leader ahead of creation of the Fire Department as a City of Josephine department. During this building time, the Chief will serve in a dual capacity as Fire Marshal and Emergency Preparedness lead.



#### FIRE MARSHAL

Chief of Fire and  
Emergency Services

The role of Fire Marshal will be handled by the incoming Fire Chief while the department takes shape. This role will enforce fire code, perform inspections as needed and determine fire causation when needed.

C I T Y   O F   J O S E P H I N E   T X



# History of Josephine



Josephine was established in 1888 when the tracks of the St. Louis, Arkansas and Texas Railway reached the area. It was named in honor of the daughter of J. C. Hubbard, who donated land to the Cotton Belt Railroad Company for the town site.

Another gentleman, Mr. Reed, also donated land for a community known as Reed's Chapel, which was located two miles southeast of Josephine. It consisted of a Methodist church and school (both in the same building) and a burial place that is now known as the Josephine Cemetery. That same year, a post office was established. Josephine quickly became a retail market center for area farmers.

People followed cattle trails across the prairies on horseback and in covered wagons to bring in supplies from Caddo Mills and Greenville in Hunt County, and from Terrell in Kaufman County. In 1889, the Cotton Belt passenger train ran through Josephine to Dallas. It took settlers to the first Dallas Fair.

The town's population increased from about 200 in 1900 to well over 500 by the mid-1920s. By 1930, the community had paved roads, electricity, a public school, a bank and 15 businesses. The Great Depression, however, reduced the number of residents to 350 by 1940. Mechanization of farming and job opportunities in the Dallas area combined to decrease the population to just under 300 by 1960, but by 1982 it had increased to 416. In 2000, Josephine's population was reported as 600 and the town had expanded into Hunt County.

## **Josephine was incorporated in 1955.**

In the years around 1910, the air in Josephine, Texas, smelled of Sulphur as the Cotton Belt Railroad made “Gumbo Gravel.”

Long trenches were dug with steam shovels. A layer of crossties was placed in the trenches. Then a layer of coal and a layer of dirt were placed on the crossties. The area was watered to keep the coals from burning too fast. This process was used in making the reddish gravel known as “Ballast Gumbo Gravel.”

Mr. and Mrs. Harvey were in charge of burning the coals. Engine Number 4, also known as Dinky, was used in transporting the gravel to the main railroad line.

The Cotton Belt Railroad used the “Gumbo Gravel” in making the railroad track from Fort Worth to Texarkana, Texas. The “Gumbo Gravel” was used to hold the crossties in place and keep them from washing away.

Three pits were created on the Jordan land about two miles north of the Josephine business section. Later, two more pits were dug on the Hubbard land south of the pits. As a result, small lakes were formed.

The “Gumbo Pits” had a major role in creating the railroad connecting Collin County with nearby counties. The railroad allowed settlers of Collin County to travel much faster and safer. It truly made a difference in the lives of early settlers of Collin County, Texas.

The history of Josephine, TX, is marked by resilience and adaptation, as seen in the story of its city hall. Originally established to serve as the administrative center for the town, the first city hall faced an unexpected challenge when it flooded in 2015.

With the building compromised, the town had to quickly find a solution to continue serving its residents. In response to this adversity, a temporary workspace, often referred to as a portal or modular office, was set up to ensure that essential municipal services could still be provided.

This temporary arrangement not only demonstrated the resourcefulness of the town's leadership but also highlighted the strong sense of community that defines Josephine. Despite the disruption caused by the flooding, residents and officials came together to navigate the challenges and ensure that the town continued to function smoothly.

Finally, in 2018, Josephine reached a significant milestone with the completion of a new city hall. This marked not only the restoration of a permanent administrative center but also a testament to the town's ability to overcome obstacles and emerge stronger than before. The addition of a new city hall often reflects a town's dedication to modernization, efficiency, and community development. It becomes a central hub for local government operations, hosting administrative offices, council meetings, and community events.

The story of Josephine's city hall reflects the town's enduring spirit in the face of adversity and its commitment to providing a stable and reliable foundation for its residents to thrive.

The construction of Josephine's first public safety building began in 2024, which will house both the police and fire departments, marks a significant milestone in the town's history.



Previously reliant on volunteer firefighters, this new facility represents a substantial step forward in enhancing public safety services and ensuring the well-being of Josephine's residents.

The decision to establish a combined firehouse underscores the town's commitment to modernizing its emergency response capabilities and providing a higher level of protection to its community members. By centralizing both police and fire services under one roof, Josephine can streamline operations, improve coordination between departments, and enhance overall efficiency in emergency situations.

Moreover, the transition from a volunteer fire department to a combined career/volunteer department signifies Josephine's recognition of the evolving needs of its growing population. With dedicated personnel and state-of-the-art equipment housed in a purpose-built facility, the town is better equipped to handle emergencies of all kinds, ensuring a swift and effective response when residents need it most.

As Josephine embarks on this new chapter in its history, the construction of the public safety building serves as a testament to the town's dedication to the safety and security of its residents. It represents a milestone in progress, growth, and a commitment to providing top-tier emergency services for years to come.

# Tax Code & County Tax Rate Worksheets

# 2025 Tax Rate Calculation Worksheet

## Taxing Units Other Than School Districts or Water Districts

Form 50-856

City of Josephine

972-843-8282

Taxing Unit Name

Phone (area code and number)

201 Main Street, Josephine, TX 75173

<http://cityofjosephine.tx.com>

Taxing Unit's Address, City, State, ZIP Code

Taxing Unit's Website Address

**GENERAL INFORMATION:** Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue (NNR) tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School District without Chapter 313 Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements*.

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet*.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

### SECTION 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

| Line | No-New-Revenue Tax Rate Worksheet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Amount/Rate        |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| 1.   | <b>Prior year total taxable value.</b> Enter the amount of the prior year taxable value on the prior year tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17). <sup>1</sup> | \$ 309,559,428     |
| 2.   | <b>Prior year tax ceilings.</b> Counties, cities and junior college districts. Enter the prior year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision last year or a prior year for homeowners age 65 or older or disabled, use this step. <sup>2</sup>                                                                                                                                                                                                                                       | \$ 34,422,197      |
| 3.   | <b>Preliminary prior year adjusted taxable value.</b> Subtract Line 2 from Line 1.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | \$ 275,137,231     |
| 4.   | <b>Prior year total adopted tax rate.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | \$ 0.468097 /\$100 |
| 5.   | <b>Prior year taxable value lost because court appeals of ARB decisions reduced the prior year's appraised value.</b><br><b>A. Original prior year ARB values:</b> ..... \$ 0<br><b>B. Prior year values resulting from final court decisions:</b> ..... -\$ 0<br><b>C. Prior year value loss.</b> Subtract B from A. <sup>3</sup>                                                                                                                                                                                                                                                                                                                         | \$ 0               |
| 6.   | <b>Prior year taxable value subject to an appeal under Chapter 42, as of July 25.</b><br><b>A. Prior year ARB certified value:</b> ..... \$ 0<br><b>B. Prior year disputed value:</b> ..... -\$ 0<br><b>C. Prior year undisputed value.</b> Subtract B from A. <sup>4</sup>                                                                                                                                                                                                                                                                                                                                                                                | \$ 0               |
| 7.   | <b>Prior year Chapter 42 related adjusted values.</b> Add Line 5C and Line 6C.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | \$ 0               |

<sup>1</sup> Tex. Tax Code §26.012(14)

<sup>2</sup> Tex. Tax Code §26.012(14)

<sup>3</sup> Tex. Tax Code §26.012(13)

<sup>4</sup> Tex. Tax Code §26.012(13)



## 2025 Tax Rate Calculation Worksheet – Taxing Units Other Than School Districts or Water Districts

Form 50-856

| Line | No-New-Revenue Tax Rate Worksheet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Amount/Rate    |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 8.   | Prior year taxable value, adjusted for actual and potential court-ordered adjustments. Add Line 3 and Line 7.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | \$ 275,137,231 |
| 9.   | Prior year taxable value of property in territory the taxing unit deannexed after Jan. 1, 2024. Enter the prior year value of property in deannexed territory. <sup>5</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | \$ 0           |
| 10.  | Prior year taxable value lost because property first qualified for an exemption in the current year. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in the current year does not create a new exemption or reduce taxable value.<br>A. Absolute exemptions. Use prior year market value: ..... \$ 59,487<br>B. Partial exemptions. Current year exemption amount or current year percentage exemption times prior year value: ..... + \$ 682,886<br>C. Value loss. Add A and B. <sup>6</sup>                                                                                                                                                                                                                                                                                                                                                                                   | \$ 742,373     |
| 11.  | Prior year taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in the current year. Use only properties that qualified for the first time in the current year; do not use properties that qualified in the prior year.<br>A. Prior year market value: ..... \$ 0<br>B. Current year productivity or special appraised value: ..... - \$ 0<br>C. Value loss. Subtract B from A. <sup>7</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | \$ 0           |
| 12.  | Total adjustments for lost value. Add Lines 9, 10C and 11C.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | \$ 742,373     |
| 13.  | Prior year captured value of property in a TIF. Enter the total value of the prior year captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the prior year taxes were deposited into the tax increment fund. <sup>8</sup> If the taxing unit has no captured appraised value in line 18D, enter 0.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | \$ 0           |
| 14.  | Prior year total value. Subtract Line 12 and Line 13 from Line 8.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | \$ 274,394,858 |
| 15.  | Adjusted prior year total levy. Multiply Line 4 by Line 14 and divide by \$100.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | \$ 1,284,434   |
| 16.  | Taxes refunded for years preceding the prior tax year. Enter the amount of taxes refunded by the taxing unit for tax years preceding the prior tax year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for the prior tax year. This line applies only to tax years preceding the prior tax year. <sup>9</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | \$ 4,549       |
| 17.  | Adjusted prior year levy with refunds and TIF adjustment. Add Lines 15 and 16. <sup>10</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | \$ 1,288,983   |
| 18.  | Total current year taxable value on the current year certified appraisal roll today. This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled. <sup>11</sup><br>A. Certified values: ..... \$ 335,221,378<br>B. Counties: Include railroad rolling stock values certified by the Comptroller's office: ..... + \$ .....<br>C. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: ..... - \$ 0<br>D. Tax increment financing: Deduct the current year captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the current year taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 24 below. <sup>12</sup> ..... - \$ 0<br>E. Total current year value. Add A and B, then subtract C and D. | \$ 335,221,378 |

<sup>5</sup> Tex. Tax Code §26.012(15)<sup>6</sup> Tex. Tax Code §26.012(15)<sup>7</sup> Tex. Tax Code §26.012(15)<sup>8</sup> Tex. Tax Code §26.03(c)<sup>9</sup> Tex. Tax Code §26.012(13)<sup>10</sup> Tex. Tax Code §26.012(13)<sup>11</sup> Tex. Tax Code §26.012, 26.04(c-2)<sup>12</sup> Tex. Tax Code §26.03(c)



## 2025 Tax Rate Calculation Worksheet – Taxing Units Other Than School Districts or Water Districts

Form 50-856

| Line | No-New-Revenue Tax Rate Worksheet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Amount/Rate        |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| 19.  | <b>Total value of properties under protest or not included on certified appraisal roll.</b> <sup>13</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                    |
|      | <b>A. Current year taxable value of properties under protest.</b> The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. <sup>14</sup> .....                                                                                                                                                                                                                                                                                                                                    | \$ 17,645,362      |
|      | <b>B. Current year value of properties not under protest or included on certified appraisal roll.</b> The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll. <sup>15</sup> ..... | + \$ 0             |
|      | <b>C. Total value under protest or not certified.</b> Add A and B.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | \$ 17,645,362      |
| 20.  | <b>Current year tax ceilings.</b> Counties, cities and junior colleges enter current year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in the prior year or a previous year for homeowners age 65 or older or disabled, use this step. <sup>16</sup>                                                                                                                                                                                                                                                                                                                                        | \$ 41,511,926      |
| 21.  | <b>Anticipated contested value.</b> Affected taxing units enter the contested taxable value for all property that is subject to anticipated substantial litigation. <sup>17</sup> An affected taxing unit is wholly or partly located in a county that has a population of less than 500,000 and is located on the Gulf of Mexico. <sup>18</sup> If completing this section, the taxing unit must include supporting documentation in Section 9. <sup>19</sup> Taxing units that are not affected, enter 0.                                                                                                                                                                                                                                                   | \$ 0               |
| 22.  | <b>Current year total taxable value.</b> Add Lines 18E and 19C, then subtract Lines 20 and 21. <sup>20</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | \$ 311,354,814     |
| 23.  | <b>Total current year taxable value of properties in territory annexed after Jan. 1, of the prior year.</b> Include both real and personal property. Enter the current year value of property in territory annexed. <sup>21</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | \$ 319,611         |
| 24.  | <b>Total current year taxable value of new improvements and new personal property located in new improvements.</b> New means the item was not on the appraisal roll in the prior year. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, of the prior year and be located in a new improvement. New improvements <b>do</b> include property on which a tax abatement agreement has expired for the current year. <sup>22</sup>                                                                                   | \$ 24,942,548      |
| 25.  | <b>Total adjustments to the current year taxable value.</b> Add Lines 23 and 24.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | \$ 25,262,159      |
| 26.  | <b>Adjusted current year taxable value.</b> Subtract Line 25 from Line 22.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | \$ 286,092,655     |
| 27.  | <b>Current year NNR tax rate.</b> Divide Line 17 by Line 26 and multiply by \$100. <sup>23</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | \$ 0.450547 /\$100 |
| 28.  | <b>COUNTIES ONLY.</b> Add together the NNR tax rates for each type of tax the county levies. The total is the current year county NNR tax rate. <sup>24</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | \$ _____ /\$100    |

## SECTION 2: Voter Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

- Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.
- Debt Rate:** The debt rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

<sup>13</sup> Tex. Tax Code §26.01(c) and (d)

<sup>14</sup> Tex. Tax Code §26.01(c)

<sup>15</sup> Tex. Tax Code §26.01(d)

<sup>16</sup> Tex. Tax Code §26.012(a)(8)

<sup>17</sup> Tex. Tax Code §26.0126(a)(3) and 26.012(1-b)

<sup>18</sup> Tex. Tax Code §26.012(1-a)

<sup>19</sup> Tex. Tax Code §26.04(d-3)

<sup>20</sup> Tex. Tax Code §26.012(a)

<sup>21</sup> Tex. Tax Code §26.012(17)

<sup>22</sup> Tex. Tax Code §26.012(17)

<sup>23</sup> Tex. Tax Code §26.04(c)

<sup>24</sup> Tex. Tax Code §26.04(d)

## 2025 Tax Rate Calculation Worksheet – Taxing Units Other Than School Districts or Water Districts

Form 50-856

| Line | Voter-Approval Tax Rate Worksheet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Amount/Rate        |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| 29.  | <b>Prior year M&amp;O tax rate.</b> Enter the prior year M&O tax rate.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | \$ 0.356623 /\$100 |
| 30.  | <b>Prior year taxable value, adjusted for actual and potential court-ordered adjustments.</b> Enter the amount in Line 8 of the <i>No-New-Revenue Tax Rate Worksheet</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | \$ 275,137,231     |
| 31.  | <b>Total prior year M&amp;O levy.</b> Multiply Line 29 by Line 30 and divide by \$100.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | \$ 981,202         |
| 32.  | <b>Adjusted prior year levy for calculating NNR M&amp;O rate.</b><br><b>A. M&amp;O taxes refunded for years preceding the prior tax year.</b> Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2024. This line applies only to tax years preceding the prior tax year. .... + \$ 3,474<br><b>B. Prior year taxes in TIF.</b> Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no current year captured appraised value in Line 18D, enter 0. .... - \$ 0<br><b>C. Prior year transferred function.</b> If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0. .... +/- \$ 0<br><b>D. Prior year M&amp;O levy adjustments.</b> Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function. .... \$ 3,474<br><b>E. Add Line 31 to 32D.</b> | \$ 984,676         |
| 33.  | <b>Adjusted current year taxable value.</b> Enter the amount in Line 26 of the <i>No-New-Revenue Tax Rate Worksheet</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | \$ 286,092,655     |
| 34.  | <b>Current year NNR M&amp;O rate (unadjusted).</b> Divide Line 32E by Line 33 and multiply by \$100.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | \$ 0.344180 /\$100 |
| 35.  | <b>Rate adjustment for state criminal justice mandate.<sup>26</sup></b><br><b>A. Current year state criminal justice mandate.</b> Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. .... \$ 0<br><b>B. Prior year state criminal justice mandate.</b> Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies. .... - \$ 0<br><b>C. Subtract B from A and divide by Line 33 and multiply by \$100.</b> .... \$ 0.000000 /\$100<br><b>D. Enter the rate calculated in C. If not applicable, enter 0.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | \$ 0.000000 /\$100 |
| 36.  | <b>Rate adjustment for indigent health care expenditures.<sup>27</sup></b><br><b>A. Current year indigent health care expenditures.</b> Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year, less any state assistance received for the same purpose. .... \$ 0<br><b>B. Prior year indigent health care expenditures.</b> Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2023 and ending on June 30, 2024, less any state assistance received for the same purpose. .... - \$ 0<br><b>C. Subtract B from A and divide by Line 33 and multiply by \$100.</b> .... \$ 0.000000 /\$100<br><b>D. Enter the rate calculated in C. If not applicable, enter 0.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | \$ 0.000000 /\$100 |

\* [Reserved for expansion]

\* Tex. Tax Code §26.044

\* Tex. Tax Code §26.0441



## 2025 Tax Rate Calculation Worksheet – Taxing Units Other Than School Districts or Water Districts

Form 50-856

| Line | Voter-Approval Tax Rate Worksheet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Amount/Rate        |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| 37.  | <b>Rate adjustment for county indigent defense compensation.</b> <sup>28</sup><br><b>A. Current year indigent defense compensation expenditures.</b> Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year, less any state grants received by the county for the same purpose..... \$ 0<br><b>B. Prior year indigent defense compensation expenditures.</b> Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2023 and ending on June 30, 2024, less any state grants received by the county for the same purpose..... \$ 0<br><b>C. Subtract B from A and divide by Line 33 and multiply by \$100.....</b> \$ 0.000000 /\$100<br><b>D. Multiply B by 0.05 and divide by Line 33 and multiply by \$100.....</b> \$ 0.000000 /\$100<br><b>E. Enter the lesser of C and D. If not applicable, enter 0.</b> | \$ 0.000000 /\$100 |
| 38.  | <b>Rate adjustment for county hospital expenditures.</b> <sup>29</sup><br><b>A. Current year eligible county hospital expenditures.</b> Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year..... \$ 0<br><b>B. Prior year eligible county hospital expenditures.</b> Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2023 and ending on June 30, 2024. .... \$ 0<br><b>C. Subtract B from A and divide by Line 33 and multiply by \$100.....</b> \$ 0.000000 /\$100<br><b>D. Multiply B by 0.08 and divide by Line 33 and multiply by \$100.....</b> \$ 0.000000 /\$100<br><b>E. Enter the lesser of C and D, if applicable. If not applicable, enter 0.</b>                                                                                                                                                                                                                                                                                                                       | \$ 0.000000 /\$100 |
| 39.  | <b>Rate adjustment for defunding municipality.</b> This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code Section 26.0444 for more information.<br><b>A. Amount appropriated for public safety in the prior year.</b> Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year..... \$ 0<br><b>B. Expenditures for public safety in the prior year.</b> Enter the amount of money spent by the municipality for public safety during the preceding fiscal year ..... \$ 0<br><b>C. Subtract B from A and divide by Line 33 and multiply by \$100 .....</b> \$ 0.000000 /\$100<br><b>D. Enter the rate calculated in C. If not applicable, enter 0.</b>                                                                                                                                                                                                       | \$ 0.000000 /\$100 |
| 40.  | <b>Adjusted current year NNR M&amp;O rate.</b> Add Lines 34, 35D, 36D, 37E, and 38E. Subtract Line 39D.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | \$ 0.344180 /\$100 |
| 41.  | <b>Adjustment for prior year sales tax specifically to reduce property taxes.</b> Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in the prior year should complete this line. These entities will deduct the sales tax gain rate for the current year in Section 3. Other taxing units, enter zero.<br><b>A. Enter the amount of additional sales tax collected and spent on M&amp;O expenses in the prior year, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent .....</b> \$ 0<br><b>B. Divide Line 41A by Line 33 and multiply by \$100 .....</b> \$ 0.000000 /\$100<br><b>C. Add Line 41B to Line 40.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | \$ 0.344180 /\$100 |
| 42.  | <b>Current year voter-approval M&amp;O rate.</b> Enter the rate as calculated by the appropriate scenario below.<br><b>Special Taxing Unit.</b> If the taxing unit qualifies as a special taxing unit, multiply Line 41C by 1.08.<br><b>- or -</b><br><b>Other Taxing Unit.</b> If the taxing unit does not qualify as a special taxing unit, multiply Line 41C by 1.035.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | \$ 0.356226 /\$100 |

<sup>28</sup> Tex. Tax Code §26.0442<sup>29</sup> Tex. Tax Code §26.0443

## 2025 Tax Rate Calculation Worksheet – Taxing Units Other Than School Districts or Water Districts

Form 50-856

| Line | Voter-Approval Tax Rate Worksheet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Amount/Rate        |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| D42. | <b>Disaster Line 42 (D42): Current year voter-approval M&amp;O rate for taxing unit affected by disaster declaration.</b> If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of:<br>1) the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred; or<br>2) the third tax year after the tax year in which the disaster occurred.<br><br>If the taxing unit qualifies under this scenario, multiply Line 41C by 1.08. <sup>30</sup> If the taxing unit does not qualify, do not complete Disaster Line 42 (Line D42).                                                                                                                                                                                                                                                                                                                                             | \$ 0.000000 /\$100 |
| 43.  | <b>Total current year debt to be paid with property taxes and additional sales tax revenue.</b> Debt means the interest and principal that will be paid on debts that:<br>(1) are paid by property taxes;<br>(2) are secured by property taxes;<br>(3) are scheduled for payment over a period longer than one year; and<br>(4) are not classified in the taxing unit's budget as M&O expenses.<br><br><b>A. Debt</b> also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here. <sup>31</sup><br><br>Enter debt amount ..... \$ 362,719<br><b>B. Subtract unencumbered fund amount</b> used to reduce total debt. .... - \$ 0<br><b>C. Subtract certified amount spent from sales tax to reduce debt</b> (enter zero if none) ..... - \$ 0<br><b>D. Subtract amount paid</b> from other resources ..... - \$ 0<br><b>E. Adjusted debt.</b> Subtract B, C and D from A. | \$ 362,719         |
| 44.  | <b>Certified prior year excess debt collections.</b> Enter the amount certified by the collector. <sup>32</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | \$ 15,633          |
| 45.  | <b>Adjusted current year debt.</b> Subtract Line 44 from Line 43E.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | \$ 347,086         |
| 46.  | <b>Current year anticipated collection rate.</b><br><b>A.</b> Enter the current year anticipated collection rate certified by the collector. <sup>33</sup> ..... 100.00 %<br><b>B.</b> Enter the prior year actual collection rate ..... 98.17 %<br><b>C.</b> Enter the 2023 actual collection rate ..... 102.20 %<br><b>D.</b> Enter the 2022 actual collection rate ..... 104.10 %<br><b>E.</b> If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%. <sup>34</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 100.00 %           |
| 47.  | <b>Current year debt adjusted for collections.</b> Divide Line 45 by Line 46E.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | \$ 347,086         |
| 48.  | <b>Current year total taxable value.</b> Enter the amount on Line 22 of the <i>No-New-Revenue Tax Rate Worksheet</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | \$ 311,354,814     |
| 49.  | <b>Current year debt rate.</b> Divide Line 47 by Line 48 and multiply by \$100.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | \$ 0.111476 /\$100 |
| 50.  | <b>Current year voter-approval M&amp;O rate plus current year debt rate.</b> Add Lines 42 and 49.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | \$ 0.467702 /\$100 |
| D50. | <b>Disaster Line 50 (D50): Current year voter-approval tax rate for taxing unit affected by disaster declaration.</b> Complete this line if the taxing unit calculated the voter-approval tax rate in the manner provided for a special taxing unit on Line D42. Add Line D42 and 49.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | \$ 0.000000 /\$100 |

<sup>30</sup> Tex. Tax Code §26.042(a)<sup>31</sup> Tex. Tax Code §26.012(f)<sup>32</sup> Tex. Tax Code §26.012(10) and 26.04(b)<sup>33</sup> Tex. Tax Code §26.04(b)<sup>34</sup> Tex. Tax Code §§26.04(h), (h-1) and (h-2)



## 2025 Tax Rate Calculation Worksheet – Taxing Units Other Than School Districts or Water Districts

Form 50-856

| Line | Voter-Approval Tax Rate Worksheet                                                                                                                                     | Amount/Rate        |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| 51.  | <b>COUNTIES ONLY.</b> Add together the voter-approval tax rates for each type of tax the county levies. The total is the current year county voter-approval tax rate. | \$ 0.000000 /\$100 |

## SECTION 3: NNR Tax Rate and Voter Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

| Line | Additional Sales and Use Tax Worksheet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Amount/Rate        |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| 52.  | <b>Taxable Sales.</b> For taxing units that adopted the sales tax in November of the prior tax year or May of the current tax year, enter the Comptroller's estimate of taxable sales for the previous four quarters. <sup>35</sup> Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage.<br>Taxing units that adopted the sales tax before November of the prior year, enter 0.                                                                                                                                                                                                      | \$ 0               |
| 53.  | <b>Estimated sales tax revenue.</b> Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. <sup>36</sup><br><br><b>Taxing units that adopted the sales tax in November of the prior tax year or in May of the current tax year.</b> Multiply the amount on Line 52 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. <sup>37</sup><br>- or -<br><b>Taxing units that adopted the sales tax before November of the prior year.</b> Enter the sales tax revenue for the previous four quarters. Do not multiply by .95. | \$ 0               |
| 54.  | <b>Current year total taxable value.</b> Enter the amount from Line 22 of the <i>No-New-Revenue Tax Rate Worksheet</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | \$ 311,354,814     |
| 55.  | <b>Sales tax adjustment rate.</b> Divide Line 53 by Line 54 and multiply by \$100.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | \$ 0.000000 /\$100 |
| 56.  | <b>Current year NNR tax rate, unadjusted for sales tax.</b> <sup>38</sup> Enter the rate from Line 27 or 28, as applicable, on the <i>No-New-Revenue Tax Rate Worksheet</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                                               | \$ 0.450547 /\$100 |
| 57.  | <b>Current year NNR tax rate, adjusted for sales tax.</b><br><b>Taxing units that adopted the sales tax in November the prior tax year or in May of the current tax year.</b> Subtract Line 55 from Line 56. Skip to Line 58 if you adopted the additional sales tax before November of the prior tax year.                                                                                                                                                                                                                                                                                                                                 | \$ 0.450547 /\$100 |
| 58.  | <b>Current year voter-approval tax rate, unadjusted for sales tax.</b> <sup>39</sup> Enter the rate from Line 50, Line D50 (disaster) or Line 51 (counties) as applicable, of the <i>Voter-Approval Tax Rate Worksheet</i> .                                                                                                                                                                                                                                                                                                                                                                                                                | \$ 0.467702 /\$100 |
| 59.  | <b>Current year voter-approval tax rate, adjusted for sales tax.</b> Subtract Line 55 from Line 58.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | \$ 0.467702 /\$100 |

## SECTION 4: Voter Approval Tax Rate Adjustment for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

| Line | Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet                                                                                                                                                                                            | Amount/Rate        |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| 60.  | <b>Certified expenses from the Texas Commission on Environmental Quality (TCEQ).</b> Enter the amount certified in the determination letter from TCEQ. <sup>40</sup> The taxing unit shall provide its tax assessor-collector with a copy of the letter. <sup>41</sup> | \$ 0               |
| 61.  | <b>Current year total taxable value.</b> Enter the amount from Line 22 of the <i>No-New-Revenue Tax Rate Worksheet</i> .                                                                                                                                               | \$ 311,354,814     |
| 62.  | <b>Additional rate for pollution control.</b> Divide Line 60 by Line 61 and multiply by \$100.                                                                                                                                                                         | \$ 0.000000 /\$100 |

<sup>35</sup> Tex. Tax Code §26.041(d)

<sup>36</sup> Tex. Tax Code §26.041(f)

<sup>37</sup> Tex. Tax Code §26.041(g)

<sup>38</sup> Tex. Tax Code §26.04(c)

<sup>39</sup> Tex. Tax Code §26.04(c)

<sup>40</sup> Tex. Tax Code §26.045(d)

<sup>41</sup> Tex. Tax Code §26.045(f)

## 2025 Tax Rate Calculation Worksheet – Taxing Units Other Than School Districts or Water Districts

Form 50-856

| Line | Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet                                                                                                                                                                       | Amount/Rate        |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| 63.  | <b>Current year voter-approval tax rate, adjusted for pollution control.</b> Add Line 62 to one of the following lines (as applicable): Line 50, Line D50 (disaster), Line 51 (counties) or Line 59 (taxing units with the additional sales tax). | \$ 0.467702 /\$100 |

## SECTION 5: Voter Approval Tax Rate Adjustment for Unused Increment Rate

The unused increment rate is the rate equal to the sum of the prior 3 years Foregone Revenue Amounts divided by the current taxable value.<sup>42</sup> The Foregone Revenue Amount for each year is equal to that year's adopted tax rate subtracted from that year's voter-approval tax rate adjusted to remove the unused increment rate multiplied by that year's current total value.<sup>43</sup>

The difference between the adopted tax rate and adjusted voter-approval tax rate is considered zero in the following scenarios:

- a tax year in which a taxing unit affected by a disaster declaration calculates the tax rate under Tax Code Section 26.042;<sup>44</sup>
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a);<sup>45</sup> or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval.<sup>46</sup>

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit.<sup>47</sup>

| Line | Unused Increment Rate Worksheet                                                                                                                                                                                                                                   | Amount/Rate         |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 64.  | <b>Year 3 Foregone Revenue Amount. Subtract the 2024 unused increment rate and 2024 actual tax rate from the 2024 voter-approval tax rate. Multiply the result by the 2024 current total value</b>                                                                |                     |
|      | A. Voter-approval tax rate (Line 63).....                                                                                                                                                                                                                         | \$ 0.454710 /\$100  |
|      | B. Unused increment rate (Line 67).....                                                                                                                                                                                                                           | \$ 0.000000 /\$100  |
|      | C. Subtract B from A.....                                                                                                                                                                                                                                         | \$ 0.454710 /\$100  |
|      | D. Adopted Tax Rate.....                                                                                                                                                                                                                                          | \$ 0.468097 /\$100  |
|      | E. Subtract D from C.....                                                                                                                                                                                                                                         | \$ -0.013387 /\$100 |
|      | F. 2024 Total Taxable Value (Line 60).....                                                                                                                                                                                                                        | \$ 272,411,353      |
|      | G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero.....                                                                                                                                                              | \$ 0                |
| 65.  | <b>Year 2 Foregone Revenue Amount. Subtract the 2023 unused increment rate and 2023 actual tax rate from the 2023 voter-approval tax rate. Multiply the result by the 2023 current total value</b>                                                                |                     |
|      | A. Voter-approval tax rate (Line 63).....                                                                                                                                                                                                                         | \$ 0.468097 /\$100  |
|      | B. Unused increment rate (Line 66).....                                                                                                                                                                                                                           | \$ 0.000000 /\$100  |
|      | C. Subtract B from A.....                                                                                                                                                                                                                                         | \$ 0.468097 /\$100  |
|      | D. Adopted Tax Rate.....                                                                                                                                                                                                                                          | \$ 0.468097 /\$100  |
|      | E. Subtract D from C.....                                                                                                                                                                                                                                         | \$ 0.000000 /\$100  |
|      | F. 2023 Total Taxable Value (Line 60).....                                                                                                                                                                                                                        | \$ 231,660,459      |
|      | G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero.....                                                                                                                                                              | \$ 0                |
| 66.  | <b>Year 1 Foregone Revenue Amount. Subtract the 2022 unused increment rate and 2022 actual tax rate from the 2022 voter-approval tax rate. Multiply the result by the 2022 current total value</b>                                                                |                     |
|      | A. Voter-approval tax rate (Line 63).....                                                                                                                                                                                                                         | \$ 0.491561 /\$100  |
|      | B. Unused increment rate (Line 66).....                                                                                                                                                                                                                           | \$ 0.000000 /\$100  |
|      | C. Subtract B from A.....                                                                                                                                                                                                                                         | \$ 0.491561 /\$100  |
|      | D. Adopted Tax Rate.....                                                                                                                                                                                                                                          | \$ 0.491561 /\$100  |
|      | E. Subtract D from C.....                                                                                                                                                                                                                                         | \$ 0.000000 /\$100  |
|      | F. 2022 Total Taxable Value (Line 60).....                                                                                                                                                                                                                        | \$ 189,062,747      |
|      | G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero.....                                                                                                                                                              | \$ 0                |
| 67.  | <b>Total Foregone Revenue Amount. Add Lines 64G, 65G and 66G</b>                                                                                                                                                                                                  | \$ 0 /\$100         |
| 68.  | <b>2025 Unused Increment Rate. Divide Line 67 by Line 22 of the No-New-Revenue Rate Worksheet. Multiply the result by 100</b>                                                                                                                                     | \$ 0.000000 /\$100  |
| 69.  | <b>Total 2025 voter-approval tax rate, including the unused increment rate.</b> Add Line 68 to one of the following lines (as applicable): Line 50, Line 51 (counties), Line 59 (taxing units with additional sales tax) or Line 63 (taxing units with pollution) | \$ 0.467702 /\$100  |

\* Tex. Tax Code §26.013(b)

\* Tex. Tax Code §526.013(a)(1-a), (1-b), and (2)

\* Tex. Tax Code §526.04(c)(2)(A) and 26.042(a)

\* Tex. Tax Code §526.0501(a) and (c)

\* Tex. Local Gov't Code §120.007(d)

\* Tex. Local Gov't Code §26.04(d)(2)(B)



**SECTION 6: De Minimis Rate**

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit.<sup>48</sup> This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit.<sup>49</sup>

| Line | De Minimis Rate Worksheet                                                                                                        | Amount/Rate        |
|------|----------------------------------------------------------------------------------------------------------------------------------|--------------------|
| 70.  | <b>Adjusted current year NNR M&amp;O tax rate.</b> Enter the rate from Line 40 of the <i>Voter-Approval Tax Rate Worksheet</i> . | \$ 0.344180 /\$100 |
| 71.  | <b>Current year total taxable value.</b> Enter the amount on Line 22 of the <i>No-New-Revenue Tax Rate Worksheet</i> .           | \$ 311,354,814     |
| 72.  | <b>Rate necessary to impose \$500,000 in taxes.</b> Divide \$500,000 by Line 71 and multiply by \$100.                           | \$ 0.160588 /\$100 |
| 73.  | <b>Current year debt rate.</b> Enter the rate from Line 49 of the <i>Voter-Approval Tax Rate Worksheet</i> .                     | \$ 0.111476 /\$100 |
| 74.  | <b>De minimis rate.</b> Add Lines 70, 72 and 73.                                                                                 | \$ 0.616244 /\$100 |

**SECTION 7: Voter Approval Tax Rate Adjustment for Emergency Revenue Rate**

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year.<sup>50</sup>

Similarly, if a taxing unit adopted a tax rate that exceeded its voter-approval tax rate, calculated normally, without holding an election to respond to a disaster, as allowed by Tax Code Section 26.042(d), in the prior year, it must also reduce its voter-approval tax rate for the current tax year.<sup>51</sup>

This section will apply to a taxing unit other than a special taxing unit that:

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago. This section will apply to a taxing unit in a disaster area that adopted a tax rate greater than its voter-approval tax rate without holding an election in the prior year.

Note: This section does not apply if a taxing unit is continuing to calculate its voter-approval tax rate in the manner provided for a special taxing unit because it is still within the disaster calculation time period detailed in Tax Code Section 26.042(a) because it has not met the conditions in Tax Code Section 26.042(a)(1) or (2).

| Line | Emergency Revenue Rate Worksheet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Amount/Rate        |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| 75.  | <b>2024 adopted tax rate.</b> Enter the rate in Line 4 of the <i>No-New-Revenue Tax Rate Worksheet</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | \$ 0.468097 /\$100 |
| 76.  | <b>Adjusted 2024 voter-approval tax rate.</b> Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line. <sup>52</sup><br><br>If a disaster occurred in 2024 and the taxing unit calculated its 2024 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) of the 2024 worksheet due to a disaster, complete the applicable sections or lines of <i>Form 50-856-a, Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> .<br>- or -<br>If a disaster occurred prior to 2024 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) in 2024, complete <i>Form 50-856-a, Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> to recalculate the voter-approval tax rate the taxing unit would have calculated in 2024 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the years following the disaster. <sup>53</sup> Enter the final adjusted 2024 voter-approval tax rate from the worksheet.<br>- or -<br>If the taxing unit adopted a tax rate above the 2024 voter-approval tax rate without calculating a disaster tax rate or holding an election due to a disaster, no recalculation is necessary. Enter the voter-approval tax rate from the prior year's worksheet. | \$ 0.000000 /\$100 |
| 77.  | <b>Increase in 2024 tax rate due to disaster.</b> Subtract Line 76 from Line 75.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | \$ 0.000000 /\$100 |
| 78.  | <b>Adjusted 2024 taxable value.</b> Enter the amount in Line 14 of the <i>No-New-Revenue Tax Rate Worksheet</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | \$ 274,394,858     |
| 79.  | <b>Emergency revenue.</b> Multiply Line 77 by Line 78 and divide by \$100.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | \$ 0               |
| 80.  | <b>Adjusted 2024 taxable value.</b> Enter the amount in Line 26 of the <i>No-New-Revenue Tax Rate Worksheet</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | \$ 286,092,655     |
| 81.  | <b>Emergency revenue rate.</b> Divide Line 79 by Line 80 and multiply by \$100. <sup>54</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | \$ 0.000000 /\$100 |

<sup>48</sup> Tex. Tax Code §26.012(b)(1).

<sup>49</sup> Tex. Tax Code §26.063(a)(1).

<sup>50</sup> Tex. Tax Code §26.042(b).

<sup>51</sup> Tex. Tax Code §26.042(f).

<sup>52</sup> Tex. Tax Code §26.042(c).

<sup>53</sup> Tex. Tax Code §26.042(b).

## 2025 Tax Rate Calculation Worksheet – Taxing Units Other Than School Districts or Water Districts

Form 50-856

| Line | Emergency Revenue Rate Worksheet                                                                                                                                                                                                                                                                                                                               | Amount/Rate        |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| 82.  | <b>Current year voter-approval tax rate, adjusted for emergency revenue.</b> Subtract Line 81 from one of the following lines (as applicable): Line 50, Line D50 (disaster), Line 51 (counties), Line 59 (taxing units with the additional sales tax), Line 63 (taxing units with pollution control) or Line 69 (taxing units with the unused increment rate). | \$ 0.467702 /\$100 |

## SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

**No-new-revenue tax rate.** ..... \$ 0.450547 /\$100

As applicable, enter the current year NNR tax rate from: Line 27, Line 28 (counties), or Line 57 (adjusted for sales tax).

Indicate the line number used: 27

**Voter-approval tax rate.** ..... \$ 0.467702 /\$100

As applicable, enter the current year voter-approval tax rate from: Line 50, Line D50 (disaster), Line 51 (counties), Line 59 (adjusted for sales tax), Line 63 (adjusted for pollution control), Line 69 (adjusted for unused increment), or Line 82 (adjusted for emergency revenue).

Indicate the line number used: 50

**De minimis rate.** ..... \$ 0.616244 /\$100

If applicable, enter the current year de minimis rate from Line 74.

## SECTION 9: Addendum

An affected taxing unit that enters an amount described by Tax Code Section 26.012(6)(C) in line 21 must include the following as an addendum:

1. Documentation that supports the exclusion of value under Tax Code Section 26.012(6)(C); and
2. Each statement submitted to the designated officer or employee by the property owner or entity as required by Tax Code Section 41.48(c)(2) for that tax year.

Insert hyperlinks to supporting documentation:

## SECTION 10: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in the Tax Code.<sup>34</sup>print  
here

Jayna Dean

Printed Name of Taxing Unit Representative

sign  
here

Jayna Dean

Taxing Unit Representative

7/29/2025

Date

<sup>34</sup> Tax Code §§26.04(c-2) and (d-2)

City of Josephine, TX  
Historical Schedule of Property Tax Rates

| <u>Year Ended</u> | <u>Tax Rate</u> |
|-------------------|-----------------|
| 9/30/2026         | 0.468097        |
| 9/30/2025         | 0.468097        |
| 9/30/2024         | 0.468097        |
| 9/30/2023         | 0.491561        |
| 9/30/2022         | 0.516697        |
| 9/30/2021         | 0.559079        |
| 9/30/2020         | 0.575000        |
| 9/30/2019         | 0.580000        |
| 9/30/2018         | 0.540000        |
| 9/30/2017         | 0.580000        |
| 9/30/2016         | 0.600000        |
| 9/30/2015         | 0.615000        |

**Surrounding Cities**

| <b>Tax Rates</b> | <b>25/26</b> | <b>24/25</b> | <b>23/24</b> | <b>22/23</b> | <b>21/22</b> | <b>20/21</b> | <b>19/20</b> |
|------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Nevada           | 0.221460     | 0.215036     | 0.214781     | 0.230187     | 0.266084     | 0.174440     | 0.179270     |
| Fate             | 0.291054     | 0.259245     | 0.264210     | 0.293832     | 0.339872     | 0.273339     | 0.280656     |
| Greenville       | 0.558000     | 0.355000     | 0.559000     | 0.569000     | 0.58900      | 0.615000     | 0.642162     |
| Lavon            | 0.420000     | 0.420000     | 0.420000     | 0.430000     | 0.478956     | 0.478956     | 0.478957     |
| Princeton        | 0.440226     | 0.440226     | 0.440226     | 0.534543     | 0.602549     | 0.651215     | 0.676299     |
| Melissa          | 0.454116     | 0.454116     | 0.454728     | 0.456168     | 0.568157     | 0.609238     | 0.609541     |
| Josephine        | 0.468097     | 0.468097     | 0.468097     | 0.491561     | 0.51670      | 0.559079     | 0.575000     |
| Caddo Mills      | 0.484999     | 0.484999     | 0.485000     | 0.500000     | 0.54642      | 0.576000     | 0.657000     |
| Wylie            | 0.543438     | 0.534301     | 0.538882     | 0.562333     | 0.643751     | 0.671979     | 0.688454     |
| Royse City       | 0.578000     | 0.578000     | 0.584000     | 0.605000     | 0.62150      | 0.621500     |              |
| Farmersville     | 0.836979     | 0.676773     | 0.712400     | 0.712400     | 0.712044     | 0.712044     | 0.750000     |

# Executive Summary – Fiscal Year 2026 Budget

The Fiscal Year 2026 Budget reflects the City's commitment to strategic growth, infrastructure resilience, and enhanced public services. This year's financial plan emphasizes long-term investments funded through bonds, operational expansions, and forward-looking initiatives to support Josephine's future.

The initially proposed budget filed with the City Secretary in accordance with Texas Local Government Code 102.005(c) was based on preliminary property tax estimates. The finalized budget reflects updated calculations received from the County on July 29, 2025, which adjusted revenue projections to align with certified property values.

## Key Highlights and Trends

### 1. Bond-Funded Capital Initiatives

- **Wastewater Treatment Plant:** Construction begins on a modern facility designed to meet current and future capacity needs, ensuring compliance with environmental standards and supporting population growth.
- **Drainage and Flood Mitigation Projects:** Targeted improvements to reduce flood risk and enhance stormwater management, safeguarding residents and property.
- **Water Storage Infrastructure:** Expansion of water storage capacity to strengthen supply reliability and prepare for future demand.

### 2. Operational Expansion

- **Josephine Fire Department:** FY2026 marks the first full year of operations for the newly established department, improving emergency response times and community safety.

### 3. Planning for the Future

- Comprehensive planning initiatives will focus on sustainable growth, infrastructure modernization, and community development to position Josephine for continued success.

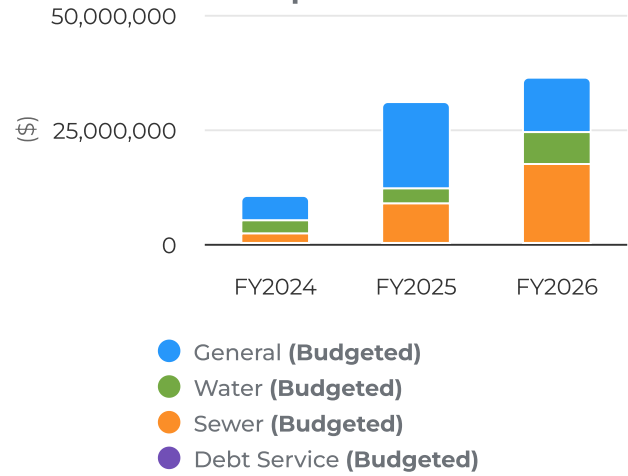
## Budgetary Trends

- **Capital Investment Surge:** Significant allocation toward infrastructure projects funded by bonds, signaling a proactive approach to long-term resilience.
- **Operational Growth:** Increased expenditures associated with new public safety services and staffing.
- **Strategic Reserves:** Maintaining healthy reserves to ensure financial stability while supporting ambitious capital projects.

## Expenditures

The FY2026 Budget reflects a significant increase in capital investment for infrastructure projects to support growth, alongside expanded operational funding for public safety and future planning.

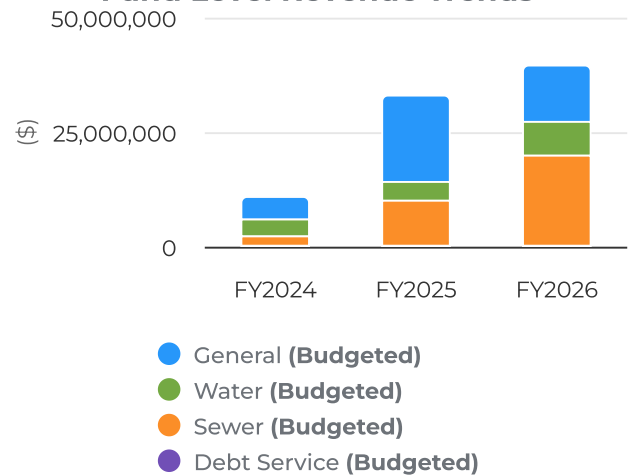
### Fund Level Expenditure Trends



## Revenues

FY2026 revenue growth is driven by rate adjustments to MUD Public Safety Fees, eliminating taxpayer subsidies for MUD districts, and leveraging previously secured bond funds to finance major infrastructure projects.

### Fund Level Revenue Trends





# Executive Overview

## Executive Overview: Fiscal Year 2026 City of Josephine Budget

**Introduction:** The fiscal year 2026 municipal budget for the City of Josephine reflects our commitment to fiscal responsibility and strategic investment in our community's future. This overview provides a summary of key components and highlights our financial priorities for the upcoming year.

**Financial Overview:** The total budget for fiscal year 2026 is \$36,454,562, representing a 17% increase from the previous year. This change represents personnel changes and capital improvements where funding has been previously secured, and strategic planning has been ongoing over the past several years. This budget is balanced, ensuring that revenues meet or exceed expenditures while maintaining essential services and planning for future growth.

**Revenue Sources:** Our revenue sources are diversified to mitigate financial risks and support ongoing operations and capital projects. Key revenue streams include property taxes, local sales taxes, state and federal grants, fund balance from reserves and Previously Issued Bonds, and fees for services. We anticipate stable revenue growth aligned with economic forecasts and community development initiatives.

**Expenditure Allocations:** The budget prioritizes expenditures to enhance quality of life and ensure public safety, infrastructure maintenance, and community services. Key allocations include funding for:

- Public safety (police, fire, emergency services)
- Infrastructure improvements (roads, bridges, utilities)
- Parks and recreation facilities
- Economic development initiatives
- Administrative and operational support

**Strategic Investments:** We are making strategic investments in planning, design, infrastructure, parks and recreational spaces, and retail establishments to address community needs and promote sustainable growth. These investments aim to enhance service delivery, improve infrastructure resilience, and foster economic opportunities for residents and businesses.

**Reserves and Contingencies:** Adequate reserves and contingency funds are maintained to address unforeseen emergencies and economic uncertainties. This proactive approach ensures financial stability and minimizes the impact of external economic factors on our operations and service delivery.

**Community Engagement and Transparency:** Throughout the budget process, we have engaged with stakeholders, including residents, businesses, and community organizations, to gather feedback and align budget priorities with community needs. Transparency in financial planning and reporting remains a cornerstone of our governance approach.

**Conclusion:** The fiscal year 2026 budget reflects our commitment to responsible financial management and sustainable growth. By prioritizing strategic investments and maintaining fiscal discipline, we aim to build a resilient and vibrant community that meets the evolving needs of our residents.

For detailed information on revenue projections, expenditure breakdowns, and capital investments, please refer to the comprehensive budget documents enclosed with this overview.

Sincerely,

Melissa Stillwell

Finance Director





# Strategic Plan

## Vision Statement

Josephine is a welcoming community with a vision to manage new growth while strengthening neighborhoods.

As the fastest growing city in Texas, Josephine embraces a future that honors its rich heritage while fostering sustainable development. We envision a community where the warmth of small-town living thrives amidst growth, where every resident feels a deep sense of belonging and pride in our unique identity. With a commitment to preserving our country feel, we prioritize green spaces, community gatherings, and locally-owned businesses that enhance our quality of life. Together, we build a future where progress and tradition harmoniously coexist, ensuring Josephine remains a cherished place to call home for generations to come. We strive to become a sustainable and inclusive city that fosters economic prosperity, social equity, and environmental stewardship for all its citizens.

## Strategic Goals

- **Economic Development:** Foster a diverse economy that supports innovation and attracts businesses while ensuring equitable access to economic opportunities.
- **Infrastructure:** Develop and maintain a sustainable infrastructure network that enhances connectivity, resilience, and safety for all residents.
- **Community Well-being:** Promote a vibrant and inclusive community that prioritizes health, education, culture, and social services.
- **Environmental Sustainability:** Protect natural resources, reduce environmental impact, and mitigate climate change through sustainable practices and policies.

### Strategies for Economic Development:

- **Strategy:** Attract new industries and businesses through targeted incentives and streamlined permitting processes.
  - **Action Plan:** Economic Development Liaison to identify key sectors for growth, create tailored incentive packages, and attract small retail and commercial entities that align with Josephine's Comprehensive Plan.

### Strategies for Infrastructure:

- **Strategy:** To achieve a sustainable infrastructure network that enhances connectivity, resilience, and safety for all residents of Josephine while maintaining its small-town country feel, consider implementing the following action plans:
  - **Smart Growth Planning:** Follow the Developed comprehensive plan that guides development in a way that minimizes environmental impact and preserves the character of the town. Ensure zoning regulations support sustainable infrastructure development.
  - **Multi-modal Connectivity:** Invest in pedestrian-friendly pathways, bike lanes, and sidewalks to promote alternative modes of transportation and improve connectivity between residential areas, schools, parks, and commercial districts.
  - **Road Maintenance and Upgrades:** Regularly maintain existing roads and prioritize upgrades to accommodate increased traffic flow while ensuring safety. Implement traffic-calming measures where appropriate to maintain a small-town feel.
  - **Utility Infrastructure:** Upgrade and expand utility infrastructure (water, sewer) to accommodate population growth while incorporating energy-efficient technologies and renewable energy sources where feasible.
  - **Stormwater Management:** Implement sustainable stormwater management practices to reduce flooding risks and preserve water quality. This could include green infrastructure solutions like permeable pavements, rain gardens, and retention ponds.

- **Emergency Services Preparedness:** Ensure emergency services (fire, police, medical) are well-equipped and strategically located to respond promptly to residents' needs across the town.
- **Community Engagement:** Foster open communication with residents to gather feedback on infrastructure needs and priorities. Engage stakeholders in decision-making processes to ensure infrastructure projects reflect community values and preferences.
- **Preservation of Green Spaces:** Protect and enhance natural landscapes, parks, and recreational areas that contribute to Josephine's small-town charm. Encourage sustainable landscaping practices and tree preservation efforts.
- **Long-term Sustainability:** Incorporate long-term sustainability goals into infrastructure planning, such as reducing carbon footprint, enhancing energy efficiency, and promoting resilience to climate change impacts.

### Strategies for Community Well-being:

- **Strategy:** By implementing these strategies, Josephine can cultivate a thriving community where residents feel supported, connected, and empowered to lead healthy, fulfilling lives while preserving its unique small-town character and charm.
  - **Cultural Enrichment:** Celebrate and preserve Josephine's cultural heritage through festivals, arts events, and historical preservation efforts. Support local artists, musicians, and cultural organizations to showcase the town's unique identity.
  - **Social Services Support:** Strengthen social service networks to provide assistance for vulnerable populations, including seniors, low-income families, and individuals with disabilities.
  - **Community Engagement and Inclusion:** Foster a sense of belonging by promoting civic engagement, volunteerism, and community involvement. Establish platforms for residents to participate in decision-making processes and contribute to community improvement projects.
  - **Recreational Opportunities:** Develop and maintain parks, playgrounds, and recreational facilities that promote active lifestyles and social interaction among residents of all ages.
  - **Safety and Security:** Ensure a safe environment for all residents through effective law enforcement, emergency preparedness, and crime prevention programs. Implement neighborhood watch initiatives and collaborate with law enforcement agencies to address community safety concerns.
  - **Accessibility and Inclusivity:** Improve accessibility to public spaces and services for individuals with disabilities. Ensure that community events, facilities, and programs are inclusive and accommodate diverse cultural backgrounds and abilities.
  - **Partnerships and Collaboration:** Forge partnerships with local businesses, schools, nonprofits, and government agencies to leverage resources and expertise in promoting community well-being. Create alliances that support economic development, educational attainment, and social cohesion.

### Strategies for Environmental Sustainability:

- **Strategy:** By following these strategies to protect natural resources, reduce environmental impact, and mitigate climate change in Josephine through sustainable practices and policies.
  - **Action Plan:**
    - **Water Conservation:** Following water conservation measures, such as promoting installation of efficient irrigation systems, and incentivizing residents to reduce water consumption through education and rebate programs.
    - **Preservation of Green Spaces:** Protect and expand parks, greenbelts, and natural habitats to conserve biodiversity and provide recreational opportunities for residents. Implement policies that prioritize the preservation of undeveloped land and open spaces.
    - **Collaboration and Partnerships:** Collaborate with neighboring communities, environmental organizations, academic institutions, and government agencies to share resources, best practices, and expertise in advancing environmental sustainability goals.



# Priorities & Issues

As we embark on the upcoming fiscal year, the priorities and issues facing Josephine reflect our commitment to sustainable growth, community well-being, and fiscal responsibility. Our focus for the upcoming year marks a strategic shift from the current year, driven by a careful evaluation of evolving community needs, economic conditions, and operational challenges. Here's an overview of our key priorities and the factors influencing our decisions:

## **1. Infrastructure Investment:**

Josephine is experiencing rapid growth, necessitating significant investments in infrastructure. Our priority for the upcoming year is to enhance our roadways, utilities, and public facilities to accommodate an increasing population and maintain high standards of safety and accessibility. This shift in focus responds directly to feedback from residents and businesses, who have expressed concerns about traffic congestion and the need for improved infrastructure to support local quality of life. We will continue to leverage our business relationship with suppliers and developers to share the costs of these improvements.

## **2. Economic Development Initiatives:**

Recognizing the importance of economic vitality, we are intensifying efforts to attract new businesses and support existing ones. Our economic development strategies will prioritize job creation, business attraction, and expansion opportunities. This emphasis reflects a proactive approach to enhancing our local economy, reducing tax burdens, and creating sustainable revenue streams to support community services and initiatives.

## **3. Fiscal Responsibility and Efficiency:**

In light of fiscal challenges and uncertainties, we have adopted a prudent approach to budgeting. We have scrutinized expenditures and identified areas for efficiency improvements without compromising service delivery. This decision is essential to maintaining stable tax rates, leveraging existing resources effectively, and safeguarding the financial health of our community for future generations.

## **4. Environmental Sustainability:**

The preservation of our natural environment remains a core value for Josephine. This year, we are increasing efforts to promote environmental sustainability through waste reduction programs and community education on conservation practices. These efforts underscore our commitment to mitigating climate change, enhancing resilience to environmental risks, and preserving the natural beauty that defines our community.

## **5. Community Engagement and Inclusivity:**

Building a cohesive and inclusive community is paramount. We are enhancing opportunities for resident engagement through outreach programs, City hall meetings, and digital platforms. By fostering dialogue and participation, we aim to strengthen community bonds, ensure diverse voices are heard in decision-making processes, and cultivate a shared vision for Josephine's future.

## **Budget Decisions and Ramifications:**

During the budget process, difficult decisions were made to prioritize critical investments while exercising fiscal discipline. These decisions include modest increases in certain fees to align with rising operational costs, targeted reductions in non-essential services to streamline operations, and strategic allocations of reserves to fund priority infrastructure projects. These measures are designed to balance immediate needs with long-term sustainability, ensuring Josephine continues to thrive as a desirable place to live, work, and visit.

In conclusion, the upcoming year represents a pivotal moment for Josephine as we navigate growth, economic dynamics, and community aspirations. By focusing on infrastructure, economic development, fiscal responsibility, environmental stewardship, and community engagement, we are laying a foundation for a vibrant and resilient future. Together, we will overcome challenges, seize opportunities, and build a prosperous community that reflects the values and aspirations of all residents.



Thank you for your continued support and partnership in shaping the future of Josephine.

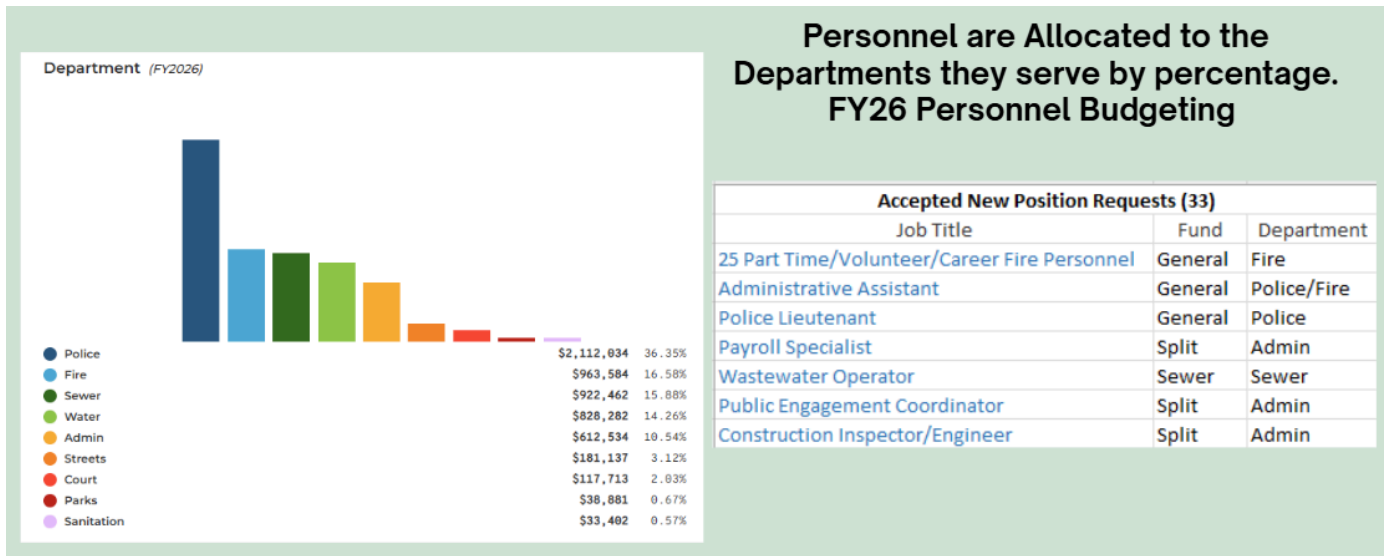
Sincerely,

Melissa Stillwell  
Finance Director

# Personnel Changes

By aligning our workforce with current needs and strategic priorities, we are positioned to meet the challenges and opportunities ahead while maintaining fiscal sustainability and enhancing community well-being.

For Fiscal Year 2026 we will potentially be adding 33 positions.



## City of Josephine Staffing Prior Year

| COJ Headcount FYE 9.30.2024 |                                    |           |            |       |            |       |       |        |       |        |      |
|-----------------------------|------------------------------------|-----------|------------|-------|------------|-------|-------|--------|-------|--------|------|
| Department                  | Position                           | Headcount | Allocation |       |            |       |       |        |       |        |      |
|                             |                                    |           | Water      | Sewer | Sanitation | Court | Admin | Street | Parks | Police | Fire |
| Administration              | City Secretary                     | 1         | 2%         | 2%    | 1%         | 15%   | 80%   |        |       |        | 100% |
| Administration              | Assistant to the City Secretary    | 0         | 2%         | 2%    | 1%         | 15%   | 80%   |        |       |        | 100% |
| Administration              | City Administrator                 | 1         |            |       |            |       | 100%  |        |       |        | 100% |
| Administration              | Finance Director                   | 1         | 30%        | 30%   |            |       | 40%   |        |       |        | 100% |
| Administration              | Accounting Coordinator             | 1         | 25%        | 25%   |            | 25%   | 25%   |        |       |        | 100% |
| Administration              | Water Clerk                        | 1         | 50%        | 38%   | 9%         | 3%    |       |        |       |        | 100% |
| Administration              | City Clerk                         | 1         | 10%        | 10%   | 2%         | 78%   |       |        |       |        | 100% |
| Administration              | City Clerk                         | 1         | 40%        | 40%   | 2%         | 18%   |       |        |       |        | 100% |
| Administration              | Assitant City Administrator/Public |           |            |       |            |       |       |        |       |        |      |
| Public Works                | Works Director                     | 1         | 40%        | 40%   |            |       |       | 15%    | 5%    |        | 100% |
| Public Works                | Public Works Operators             | 7         | 40%        | 40%   |            |       |       | 15%    | 5%    |        | 100% |
| Public Works                | Wastewater Operator                | 2         | 20%        | 80%   |            |       |       |        |       |        | 100% |
| Public Works                | Administrative Assistant-Part Time | 1         | 40%        | 40%   |            |       |       | 15%    | 5%    |        | 100% |
| Police                      | Chief of Police                    | 1         |            |       |            |       |       |        |       | 100%   | 100% |
| Police                      | Police Sergeant                    | 1         |            |       |            |       |       |        |       | 100%   | 100% |
| Police                      | Police Lieutenant                  | 1         |            |       |            |       |       |        |       | 100%   | 100% |
| Police                      | Police Officers                    | 7         |            |       |            |       |       |        |       | 100%   | 100% |
| Police                      | Reserve Officer/Volunteer          | 2         |            |       |            |       |       |        |       | 100%   | 100% |
| Employee Total              |                                    | 30        |            |       |            |       |       |        |       |        |      |

# City of Josephine Staffing Current Year

| COJ Headcount FYE 9.30.2025 |                              |           |            |       |            |       |       |        |       |        |      |       |
|-----------------------------|------------------------------|-----------|------------|-------|------------|-------|-------|--------|-------|--------|------|-------|
| Department                  | Position                     | Headcount | Allocation |       |            |       |       |        |       |        |      |       |
|                             |                              |           | Water      | Sewer | Sanitation | Court | Admin | Street | Parks | Police | Fire | Total |
| Administration              | City Administrator           | 1         |            |       |            |       | 100%  |        |       |        |      | 100%  |
| Administration              | Assistant City Administrator | 1         | 40%        | 40%   |            |       | 20%   |        |       |        |      | 100%  |
|                             | Administrative Services      |           |            |       |            |       |       |        |       |        |      |       |
| Administration              | Director and City Secretary  | 1         | 20%        | 20%   |            | 20%   | 40%   |        |       |        |      | 100%  |
| Administration              | City Planner                 | 1         | 40%        | 40%   |            |       | 20%   |        |       |        |      | 100%  |
| Administration              | Finance Director             | 1         | 30%        | 30%   |            |       | 40%   |        |       |        |      | 100%  |
| Administration              | Accounting Coordinator       | 1         | 30%        | 30%   |            |       | 40%   |        |       |        |      | 100%  |
| Administration              | Human Resources Manager      | 1         | 30%        | 30%   |            |       | 40%   |        |       |        |      | 100%  |
|                             | Deputy City Secretary and    |           |            |       |            |       |       |        |       |        |      |       |
| Administration              | Utility Billing Manager      | 1         | 20%        | 20%   | 10%        | 15%   | 35%   |        |       |        |      | 100%  |
| Administration              | Utility Billing Specialist   | 1         | 50%        | 38%   | 9%         | 3%    |       |        |       |        |      | 100%  |
| Administration              | Court Clerk                  | 1         | 10%        | 10%   | 2%         | 78%   |       |        |       |        |      | 100%  |
| Administration              | Water Clerk                  | 1         | 50%        | 35%   | 12%        | 3%    |       |        |       |        |      | 100%  |
|                             | Chief of Fire and Emergency  |           |            |       |            |       |       |        |       |        |      |       |
| Fire                        | Services                     | 1         |            |       |            |       |       |        |       | 100%   |      | 100%  |
| Public Works                | Director of Public Works     | 1         | 40%        | 40%   |            |       |       | 15%    | 5%    |        |      | 100%  |
|                             | Public Works Operators &     |           |            |       |            |       |       |        |       |        |      |       |
| Public Works                | Crew Leaders                 | 7         | 40%        | 40%   |            |       |       | 15%    | 5%    |        |      | 100%  |
|                             | Wastewater Plant Supervisor  | 1         | 20%        | 80%   |            |       |       |        |       |        |      | 100%  |
| Public Works                | Wastewater Operator          | 1         | 20%        | 80%   |            |       |       |        |       |        |      | 100%  |
| Police                      | Chief of Police              | 1         |            |       |            |       |       |        |       | 100%   |      | 100%  |
| Police                      | Police Sergeant              | 2         |            |       |            |       |       |        |       | 100%   |      | 100%  |
| Police                      | Police Lieutenant            | 1         |            |       |            |       |       |        |       | 100%   |      | 100%  |
| Police                      | Police Officers              | 11        |            |       |            |       |       |        |       | 100%   |      | 100%  |
| Police                      | Reserve Officer/Volunteer    | 2         |            |       |            |       |       |        |       | 100%   |      | 100%  |
| Employee Total              |                              | 39        |            |       |            |       |       |        |       |        |      |       |

## Staffing and Operational Growth Overview

Josephine is experiencing rapid growth in single-family residential development, alongside increased interest from commercial and retail sectors. Over the past year, we maintained our staffing levels by filling existing vacancies. However, as the city continues to grow, additional resources are needed to meet the demands of our expanding population and increasing workload.

### Fiscal Year 2026 (FY26):

In FY26, we plan to create several new positions to support this growth. Some of these positions may remain unfilled until appropriate office or operational space becomes available.

FY26 will see significant developments, including the establishment of the **Josephine Municipal Fire Department**—a major milestone for public safety in our city. We will also add the following key positions:

- **Public Engagement Coordinator (Full-Time):** Responsible for planning and managing city events, community center bookings, and overseeing public relations efforts.
- **Payroll Specialist:** Added to support the growing staff and ensure efficient payroll operations.
- **Construction Inspector:** A cost-saving measure aimed at reducing the need for outsourced engineering and inspection services.
- **Wastewater Operator:** To begin training for the new wastewater treatment plant currently under construction.
- **Administrative Lieutenant – Police Department:** To support the expanding operational and administrative needs of the department.

- **Administrative Assistant – Police and Fire Departments:** To provide shared administrative support across both public safety departments.

These additions are essential to ensure the City of Josephine continues to operate efficiently, provide high-quality services, and proactively support its residents and infrastructure as we grow.

| COJ Headcount FYE 9.30.2026 |                                                    |           |            |       |            |       |       |        |       |        |      |       |
|-----------------------------|----------------------------------------------------|-----------|------------|-------|------------|-------|-------|--------|-------|--------|------|-------|
|                             |                                                    |           | Allocation |       |            |       |       |        |       |        |      |       |
| Department                  | Position                                           | Headcount | Water      | Sewer | Sanitation | Court | Admin | Street | Parks | Police | Fire | Total |
| Administration              | City Administrator                                 | 1         |            |       |            |       | 100%  |        |       |        |      | 100%  |
| Administration              | Assistant City Administrator                       | 1         | 40%        | 40%   |            |       | 20%   |        |       |        |      | 100%  |
|                             | Administrative Services                            |           |            |       |            |       |       |        |       |        |      |       |
| Administration              | Director and City Secretary                        | 1         | 20%        | 20%   |            | 20%   | 40%   |        |       |        |      | 100%  |
|                             | Public Engagement                                  |           |            |       |            |       |       |        |       |        |      |       |
| Administration              | Coordinator                                        | 1         | 20%        | 20%   |            |       | 60%   |        |       |        |      | 100%  |
| Administration              | City Planner                                       | 1         | 40%        | 40%   |            |       | 20%   |        |       |        |      | 100%  |
| Administration              | Construction Inspector                             | 1         | 33%        | 33%   |            |       |       |        | 34%   |        |      | 100%  |
| Administration              | Finance Director                                   | 1         | 30%        | 30%   |            |       | 40%   |        |       |        |      | 100%  |
| Administration              | Accounting Coordinator                             | 1         | 30%        | 30%   |            |       | 40%   |        |       |        |      | 100%  |
| Administration              | Human Resources Manager                            | 1         | 30%        | 30%   |            |       | 40%   |        |       |        |      | 100%  |
| Administration              | Payroll Specialist                                 | 1         | 30%        | 30%   |            |       | 40%   |        |       |        |      | 100%  |
|                             | Deputy City Secretary and                          |           |            |       |            |       |       |        |       |        |      |       |
| Administration              | Utility Billing Manager                            | 1         | 20%        | 20%   | 10%        | 15%   | 35%   |        |       |        |      | 100%  |
| Administration              | Utility Billing Specialist                         | 1         | 50%        | 38%   | 9%         | 3%    |       |        |       |        |      | 100%  |
| Administration              | Court Clerk                                        | 1         | 10%        | 10%   | 2%         | 78%   |       |        |       |        |      | 100%  |
| Administration              | Water Clerk                                        | 1         | 50%        | 35%   | 12%        | 3%    |       |        |       |        |      | 100%  |
| Fire                        | Chief of Fire and Emergency Services               | 1         |            |       |            |       |       |        |       |        | 100% | 100%  |
| Fire                        | Fire Personnel (Modeling within Budget Parameters) | 25        |            |       |            |       |       |        |       |        | 100% | 100%  |
| Public Works                | Director of Public Works                           | 1         | 40%        | 40%   |            |       |       | 15%    | 5%    |        |      | 100%  |
|                             | Public Works Operators &                           |           |            |       |            |       |       |        |       |        |      |       |
| Public Works                | Crew Leaders                                       | 7         | 40%        | 40%   |            |       |       | 15%    | 5%    |        |      | 100%  |
|                             | Wastewater Plant Supervisor                        | 1         | 20%        | 80%   |            |       |       |        |       |        |      | 100%  |
| Public Works                | Wastewater Operator                                | 2         | 20%        | 80%   |            |       |       |        |       |        |      | 100%  |
| Police/Fire                 | Administrative Assistant                           | 1         |            |       |            |       |       |        |       | 50%    | 50%  | 100%  |
| Police                      | Chief of Police                                    | 1         |            |       |            |       |       |        |       | 100%   |      | 100%  |
| Police                      | Police Sergeant                                    | 5         |            |       |            |       |       |        |       | 100%   |      | 100%  |
| Police                      | Police Lieutenant                                  | 2         |            |       |            |       |       |        |       | 100%   |      | 100%  |
| Police                      | Police Officers                                    | 11        |            |       |            |       |       |        |       | 100%   |      | 100%  |
| Police                      | Reserve Officer/Volunteer                          | 2         |            |       |            |       |       |        |       | 100%   |      | 100%  |
|                             | Employee Total                                     | 73        |            |       |            |       |       |        |       |        |      |       |

# Short-term Factors

In Josephine, the development of the budget for the upcoming year is influenced by several key short-term factors that shape decision-making across various aspects:

1. **Salary and Benefit Guidelines:** Determining appropriate salary increases, benefits packages, and adjustments for municipal employees based on negotiated agreements, cost-of-living considerations, and market competitiveness.
2. **Fees:** Evaluating current fee structures for services such as utilities, permits, and licenses to ensure they cover operational costs and align with community expectations.
3. **Capital Improvements:** Prioritizing infrastructure projects such as road repairs, utility expansions, and facility upgrades based on maintenance needs, safety concerns, and growth projections.
4. **Program Enhancements or Reductions:** Assessing the effectiveness and community impact of existing programs and services to allocate resources effectively. Considering new initiatives or reducing funding for programs that are underutilized or less critical.
5. **Tax Levels:** Setting property tax rates and evaluating potential increases or decreases based on revenue projections, economic conditions, and fiscal responsibilities.
6. **Use of Reserves:** Determining the appropriate use of reserves to fund one-time expenses, emergency situations, or strategic investments without jeopardizing financial stability or credit ratings.
7. **Service Level Assumptions:** Defining the expected levels of service for essential services such as public safety, utilities, and parks based on community needs, demographic shifts, and regulatory requirements.
8. **Unfunded Mandates:** Assessing the impact of state or federal mandates that require local funding without corresponding financial support, and developing strategies to mitigate these impacts.
9. **Economic Development Strategies:** Allocating resources to support economic growth, business attraction, and retention efforts that enhance the local tax base and create employment opportunities.
10. **Inflation Assumptions:** Projecting inflation rates for goods and services to anticipate cost increases and adjust budgetary allocations accordingly.
11. **Demographic Assumptions:** Analyzing demographic trends such as population growth, age distribution, and housing developments to forecast service demand and infrastructure needs.

Each of these factors plays a crucial role in shaping Josephine's budgetary decisions, ensuring fiscal responsibility, community engagement, and sustainable development for the upcoming fiscal year. Adjustments and allocations are made in alignment with strategic priorities to meet the evolving needs of residents and businesses while maintaining financial prudence and transparency.

## City of Josephine Long Range Operational Plan

### 2025-2030

#### Vision

Josephine will continue building a vibrant, self-sustaining community that delivers high-quality municipal services and continually enhances residents' quality of life. The city will leverage growth and regional partnerships to ensure long-term financial stability while preserving its semi-rural charm and character. Guided by the Comprehensive Plan, Josephine will support a family-oriented lifestyle and provide a balanced range of housing options for all stages of life, ensuring that residential growth aligns with community values and available infrastructure. The city will also promote the development of local shopping, dining, and neighborhood service opportunities to strengthen the local economy and community connections.

#### Key Services

##### *Utilities*

Reliable, sustainable utilities are a cornerstone of this vision. The city will continue to implement and refine its Water and Wastewater Master Plan, a living document guiding infrastructure investments as growth accelerates. Because surrounding MUDs and limited municipal control present ongoing challenges, the plan ensures Josephine prioritizes city-led service expansion, safeguards capacity, and coordinates land dedications and facility development with partnering developers. These partnerships are essential to supporting inevitable area growth while ensuring that in-city residents are not financially burdened by it—in essence, growth pays for itself.

##### *Public Safety*

Public safety remains a top priority through expanded police, fire, and EMS coverage. The city will continue to strengthen and expand personnel within the newly formed Municipal Fire Department, ensuring adequate staffing, equipment, and training to provide timely and professional emergency response as the community grows. The city will also explore options for a new ambulance service that is more prompt, delivers higher quality care, and is cost-efficient. To enhance partnerships with nearby MUDs, the city will work to enhance reporting and performance measures to facilitate adequate personnel levels and the highest quality of service for all.

##### *Parks and Recreation*

Land dedication for future public safety facilities will also be pursued to meet long-term service needs. Parks and recreation amenities will grow in alignment with the Master Parks & Trails Plan (adoption 2025), ensuring residents enjoy accessible, high-quality spaces that promote health, wellness, and community engagement.

#### Challenges and Opportunities

As Josephine navigates rapid population growth, the city faces both challenges and opportunities to expand services, strengthen cost recovery, and guide development strategically. Partnerships with neighboring communities and MUDs outside city limits will focus on collaboration, coordinated service delivery, and shared solutions that benefit the broader region. Facility constraints and infrastructure complexity will be addressed through careful planning and sound fiscal management—maintaining or reducing the tax rate wherever feasible, while acknowledging that future rate adjustments may be necessary to sustain quality services. Debt will only be incurred when repayment can be managed without significant burden to existing residents.

#### Strategic Priorities



### *Josephine First*

Strategically, Josephine will focus on enhancing current services by upgrading water and sewer infrastructure, expanding public safety services and staffing, and improving parks and community programs. The city will extend services beyond its boundaries under a “Josephine First” policy to ensure fairness, efficiency, and sustainability. Financial stability will remain a core principle, achieved through targeted commercial development, equitable utility and service fees, and disciplined budgeting.

### *Economic Development*

To support economic growth, community vibrancy, and city branding, the new Municipal Development District will work in partnership with the city to market Josephine as a welcoming and desirable environment for new businesses and residents. Josephine will also prioritize neighborhood and commercial development that brings essential amenities such as grocery stores, pharmacies, and mixed-use centers, while strengthening organizational capacity through expanded facilities, additional personnel, and modernized operations. This approach is intended to ultimately create a self-sustaining community where residents can work, shop, and access services **entirely within Josephine.**

### **Performance Measures**

Success will be measured by reliable utility coverage guided by the Water and Wastewater Master Plan, faster emergency response times, and visible growth in sales tax revenue and commercial activity. Additional indicators of progress will include coordinated agreements with neighboring districts, expanded parks and trails, improved city facilities, an adequately staffed and well-equipped Municipal Fire Department, and strong financial health—demonstrated by a stable or reduced tax rate where feasible, healthy reserves, and responsible debt management that protects current residents while ensuring the community’s continued growth and vitality.

# Long Term Factors

Long-term factors affecting any city budget involve a complex interplay of economic, social, environmental, and political influences. These factors can have significant impacts on a city's ability to provide services, maintain infrastructure, and achieve fiscal sustainability. The list below is not specific to Josephine, but many of the factors listed will have some effect on city finances when considering long range planning. Here's an in-depth look at these factors:

## 1. Economic Conditions

- **Economic Growth and Decline:** The overall economic health of the city influences tax revenues, business growth, and employment levels, directly affecting the city's budget.
- **Property Values:** Fluctuations in property values impact property tax revenues, which are often a significant source of income for city budgets.
- **Inflation:** Rising costs for goods, services, and labor can increase the expense side of the budget, requiring adjustments to maintain balance.

## 2. Population Changes

- **Population Growth or Decline:** Increases in population can boost revenue through taxes but also require more spending on infrastructure, housing, and services. A declining population can reduce revenue and leave excess infrastructure underutilized.
- **Demographic Shifts:** Aging populations v, younger populations will play a role in determining what services, events, and attractions a city requires.

## 3. Infrastructure and Capital Projects

- **Maintenance and Upgrades:** The need to maintain, repair, and upgrade infrastructure like roads, bridges, water systems, and public buildings requires significant, ongoing investment.
- **New Developments:** Expanding infrastructure to support growth or replace outdated systems can be costly but is necessary for long-term city health.

## 4. Housing Market Dynamics

- **Real Estate Development:** The pace of real estate development can influence property tax revenues and infrastructure needs.

## 5. State and Federal Funding

- **Grants and Aid:** Reliance on state and federal funding can be a double-edged sword. Changes in policies or budget cuts at higher levels of government can create budget shortfalls.
- **Mandates and Unfunded Liabilities:** State or federal mandates that require cities to take on certain responsibilities without providing adequate funding can strain city budgets.

## 6. Public Safety and Law Enforcement

- **Police and Fire Services:** The need to maintain and expand police, fire, and emergency services can be a major long-term budgetary concern, especially with rising costs for personnel, equipment, and training.

## 7. Debt and Pension Obligations

- **Debt Obligations:** Cities often rely on borrowing to finance large projects, but high levels of debt can limit future budget flexibility due to interest and repayment obligations.

## 8. Technological Advancements

- **Digital Infrastructure:** Investments in smart city technology, cybersecurity, and digital services can enhance efficiency but require upfront costs.
- **Automation:** Implementing automated systems in public services can lead to long-term savings but may require significant initial investment.

## 9. Events/Attractions/Community Engagement

- **Events and Attractions:** Cities that invest in parks, community centers, arts, and festivals can see long-term economic benefits but must also budget for the maintenance and promotion of these assets and activity.
- **Community Engagement:** Increased demands for participatory governance and transparent budgeting processes can require additional resources.

## 10. Legal and Regulatory Issues

- **Litigation Costs:** Lawsuits or legal challenges, whether from businesses, residents, or other entities, can result in significant legal fees and settlements that impact the budget.
- **Regulatory Compliance:** Adhering to new environmental, health, or safety regulations can require additional spending.

## 11. Political Stability and Governance

- **Leadership Changes:** Shifts in political leadership on a local, state and national level can lead to changes in budget priorities, impacting long-term financial planning.
- **Public Trust and Participation:** A lack of public trust in local government can reduce the willingness of residents to support necessary tax increases or spending initiatives, complicating budgetary decisions.

By understanding and planning for these factors, city officials can better navigate the challenges of long-term budget management, ensuring that the city remains financially healthy and capable of meeting the needs of its residents over time.

## Three Year Forecast

## THREE YEAR FORECAST

| Row Labels   | Sum of FY25<br>NET ACTIVITY | Sum of FY26<br>Adopted | Sum of FY 27<br>FORECAST | Sum of FY 28<br>FORECAST | Sum of FY 29<br>FORECAST |
|--------------|-----------------------------|------------------------|--------------------------|--------------------------|--------------------------|
| Debt Service | (865,578.00)                | (886,895.83)           | (890,607.03)             | (890,963.53)             | (893,963.53)             |
| General      | (3,970,221.00)              | (3,974,429.61)         | (3,987,234.00)           | (4,070,648.18)           | (4,368,413.80)           |
| Sewer        | (11,557,708.00)             | (12,836,814.33)        | (13,405,446.55)          | (13,486,163.20)          | (13,865,688.96)          |
| Water        | (12,498,964.00)             | (13,103,546.96)        | (14,291,219.58)          | (15,735,262.30)          | (16,676,839.46)          |

\*Beginning

|              |                 |                 |                 |                 |                 |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Fund Balance | (28,892,471.00) | (30,801,686.73) | (32,574,507.16) | (34,183,037.21) | (35,804,905.76) |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|

| Row Labels         | Sum of FY25<br>ACTIVITY | Sum of FY26<br>ADOPTED BUDGET | Sum of FY 27<br>FORECAST | Sum of FY 28<br>FORECAST | Sum of FY 29<br>FORECAST |
|--------------------|-------------------------|-------------------------------|--------------------------|--------------------------|--------------------------|
| Debt Service       | (45,509.21)             | (20,650.00)                   | (22,715.00)              | (24,986.50)              | (27,485.15)              |
| General            | 8,422,949.19            | (1,698.40)                    | (689,212.73)             | (297,765.63)             | (298,732.73)             |
| Sewer              | (7,174,746.30)          | (2,498,191.94)                | (729,887.05)             | (379,525.76)             | (748,319.50)             |
| Water              | (2,407,598.04)          | (447,757.98)                  | (653,683.78)             | (941,577.16)             | (280,138.62)             |
| <b>Grand Total</b> | <b>(1,204,904.36)</b>   | <b>(2,968,298.32)</b>         | <b>(2,095,498.56)</b>    | <b>(1,643,855.04)</b>    | <b>(1,354,676.00)</b>    |

| Row Labels         | Sum of FY25<br>ACTIVITY | Sum of FY26<br>ADOPTED BUDGET | Sum of FY 27<br>FORECAST | Sum of FY 28<br>FORECAST | Sum of FY 29<br>FORECAST |
|--------------------|-------------------------|-------------------------------|--------------------------|--------------------------|--------------------------|
| Debt Service       | (45,509.21)             | (20,650.00)                   | (22,715.00)              | (24,986.50)              | (27,485.15)              |
| General            | 8,422,949.19            | (1,698.40)                    | (689,212.73)             | (297,765.63)             | (298,732.73)             |
| Sewer              | (7,174,746.30)          | (2,498,191.94)                | (729,887.05)             | (379,525.76)             | (748,319.50)             |
| Water              | (2,407,598.04)          | (447,757.98)                  | (653,683.78)             | (941,577.16)             | (280,138.62)             |
| <b>Grand Total</b> | <b>(1,204,904.36)</b>   | <b>(2,968,298.32)</b>         | <b>(2,095,498.56)</b>    | <b>(1,643,855.04)</b>    | <b>(1,354,676.00)</b>    |

| Row Labels         | Sum of FY25           | Sum of FY26           | Sum of FY 27          | Sum of FY 28          | Sum of FY 29          |
|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| ACTIVITY           | ADOPTED BUDGET        | FORECAST              | FORECAST              | FORECAST              | FORECAST              |
| Admin              | (1,010,761.31)        | (518,208.88)          | (649,980.27)          | (792,281.88)          | (889,823.94)          |
| Court              | 142,495.21            | 186,793.91            | 157,192.27            | 169,556.74            | 188,668.69            |
| Debt Service       | (45,509.21)           | (20,650.00)           | (22,715.00)           | (24,986.50)           | (27,485.15)           |
| Fire               | (94,718.71)           | 194,993.12            | 108,372.84            | 194,586.08            | 249,334.05            |
| Parks              | 172,035.16            | 48,317.85             | 147,687.52            | 118,058.70            | 130,539.29            |
| Police             | 8,866,032.40          | 90,588.12             | 74,418.93             | 88,494.09             | 29,296.75             |
| Public Works       | 41,841.38             | 49,000.00             | 53,900.00             | 59,290.00             | 65,219.00             |
| Sanitation         | (445,117.36)          | (379,126.42)          | (457,053.27)          | (548,789.50)          | (656,620.32)          |
| Sewer              | (7,174,746.30)        | (2,498,191.94)        | (729,887.05)          | (379,525.76)          | (748,319.50)          |
| Streets            | 751,142.42            | 325,943.90            | (123,750.75)          | 413,320.15            | 584,653.75            |
| Water              | (2,407,598.04)        | (447,757.98)          | (653,683.78)          | (941,577.16)          | (280,138.62)          |
| <b>Grand Total</b> | <b>(1,204,904.36)</b> | <b>(2,968,298.32)</b> | <b>(2,095,498.56)</b> | <b>(1,643,855.04)</b> | <b>(1,354,676.00)</b> |

| Row Labels         | Sum of FY25           | Sum of FY26           | Sum of FY 27          | Sum of FY 28          | Sum of FY 29          |
|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| ACTIVITY           | ADOPTED BUDGET        | FORECAST              | FORECAST              | FORECAST              | FORECAST              |
| Expense            | 21,429,615.38         | 36,454,561.68         | 42,501,497.44         | 31,357,865.56         | 23,348,703.41         |
| Revenue            | (22,634,519.74)       | (39,422,860.00)       | (44,596,996.00)       | (33,001,720.60)       | (24,703,379.41)       |
| <b>Grand Total</b> | <b>(1,204,904.36)</b> | <b>(2,968,298.32)</b> | <b>(2,095,498.56)</b> | <b>(1,643,855.04)</b> | <b>(1,354,676.00)</b> |

## PIVOT BY FUND AND FUNCTION

| Row Labels                           | Sum of FY25           | Sum of FY26           | Sum of FY 27          | Sum of FY 28           | Sum of FY 29           |
|--------------------------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|
| ACTIVITY                             | ADOPTED BUDGET        | FORECAST              | FORECAST              | FORECAST               | FORECAST               |
| <b>General</b>                       | <b>8,422,949.19</b>   | <b>(1,698.40)</b>     | <b>(689,212.73)</b>   | <b>(297,765.63)</b>    | <b>(298,732.73)</b>    |
| <b>Equity</b>                        | <b>(506,837.69)</b>   | <b>(3,790,000.00)</b> | <b>(4,169,000.00)</b> | -                      | -                      |
| Bond Funds                           | (506,575.36)          | (3,790,000.00)        | (4,169,000.00)        | -                      | -                      |
| Reserve Funds                        | (262.33)              | -                     | -                     | -                      | -                      |
| <b>Expense</b>                       | <b>15,690,106.39</b>  | <b>12,114,161.60</b>  | <b>13,457,933.27</b>  | <b>10,669,944.97</b>   | <b>11,865,676.43</b>   |
| Capital Expenses                     | 8,993,240.71          | 4,324,429.00          | 4,626,660.00          | 885,926.00             | 1,020,418.60           |
| City Events                          | 156,000.62            | 208,500.00            | 229,350.00            | 231,935.00             | 254,828.50             |
| Contract Services                    | 304,263.96            | -                     | -                     | -                      | -                      |
| Miscellaneous                        | 48.91                 | 35,330.00             | 38,863.00             | 42,749.30              | 47,024.23              |
| Operating Expenses                   | 3,645,683.75          | 3,252,145.89          | 3,737,225.48          | 4,044,030.53           | 4,442,686.08           |
| Personnel Services                   | 2,538,076.69          | 4,204,756.71          | 4,727,934.80          | 5,357,614.14           | 5,982,260.02           |
| Repair & Maint.                      | 52,791.75             | 89,000.00             | 97,900.00             | 107,690.00             | 118,459.00             |
| <b>Revenue</b>                       | <b>(6,760,319.51)</b> | <b>(8,325,860.00)</b> | <b>(9,978,146.00)</b> | <b>(10,967,710.60)</b> | <b>(12,164,409.16)</b> |
| Charges for Services                 | (2,762,683.70)        | (4,720,400.00)        | (5,078,940.00)        | (5,633,409.00)         | (6,250,311.15)         |
| Fines                                | (92,259.06)           | (51,500.00)           | (106,650.00)          | (117,315.00)           | (129,046.50)           |
| Grant Income                         | (5,598.00)            | -                     | (900,000.00)          | (950,000.00)           | (1,045,000.00)         |
| Interest                             | (348,903.52)          | (120,000.00)          | (132,000.00)          | (145,200.00)           | (159,720.00)           |
| Licenses, Permits and Franchise Fees | (715,798.42)          | (581,600.00)          | (639,760.00)          | (703,736.00)           | (774,109.60)           |
| Miscellaneous                        | (24,026.17)           | (60,000.00)           | (60,200.00)           | (60,420.00)            | (60,662.00)            |
| Special Assessments                  | (703,750.00)          | (605,000.00)          | (636,000.00)          | (669,300.00)           | (763,930.00)           |
| Taxes                                | (1,607,300.64)        | (1,487,360.00)        | (1,654,596.00)        | (1,841,330.60)         | (2,049,929.91)         |
| Transfers                            | (500,000.00)          | (700,000.00)          | (770,000.00)          | (847,000.00)           | (931,700.00)           |
| <b>Grand Total</b>                   | <b>8,422,949.19</b>   | <b>(1,698.40)</b>     | <b>(689,212.73)</b>   | <b>(297,765.63)</b>    | <b>(298,732.73)</b>    |

## PIVOT BY FUND AND FUNCTION

| Row Labels         | Sum of FY25<br>ACTIVITY | Sum of FY26<br>ADOPTED BUDGET | Sum of FY 27<br>FORECAST | Sum of FY 28<br>FORECAST | Sum of FY 29<br>FORECAST |
|--------------------|-------------------------|-------------------------------|--------------------------|--------------------------|--------------------------|
| Debt Service       | (45,509.21)             | (20,650.00)                   | (22,715.00)              | (24,986.50)              | (27,485.15)              |
| Expense            | 116,175.00              | 179,350.00                    | 197,285.00               | 217,013.50               | 238,714.85               |
| Operating Expenses | 116,175.00              | 179,350.00                    | 197,285.00               | 217,013.50               | 238,714.85               |
| Revenue            | (161,684.21)            | (200,000.00)                  | (220,000.00)             | (242,000.00)             | (266,200.00)             |
| Interest           | -                       | -                             | -                        | -                        | -                        |
| Taxes              | (161,684.21)            | (200,000.00)                  | (220,000.00)             | (242,000.00)             | (266,200.00)             |
| Transfers          | -                       | -                             | -                        | -                        | -                        |
| Grand Total        | (45,509.21)             | (20,650.00)                   | (22,715.00)              | (24,986.50)              | (27,485.15)              |

## PIVOT BY FUND AND FUNCTION

| Row Labels           | Sum of FY25<br>ACTIVITY | Sum of FY26<br>ADOPTED BUDGET | Sum of FY 27<br>FORECAST | Sum of FY 28<br>FORECAST | Sum of FY 29<br>FORECAST |
|----------------------|-------------------------|-------------------------------|--------------------------|--------------------------|--------------------------|
| Water                | (2,407,598.04)          | (447,757.98)                  | (653,683.78)             | (941,577.16)             | (280,138.62)             |
| Equity               | (11,939.51)             | (3,107,000.00)                | (3,417,700.00)           | (3,759,470.00)           | -                        |
| Bond Funds           | (11,939.51)             | (3,107,000.00)                | (3,417,700.00)           | (3,759,470.00)           | -                        |
| Expense              | 3,342,862.99            | 6,920,242.02                  | 7,797,266.22             | 8,566,992.84             | 6,288,275.13             |
| Capital Expenses     | -                       | 3,107,000.00                  | 3,417,700.00             | 3,759,470.00             | 1,000,000.00             |
| City Events          | -                       | -                             | -                        | -                        | -                        |
| Miscellaneous        | (0.26)                  | 500.00                        | 550.00                   | 605.00                   | 665.50                   |
| Operating Expenses   | 2,220,841.33            | 2,200,327.00                  | 2,605,359.70             | 2,855,895.67             | 3,141,485.24             |
| Personnel Services   | 601,323.75              | 894,115.02                    | 983,526.52               | 1,081,879.17             | 1,190,067.09             |
| Repair & Maint.      | 20,698.17               | 18,300.00                     | 20,130.00                | 22,143.00                | 24,357.30                |
| Transfers            | 500,000.00              | 700,000.00                    | 770,000.00               | 847,000.00               | 931,700.00               |
| Revenue              | (5,738,521.52)          | (4,261,000.00)                | (5,033,250.00)           | (5,749,100.00)           | (6,568,413.75)           |
| Charges for Services | (4,707,892.10)          | (3,961,000.00)                | (4,703,250.00)           | (5,386,100.00)           | (6,169,113.75)           |
| Grant Income         | -                       | -                             | -                        | -                        | -                        |
| Interest             | (351,603.55)            | (300,000.00)                  | (330,000.00)             | (363,000.00)             | (399,300.00)             |
| Miscellaneous        | (9,209.00)              | -                             | -                        | -                        | -                        |
| Special Assessments  | (669,816.87)            | -                             | -                        | -                        | -                        |
| Transfers            | -                       | -                             | -                        | -                        | -                        |
| Grand Total          | (2,407,598.04)          | (447,757.98)                  | (653,683.78)             | (941,577.16)             | (280,138.62)             |



**PIVOT BY FUND AND FUNCTION**

| Row Labels           | Sum of FY25<br>ACTIVITY | Sum of FY26<br>ADOPTED BUDGET | Sum of FY 27<br>FORECAST | Sum of FY 28<br>FORECAST | Sum of FY 29<br>FORECAST |
|----------------------|-------------------------|-------------------------------|--------------------------|--------------------------|--------------------------|
| [-] Sewer            | (7,174,746.30)          | (2,498,191.94)                | (729,887.05)             | (379,525.76)             | (748,319.50)             |
| [-] Equity           | (4,451,406.00)          | (17,150,000.00)               | (18,865,000.00)          | (9,000,000.00)           | (2,000,000.00)           |
| Bond Funds           | (4,451,406.00)          | (17,150,000.00)               | (18,865,000.00)          | (9,000,000.00)           | (2,000,000.00)           |
| [-] Expense          | 2,280,471.00            | 17,240,808.06                 | 21,049,012.95            | 11,903,914.24            | 4,956,037.00             |
| Capital Expenses     | -                       | 14,230,709.05                 | 17,411,259.24            | 7,652,385.16             | 29,355.01                |
| City Events          |                         | -                             | -                        | -                        | -                        |
| Contract Services    |                         | -                             | -                        | -                        | -                        |
| Miscellaneous        | 195.00                  | 500.00                        | 550.00                   | 605.00                   | 665.50                   |
| Operating Expenses   | 1,544,447.01            | 1,993,725.75                  | 2,519,743.13             | 3,021,717.44             | 3,573,889.18             |
| Personnel Services   | 685,582.53              | 993,373.26                    | 1,092,710.59             | 1,201,981.64             | 1,322,179.81             |
| Repair & Maint.      | 50,246.46               | 22,500.00                     | 24,750.00                | 27,225.00                | 29,947.50                |
| [-] Revenue          | (5,003,811.30)          | (2,589,000.00)                | (2,913,900.00)           | (3,283,440.00)           | (3,704,356.50)           |
| Charges for Services | (2,365,551.51)          | (2,139,000.00)                | (2,373,900.00)           | (2,635,440.00)           | (2,926,756.50)           |
| Grant Income         |                         | -                             | -                        | -                        | -                        |
| Interest             | (603,302.29)            | (450,000.00)                  | (540,000.00)             | (648,000.00)             | (777,600.00)             |
| Miscellaneous        | (58,958.00)             | -                             | -                        | -                        | -                        |
| Special Assessments  | (1,975,999.50)          | -                             | -                        | -                        | -                        |
| Transfers            |                         | -                             | -                        | -                        | -                        |
| <b>Grand Total</b>   | <b>(7,174,746.30)</b>   | <b>(2,498,191.94)</b>         | <b>(729,887.05)</b>      | <b>(379,525.76)</b>      | <b>(748,319.50)</b>      |

**PERSONNEL ASSUMPTIONS**

2 NEW OFFICERS IN BOTH YRS 27 &amp; 28

FIRE DEPARTMENT STRUCTURE TO REMAIN THE SAME UNTIL PROPERTY/SALES TAX REVENUE

INCREASES ENOUGH FOR ADDITIONAL SUPPORT

UTILITY BILLING MANAGER IN FY 26

2 PW OP/CLERK (COMBINATION) IN FY 27

FINANCE &amp; HUMAN RESOURCES PERSONNEL INCREASE 2 IN FY 26 AND 1 IN FY 28

**REVENUE/EXPENSE ASSUMPTIONS**

ASUMING THE PROPERTY TAX RATE REMAINS UNCHANGED OVER THE NEXT 3 YEARS

NO COMMERCIAL/RETAIL PROPERTY TAX OR SALES TAX GAIN ACCOUNTED FOR

10% SALES TAX GAIN PER YEAR PER TRENDING

NO CAPITAL RECOVERY FEES ACCOUNTED FOR

SAFER GRANT-FIRE PERSONNEL-BRIDGE THE PROPERTY TAX GAP

IMPACT FEES STUDY &amp; STORMWATER FEE STUDY IN PROGRESS

GRANT/ILA/DEVELOPER FUNDING OPPORTUNITIES FOR STREETS &amp; INFRASTRUCTURE

BETWEEN 5%-10% INCREASE ON EACH LINE ITEM PER YEAR

\*Fund Balance is Estimated per Budget Assumptions

## Fund Structure

**General Fund:** The General Fund serves as the primary operating fund of the City of Josephine, supporting essential governmental services such as public safety, administration, parks and recreation, and general government operations. It operates under a modified accrual basis of accounting and budgeting, focusing on the short-term financial resources available to meet current operating expenditures. Key aspects include:

- **Revenue Sources:** Primarily composed of property taxes, sales taxes, licenses and permits, and intergovernmental revenues.
- **Expenditures:** Budgeted to cover day-to-day operational expenses, personnel costs, maintenance, and other general government services.
- **Budgeting Basis:** Budgeted on a modified accrual basis, aligning with the audited financial statements for governmental funds.

**Debt Service Fund:** The Debt Service Fund is a proprietary fund that accounts for the accumulation of resources for the payment of principal and interest on long-term debt. It operates under a full accrual basis of accounting and budgeting, ensuring that adequate funds are available for debt service obligations. Key aspects include:

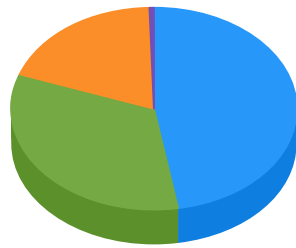
- **Revenue Sources:** Composed of transfers from the General Fund, dedicated taxes or fees, and investment earnings.
- **Expenditures:** Budgeted to cover debt principal and interest payments, including sinking fund payments and bond issuance costs.
- **Budgeting Basis:** Budgeted on a full accrual basis, consistent with the accrual basis used in the audited financial statements for proprietary funds.

**Water and Sewer Funds (Enterprise Funds):** The Water and Sewer Funds are enterprise funds that operate as self-supporting entities, providing water and sewer services to residents and businesses within the City. These funds operate under a full accrual basis of accounting and budgeting to reflect the economic resources available and consumed in providing these essential services. Key aspects include:

- **Revenue Sources:** Generated from user fees charged for water and sewer services, connection fees, and other service-related charges.
- **Expenditures:** Budgeted to cover operating expenses, capital improvements, debt service related to revenue bonds, and depreciation of infrastructure assets.
- **Budgeting Basis:** Budgeted on a full accrual basis, mirroring the accrual basis used in the audited financial statements for enterprise funds.

**Conclusion:** The municipal budget fund structure of the City of Josephine is designed to ensure effective financial management and accountability across its General Fund, Debt Service Fund, and Water and Sewer Funds. Each fund type operates under specific accounting and budgeting principles tailored to their operational and financial characteristics, promoting transparency and fiscal responsibility.

### Fund Structure Budget Overview



- Sewer (Budgeted) \$17,240,808.05
- General (Budgeted) \$12,114,161.62
- Water (Budgeted) \$6,920,242.03
- Debt Service (Budgeted) \$179,350.00

# Department/Fund Relationship

## Summary of Revenue and Expenditures

### General Fund

The General Fund is the primary operating fund and the largest fund of the City. It is used to account for revenue and expenditures generally recognized as governmental services and functions. These include police, streets, code enforcement, parks & recreation, community services, and general administrative services. These are funded primarily by property tax and sales tax.

#### Franchise Fees

These fees are charged to utility companies for use of City right-of-way to provide their services. These fees vary by company service and are established by the City Council when the use of the right-of-way is requested by the service provider.

#### Licenses & Permits

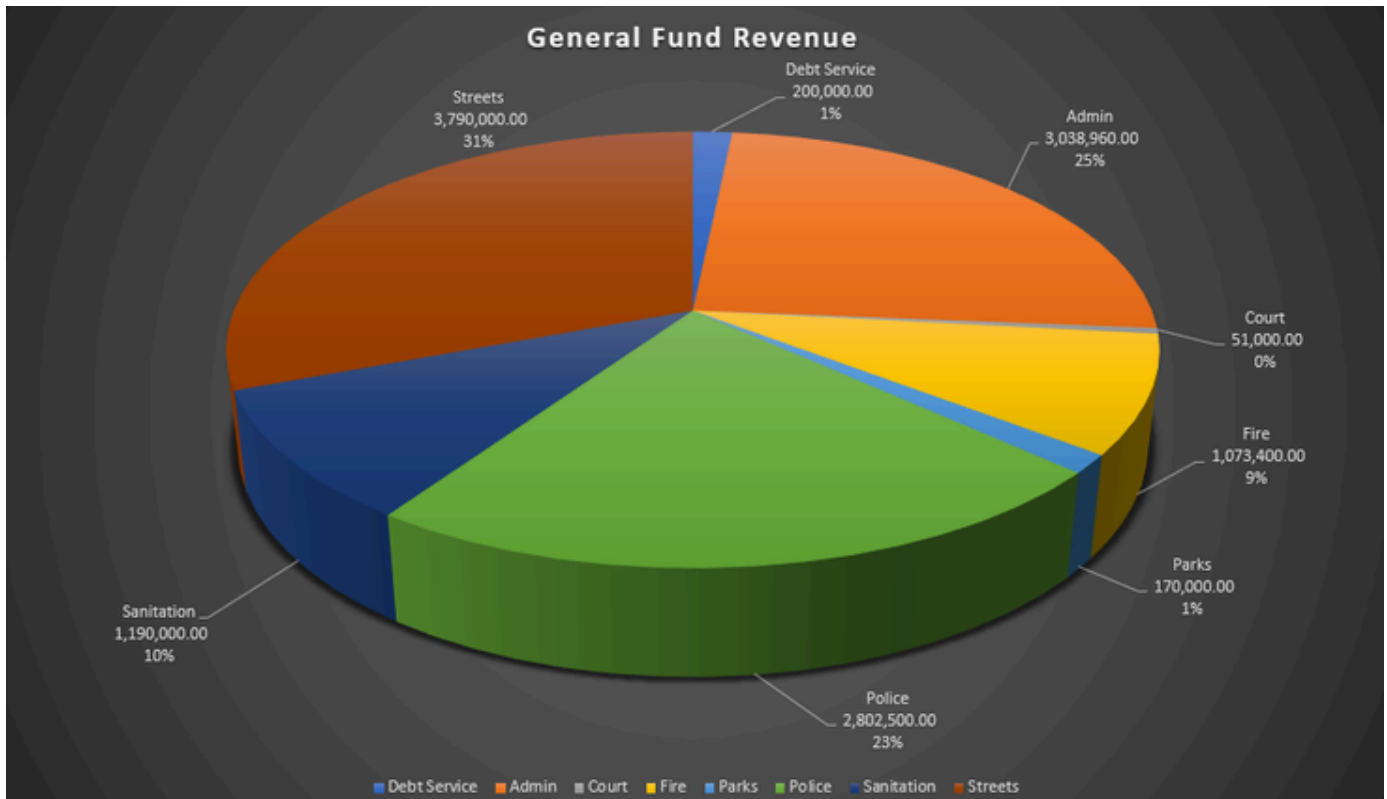
Licenses and Permits are the second largest source of General Fund revenue for the City. Permits issued by the City for new construction, electrical, fences, machinery, plumbing, installation of sprinkler systems and pools, etc. are accounted for in this revenue section. The City continues to project a robust amount of revenue based on construction trends and information received from development in the area. The most substantial piece of the licenses and permits revenue is the new single family residence permits.

#### Municipal Court

This revenue source is the City's portion of the fines and fees collected for law violations. This revenue is projected using historical data.

#### Transfers In

Transfers in are the third largest source of general fund revenue. The transfer in source is an administrative fee transfer from the Water Fund.



## Debt Service Fund

The Debt Service Fund is a specialized fund used by municipalities to manage the repayment of debt obligations, such as bonds and other long-term loans. This fund ensures that the city can meet its scheduled payments on principal and interest for borrowed funds used to finance various capital projects or infrastructure improvements.

## Enterprise Funds

Enterprise Funds account for business-type activities, specifically Water and Sewer services. These funds are separated from the General Fund due to requirements outlined in Local Government Code Sec. 552.001. This separation ensures that revenues and expenditures related to these utility services are tracked independently, reflecting their distinct financial operations and supporting transparent management of resources dedicated to providing water and sewer services.

# Budget Adjustment Process

**The Budget Adjustment Process** The level of control (the level at which expenditures may not exceed the budget) is the fund level. The City Administrator is authorized to approve a transfer of budgeted amounts within funds. However, any transfer of funds between funds and revisions that change the total of any fund must be approved by the City Council. The **Budget Amendment Process** In some instances, larger issues will occur that require budget amendments. These items are discussed among the City Administrator, the Director of Finance and the Department Directors involved. An appropriate funding source is identified, and the amendment is taken before the City Council.



# Funding Sources Overview

# Funds Summary Overview

## All Funds

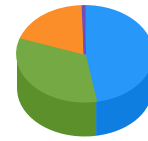
The City's Funds are separated between Governmental and Enterprise Funds. The Governmental Funds are comprised of the General Fund and the Debt Service Fund.

The General Fund is the primary operating fund used by municipalities to finance a wide range of essential public services and functions. It serves as the main repository for revenues and expenditures not allocated to other specific funds or restricted purposes. The General Fund supports the city's core operations, including essential services such as police and fire protection, public works, parks, and municipal administration. It ensures the delivery of services that directly impact the community's daily life and overall quality of life.

The Debt Service Fund is a specialized financial resource used by municipalities to manage and allocate funds for the repayment of long-term debt obligations, such as bonds and loans. It plays a crucial role in ensuring that a city meets its debt repayment requirements while maintaining financial stability. The primary purpose of the Debt Service Fund is to provide a dedicated source of funding for paying off principal and interest on debt incurred for capital projects or infrastructure improvements. This helps ensure timely and accurate repayment of debt, supporting the city's creditworthiness.

Enterprise Funds are used by municipalities to account for the financial activities of business-type operations, such as water and sewer services. These funds operate similarly to a business, where revenues are generated from user fees and are used to cover the costs of providing the service. Enterprise Funds for water and sewer services ensure that these essential utilities operate efficiently and sustainably. They provide a transparent financial framework for managing the costs and revenues associated with these services, supporting the long-term viability and quality of water and sewer operations.

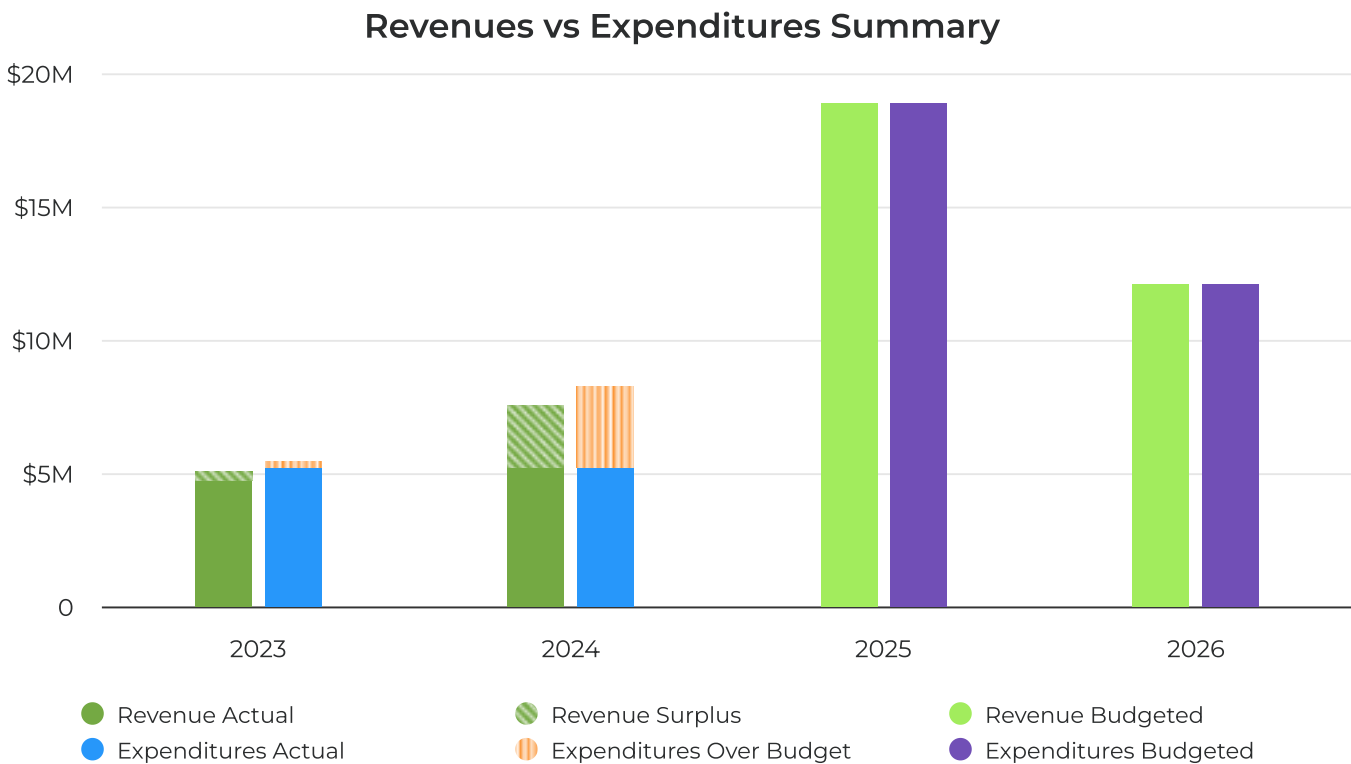
### Funds Overview



- Sewer (**Budgeted**)  
**\$17,240,808.05**
- General (**Budgeted**)  
**\$12,114,161.62**
- Water (**Budgeted**)  
**\$6,920,242.03**
- Debt Service (**Budgeted**)  
**\$179,350.00**

# General Fund

## Summary



In the 2026 budget for the General Fund, both expenditures and revenues are budgeted at \$12.1 million, reflecting a decrease of 35.7% from the previous year's budgeted amounts of \$18.8 million. This marks a significant reduction following the prior year's substantial increase of over 260%. The alignment of budgeted revenues and expenditures at \$12.1 million indicates a balanced approach for 2026, contrasting with the previous year's higher budget levels that were needed to complete Capital Projects.

## Comprehensive Fund Summary

The General Fund serves as the primary operating fund for the City, supporting essential services and core departments, including Administration, Police, Fire, Streets, Sanitation, Parks, and Public Works. These departments deliver critical functions that maintain public safety, infrastructure, and quality of life for residents.

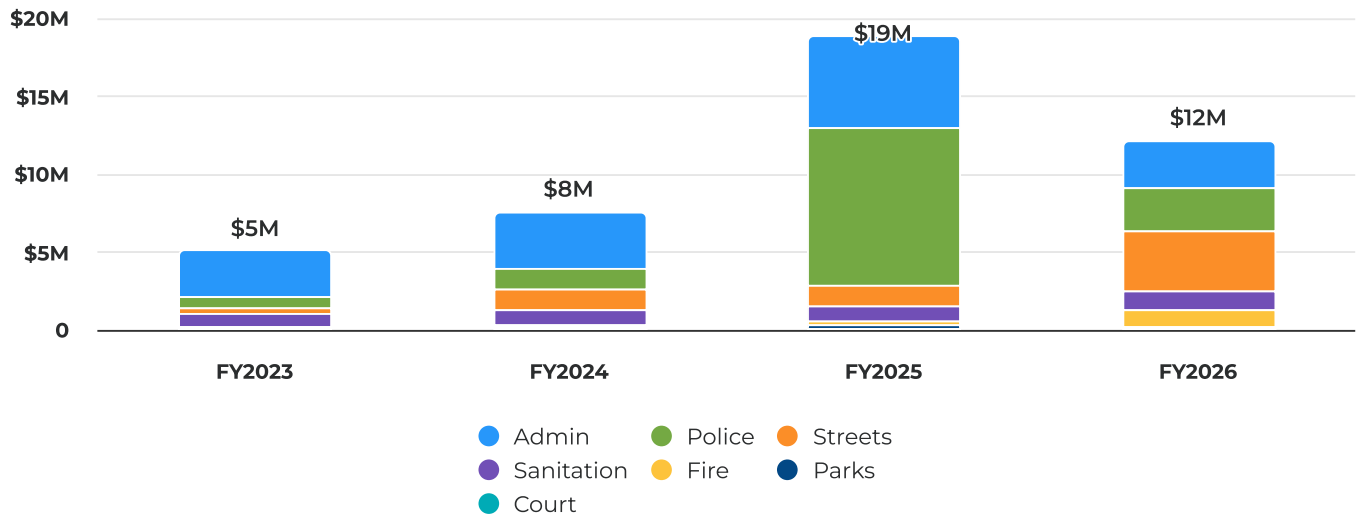
Careful management and monitoring of the General Fund remain a top priority to ensure the budget stays balanced while meeting the community's needs. With a shift in capital priorities following the completion of the Public Safety Building and the transition toward Streets and Drainage projects, it is crucial for the City to plan strategically for these changes in the upcoming 2026 budget year. This approach will help maintain financial stability while continuing to provide high-quality services and address future growth.

## Comprehensive Fund Summary

| Category                                | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Adopted-<br>Finalized FY26 |
|-----------------------------------------|-----------------------------------------------------------------------|------------------------------------|
| <b>Beginning Fund Balance</b>           | <b>\$4,619,998.00</b>                                                 | <b>\$4,624,206.62</b>              |
| <b>Revenues</b>                         |                                                                       |                                    |
| Taxes                                   | \$1,338,478.82                                                        | \$1,487,360.00                     |
| Licenses, Permits and Franchise Fees    | \$686,500.00                                                          | \$581,600.00                       |
| Charges for Services                    | \$2,304,000.00                                                        | \$4,720,400.00                     |
| Fines                                   | \$7,906,000.00                                                        | \$51,500.00                        |
| Special Assessments                     | \$683,813.00                                                          | \$605,000.00                       |
| Grant Income                            | \$1,301,295.00                                                        | -                                  |
| Miscellaneous                           | \$3,866,829.70                                                        | \$3,850,000.00                     |
| Interest                                | \$256,000.00                                                          | \$120,000.00                       |
| Transfers                               | \$500,000.00                                                          | \$700,000.00                       |
| <b>Total Revenues</b>                   | <b>\$18,842,916.52</b>                                                | <b>\$12,115,860.00</b>             |
| <b>Expenditures</b>                     |                                                                       |                                    |
| Personnel Services                      | \$3,007,720.90                                                        | \$4,204,756.73                     |
| Operating Expenses                      | \$3,026,483.00                                                        | \$3,252,145.89                     |
| Contract Services                       | \$288,000.00                                                          | -                                  |
| Repair & Maint.                         | \$45,605.00                                                           | \$89,000.00                        |
| Capital Expenses                        | \$12,333,249.00                                                       | \$4,324,429.00                     |
| City Events                             | \$136,400.00                                                          | \$208,500.00                       |
| Miscellaneous                           | \$1,250.00                                                            | \$35,330.00                        |
| <b>Total Expenditures</b>               | <b>\$18,838,707.90</b>                                                | <b>\$12,114,161.62</b>             |
| <b>Total Revenues Less Expenditures</b> | <b>\$4,208.62</b>                                                     | <b>\$1,698.38</b>                  |
| <b>Ending Fund Balance</b>              | <b>\$4,624,206.62</b>                                                 | <b>\$4,625,905.00</b>              |

## Revenues by Department

Historical Revenue by Department

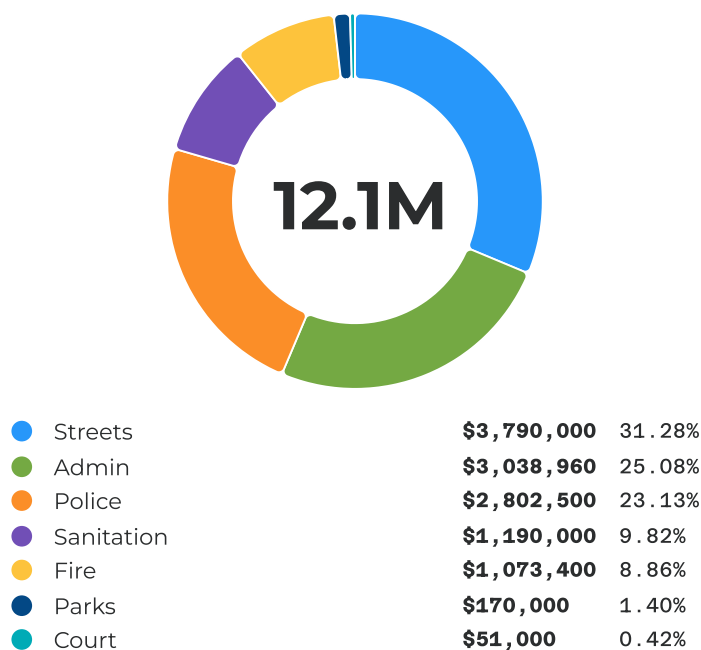


In FY2026, the General Fund's total revenue by department decreased to \$12.1 million, a 35.7% decline from the previous year's \$18.8 million. Streets became the largest revenue source, contributing \$3.8 million or 31.28% of the total, which is a significant increase of \$2.4 million or 164.24% compared to FY2025.

Administrative revenue dropped to \$3 million, representing 25.08% of the total and a decrease of \$2.8 million or 48.22% from the prior year. Police revenue also declined sharply to \$2.8 million, accounting for 23.13% of the total and down by \$7.3 million or 72.23% from FY2025, moving from the largest to the third-largest category.

Sanitation revenue increased to \$1.2 million, making up 9.82% of the total and rising by \$285,000 or 31.49%. Fire department revenue grew substantially to \$1.1 million, 8.86% of the total, with an increase of \$773,400 or 257.8%. Parks revenue decreased slightly to \$170,000, 1.4% of the total, down by \$22,000 or 11.46%. Court revenue remained steady at \$51,000, representing 0.42% of the total with no change from the previous year.

### FY26 Revenues by Department



The Fiscal Year Revenue by Department for the General Fund is distributed across several categories. Streets account for \$3.8 million, representing 31.28% of the total revenue. Admin follows with \$3 million, which is 25.08%. Police revenue amounts to \$2.8 million, making up 23.13%. Sanitation contributes \$1.2 million, or 9.82%, while Fire brings in \$1.1 million, equating to 8.86%. Parks generate \$170,000, corresponding to 1.4%, and Court revenue is \$51,000, which is 0.42% of the total.

### Revenues by Department

| Category | FY 2025 Option 2 FINAL WORKING Copy of FY2025 per Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2 FINAL WORKING Copy of FY2025 per Mtg 8/5/24 vs. FY 2026 Budgeted (% Change) |
|----------|--------------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------|
| Admin    | \$5,868,705.52                                               | \$3,038,960.00   | -48.22%                                                                                      |
| Court    | \$51,000.00                                                  | \$51,000.00      | 0.00%                                                                                        |
| Police   | \$10,091,916.00                                              | \$2,802,500.00   | -72.23%                                                                                      |
| Fire     | \$300,000.00                                                 | \$1,073,400.00   | 257.80%                                                                                      |
| Parks    | \$192,000.00                                                 | \$170,000.00     | -11.46%                                                                                      |

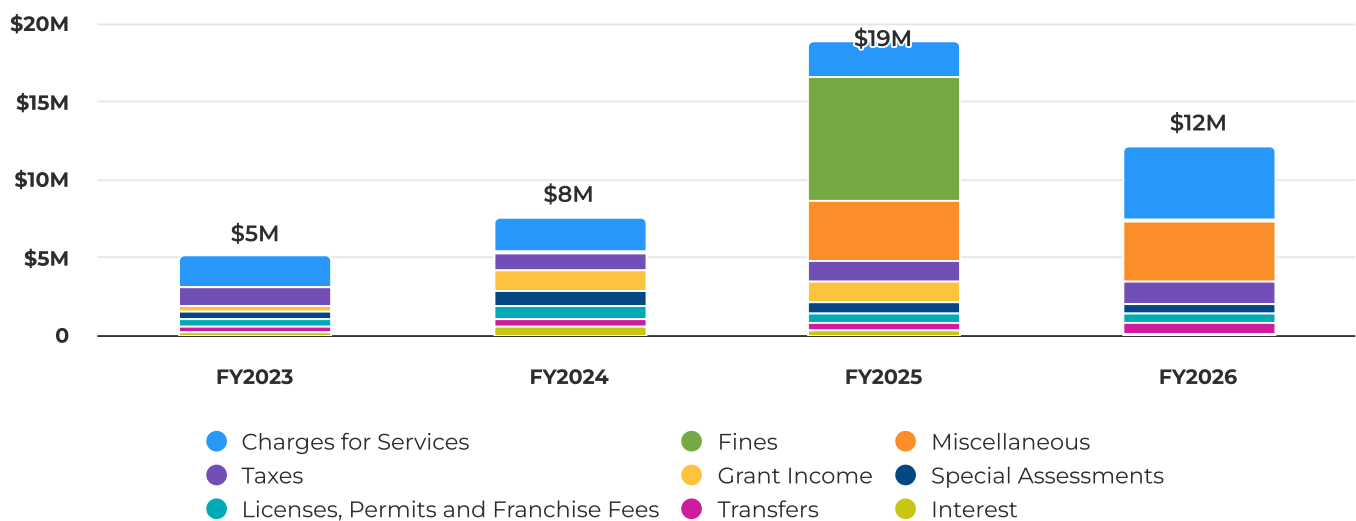
| Category              | FY 2025 Option 2 FINAL WORKING Copy of FY2025 per Mtg 8/5/24 | FY 2026 Budgeted       | FY 2025 Option 2 FINAL WORKING Copy of FY2025 per Mtg 8/5/24 vs. FY 2026 Budgeted (% Change) |
|-----------------------|--------------------------------------------------------------|------------------------|----------------------------------------------------------------------------------------------|
| Sanitation            | \$905,000.00                                                 | \$1,190,000.00         | 31.49%                                                                                       |
| Streets               | \$1,434,295.00                                               | \$3,790,000.00         | 164.24%                                                                                      |
| <b>Total Revenues</b> | <b>\$18,842,916.52</b>                                       | <b>\$12,115,860.00</b> | <b>-35.70%</b>                                                                               |

## Revenues by Revenue Source

The City continues to forecast revenues conservatively to ensure financial stability. This year's revenue changes is primarily influenced by the Property Tax Rate and the addition of new properties to the tax roll, strengthening the City's tax base.

Public Safety Fees charged to Municipal Utility District (MUD) residents have been adjusted to reflect the true cost of Police and Fire services provided by the City. Additionally, bonds have been secured to fund Drainage Improvements and Flood Mitigation projects, aligning with Council priorities and supporting critical infrastructure needs.

**Historical Revenue by Revenue Source**



In FY2026, the General Fund's total revenue decreased by 35.7% to \$12.1 million compared to FY2025's \$18.8 million.

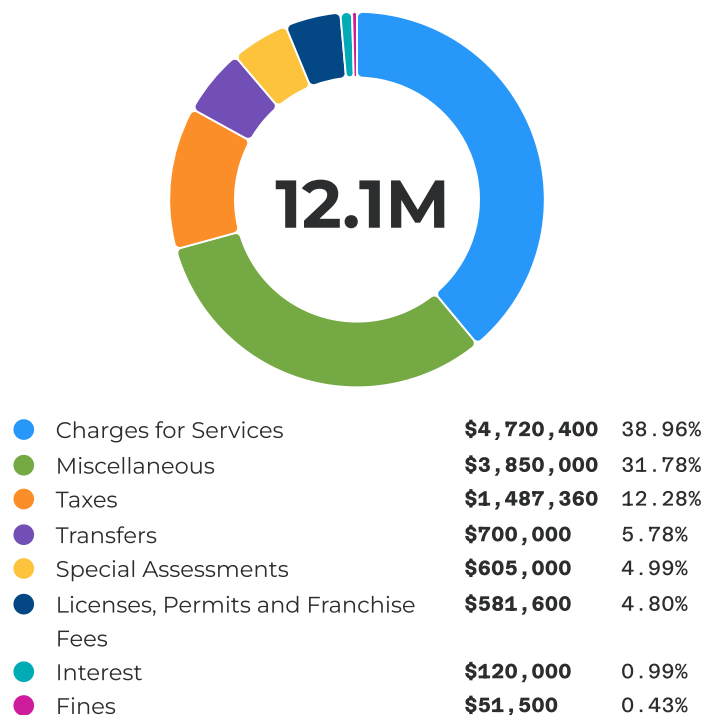
Charges for Services became the largest revenue source, increasing by \$2.4 million or 104.88% to \$4.7 million, representing 38.96% of the total. Miscellaneous revenue remained relatively stable at \$3.9 million, a slight decrease of 0.44%, accounting for 31.78% of the total.

Taxes also increased by \$148,881 or 11.12%, reaching \$1.5 million and making up 12.28% of the total revenue. Transfers rose by 40%, adding \$200,000 to total \$700,000, which is 5.78% of the budget. Special Assessments declined by 11.53% to \$605,000, representing 4.99% of the total, while Licenses, Permits and Franchise Fees decreased by 15.28% to \$581,600, or 4.8% of the total.

Interest income dropped by 53.13% to \$120,000, now 0.99% of the total revenue. The most significant decreases were seen in Fines, which fell dramatically by 99.35% to \$51,500, constituting only 0.43% of the total, and Grant Income, which was eliminated entirely, decreasing by 100% to \$0.



## FY26 Revenues by Revenue Source



The General Fund's Fiscal Year Revenue by Revenue Source includes Charges for Services at \$4.7 million, representing 38.96% of the total. Miscellaneous revenue follows with \$3.9 million, accounting for 31.78%. Taxes contribute \$1.5 million, which is 12.28% of the revenue. Transfers amount to \$700,000 or 5.78%, while Special Assessments provide \$605,000, making up 4.99%. Licenses, Permits and Franchise Fees total \$581,600, representing 4.8%. Interest income is \$120,000, or 0.99%, and Fines contribute \$51,500, which is 0.43% of the revenue.

## Revenues by Revenue Source

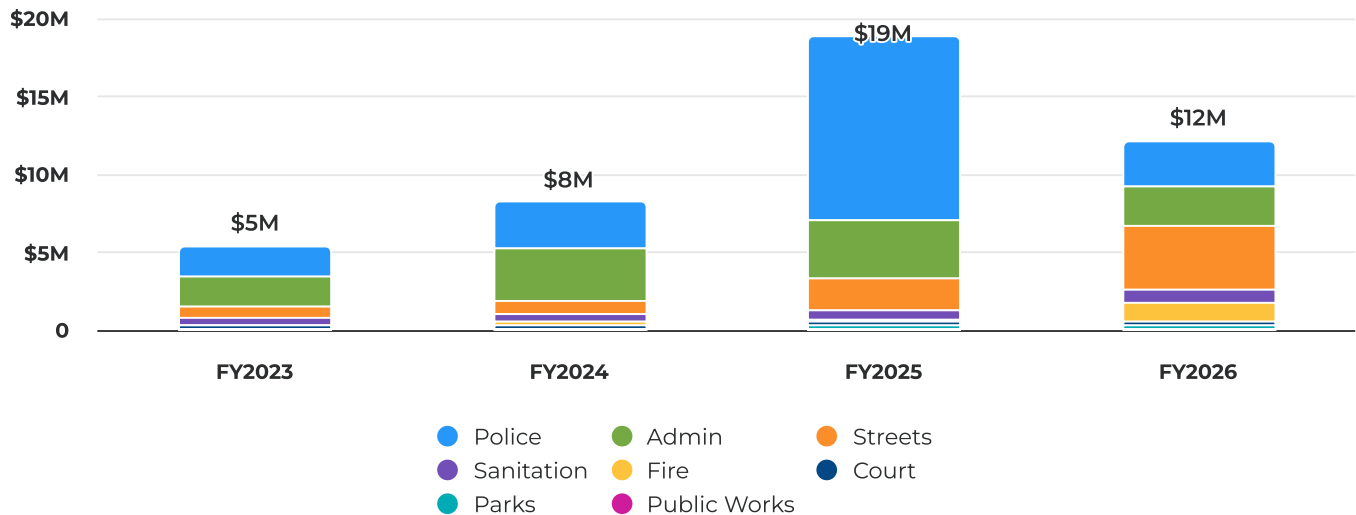
| Category                             | FY 2025 Option 2 FINAL WORKING Copy of FY2025 per Mtg 8/5/24 | FY 2026 Budgeted       | FY 2025 Option 2 FINAL WORKING Copy of FY2025 per Mtg 8/5/24 vs. FY 2026 Budgeted (% Change) |
|--------------------------------------|--------------------------------------------------------------|------------------------|----------------------------------------------------------------------------------------------|
| Taxes                                | \$1,338,478.82                                               | \$1,487,360.00         | 11.12%                                                                                       |
| Licenses, Permits and Franchise Fees | \$686,500.00                                                 | \$581,600.00           | -15.28%                                                                                      |
| Charges for Services                 | \$2,304,000.00                                               | \$4,720,400.00         | 104.88%                                                                                      |
| Fines                                | \$7,906,000.00                                               | \$51,500.00            | -99.35%                                                                                      |
| Special Assessments                  | \$683,813.00                                                 | \$605,000.00           | -11.53%                                                                                      |
| Grant Income                         | \$1,301,295.00                                               | -                      | -100.00%                                                                                     |
| Miscellaneous                        | \$3,866,829.70                                               | \$3,850,000.00         | -0.44%                                                                                       |
| Interest                             | \$256,000.00                                                 | \$120,000.00           | -53.13%                                                                                      |
| Transfers                            | \$500,000.00                                                 | \$700,000.00           | 40.00%                                                                                       |
| <b>Total Revenues</b>                | <b>\$18,842,916.52</b>                                       | <b>\$12,115,860.00</b> | <b>-35.70%</b>                                                                               |

## Expenditures by Department

This year's budget reflects a significant shift in capital priorities. With the completion of the Public Safety Building project, resources have transitioned toward Streets and Drainage Capital Projects, addressing critical infrastructure needs and supporting long-term community growth.

Additionally, the City has launched its first year of operating a municipal Fire Department, establishing essential services and ensuring public safety for residents. While expenditures were managed conservatively, the budget strategically supports these major initiatives and positions the City for continued growth and improved service delivery.

### Historical Expenditures by Department



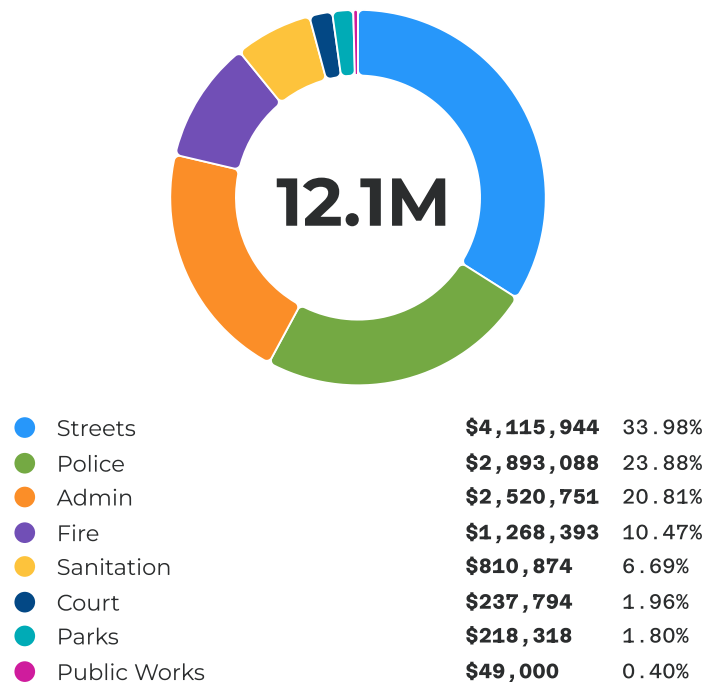
In FY2026, the General Fund's total expenditures by department decreased to \$12.1 million, representing a 35.7% decline from the previous year's \$18.8 million. The largest expenditure category shifted from Police to Streets due to Capital Projects.

Streets became the largest category, accounting for 33.98% of the total at \$4.1 million, which is a \$2.1 million increase or 105.04% growth compared to FY2025. Police expenditures decreased significantly by \$8.9 million or 75.44%, totaling \$2.9 million and representing 23.88% of the total budget.

Administration expenses also declined by \$1.2 million or 32.43%, amounting to \$2.5 million and 20.81% of the total. Fire department spending increased substantially by \$1.1 million or 591.6%, reaching \$1.3 million and 10.47% of the budget.

Sanitation costs rose by \$188,624 or 30.31% to \$810,874, making up 6.69% of the total. Court expenditures slightly decreased by \$3,304 or 1.37% to \$237,794, representing 1.96% of the budget. Parks saw a minor reduction of \$9,037 or 3.97%, totaling \$218,318 and 1.8% of the total. Public Works remained unchanged at \$49,000, accounting for 0.4% of the budget.

## FY26 Expenditures by Department

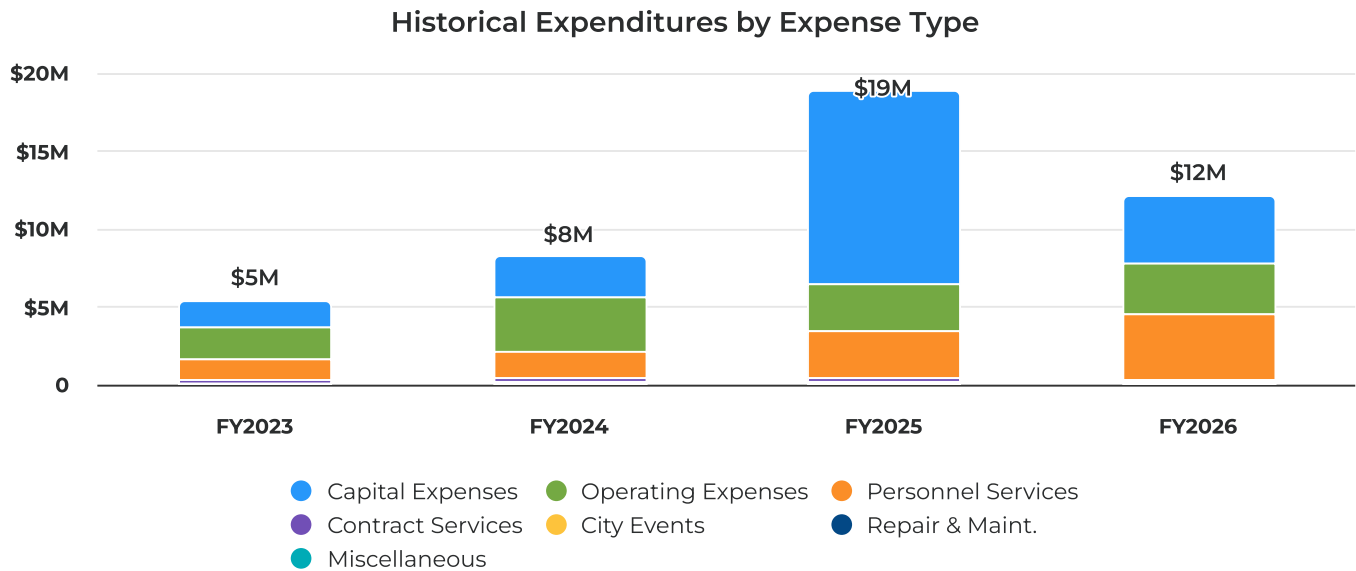


The Fiscal Year Expenditures by Department for the General Fund are distributed as follows: Streets account for \$4.1 million, representing 33.98% of the total expenditures. Police expenditures total \$2.9 million, which is 23.88%. Administration follows with \$2.5 million, or 20.81%. Fire department costs are \$1.3 million, making up 10.47%. Sanitation expenses are \$810,874, corresponding to 6.69%. The Court's share is \$237,794, or 1.96%, while Parks receive \$218,318, equating to 1.8%. Public Works has the smallest allocation at \$49,000, which is 0.4% of the total expenditures.

## Expenditures by Department

| Category                  | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted       | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|---------------------------|--------------------------------------------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------|
| Admin                     | \$3,730,770.32                                                     | \$2,520,751.12         | -32.43%                                                                                                     |
| Court                     | \$241,098.35                                                       | \$237,793.91           | -1.37%                                                                                                      |
| Police                    | \$11,777,469.00                                                    | \$2,893,088.13         | -75.44%                                                                                                     |
| Fire                      | \$183,400.00                                                       | \$1,268,393.11         | 591.60%                                                                                                     |
| Parks                     | \$227,354.57                                                       | \$218,317.85           | -3.97%                                                                                                      |
| Public Works              | \$49,000.00                                                        | \$49,000.00            | 0.00%                                                                                                       |
| Sanitation                | \$622,249.85                                                       | \$810,873.59           | 30.31%                                                                                                      |
| Streets                   | \$2,007,365.81                                                     | \$4,115,943.90         | 105.04%                                                                                                     |
| <b>Total Expenditures</b> | <b>\$18,838,707.90</b>                                             | <b>\$12,114,161.62</b> | <b>-35.70%</b>                                                                                              |

## Expenditures by Expense Type



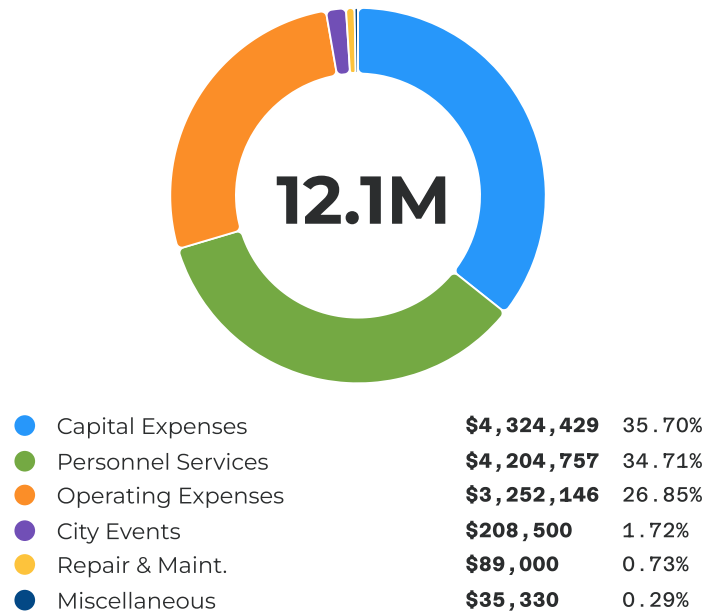
In FY2026, the General Fund's total expenditures decreased by 35.7% to \$12.1 million compared to FY2025's \$18.8 million. Capital Expenses, which were the largest category in FY2025 at \$12.3 million (65.47% of total), declined significantly by 64.94% to \$4.3 million, now representing 35.7% of the total budget.

Personnel Services increased by 39.8% to \$4.2 million, rising from \$3 million in FY2025 and accounting for 34.71% of the total expenditures, making it the second-largest category in FY2026. Operating Expenses also grew by 7.46% to \$3.3 million, representing 26.85% of the total, reversing the previous year's decrease.

City Events expenditures rose by 52.86% to \$208,500, increasing their share to 1.72% of the budget. Repair and Maintenance nearly doubled, increasing by 95.15% to \$89,000, now 0.73% of total expenditures. Miscellaneous expenses saw a substantial increase of 2,726.4%, rising to \$35,330 and making up 0.29% of the budget.

Contract Services were eliminated entirely in FY2026, decreasing by 100% from \$288,000 in FY2025 to \$0. This represents the largest decrease among the categories alongside the significant reduction in Capital Expenses.

## FY26 Expenditures by Expense Type

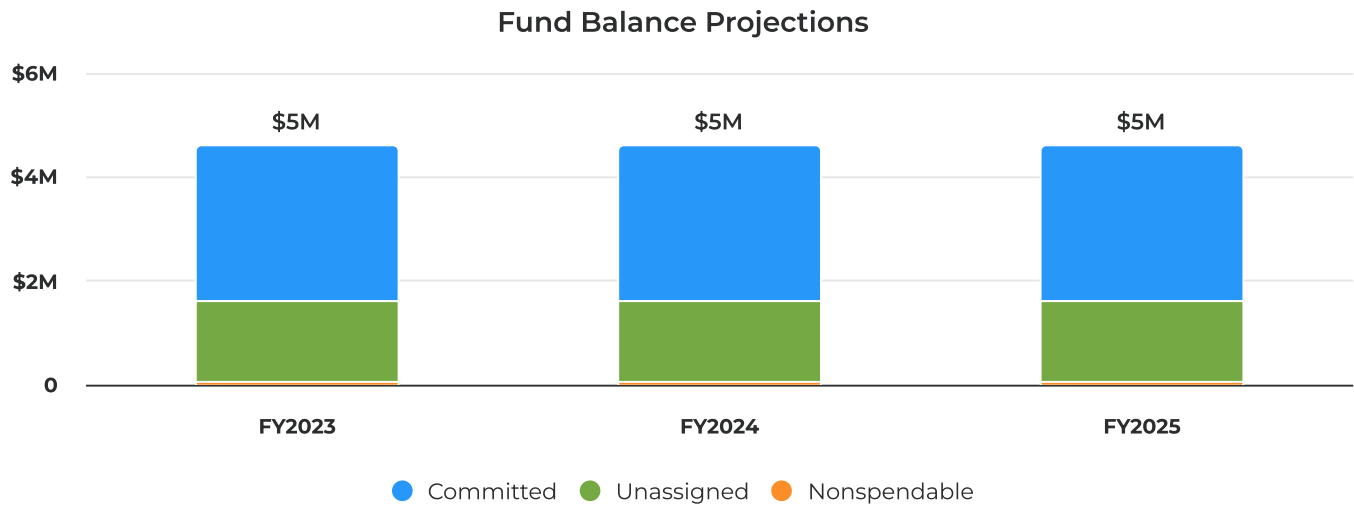


For the General Fund fiscal year expenditures by expense type, Capital Expenses account for \$4.3 million, representing 35.7% of the total. Personnel Services follow closely with \$4.2 million, or 34.71%. Operating Expenses make up \$3.3 million, which is 26.85% of the expenditures. City Events are allocated \$208,500, comprising 1.72%. Repair & Maint. expenses total \$89,000, or 0.73%, and Miscellaneous expenses are \$35,330, representing 0.29% of the fiscal year expenditures.

## Expenditures by Expense Type

| Category                  | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted       | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|---------------------------|--------------------------------------------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------|
| Personnel Services        | \$3,007,720.90                                                     | \$4,204,756.73         | 39.80%                                                                                                      |
| Operating Expenses        | \$3,026,483.00                                                     | \$3,252,145.89         | 7.46%                                                                                                       |
| Contract Services         | \$288,000.00                                                       | -                      | -100.00%                                                                                                    |
| Repair & Maint.           | \$45,605.00                                                        | \$89,000.00            | 95.15%                                                                                                      |
| Capital Expenses          | \$12,333,249.00                                                    | \$4,324,429.00         | -64.94%                                                                                                     |
| City Events               | \$136,400.00                                                       | \$208,500.00           | 52.86%                                                                                                      |
| Miscellaneous             | \$1,250.00                                                         | \$35,330.00            | 2,726.40%                                                                                                   |
| <b>Total Expenditures</b> | <b>\$18,838,707.90</b>                                             | <b>\$12,114,161.62</b> | <b>-35.70%</b>                                                                                              |

## Fund Balance



In FY2025, the General Fund's total fund balance projection remains essentially stable at \$4.6 million, reflecting a slight increase of 0.09% compared to FY2024. The largest category, Committed funds, holds steady at \$3 million, representing 64.88% of the total, with no change in amount or percentage from the previous year.

The Unassigned category, the second largest, shows a modest increase of \$4,209, or 0.27%, rising to \$1.6 million and accounting for 34.25% of the total fund balance. This small growth slightly adjusts its share of the total compared to FY2024. The Nonspendable category remains unchanged at \$40,482, maintaining 0.88% of the total fund balance.

Overall, the fund balance projections for FY2025 indicate stability with a minor increase driven primarily by the Unassigned category, while the Committed and Nonspendable categories remain constant in both value and proportion.



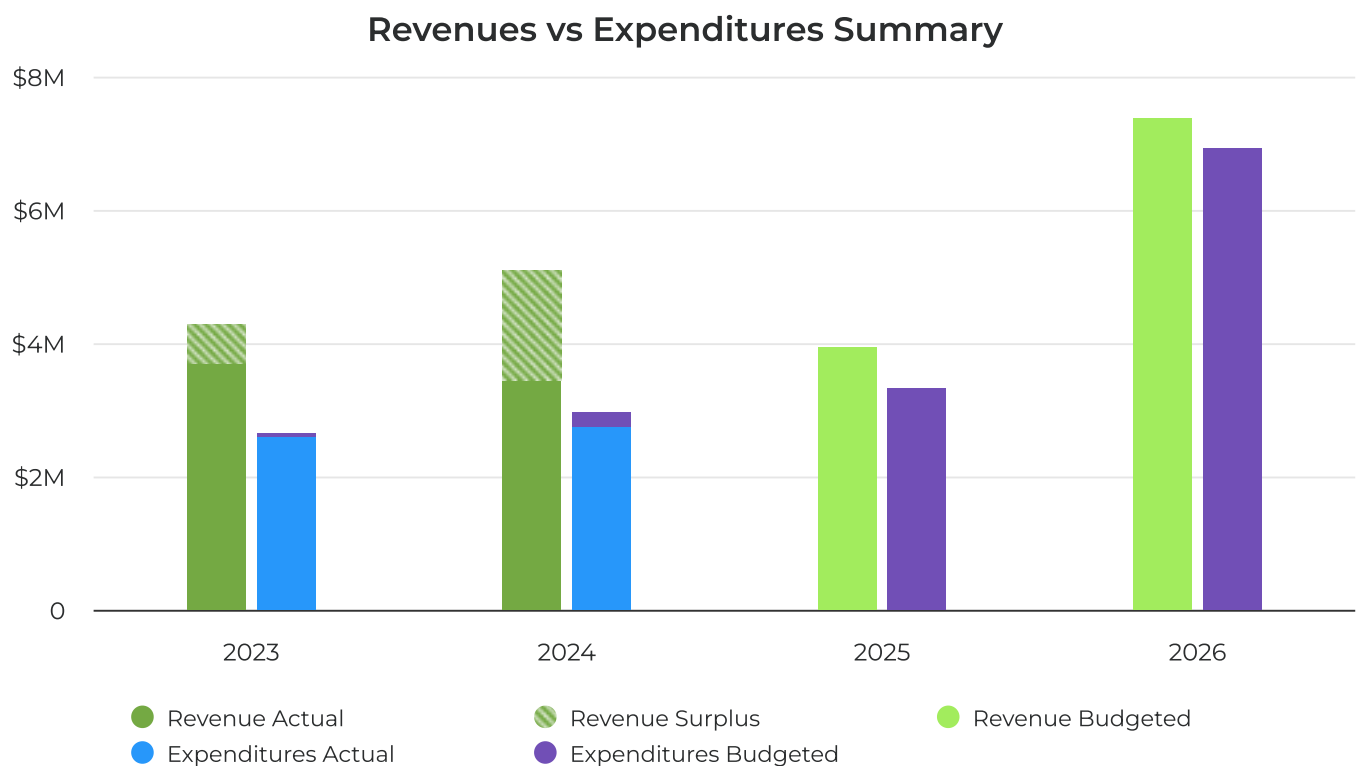
# Water Fund

Enterprise Funds are used by municipalities to account for the financial activities of business-type operations, such as water and sewer services. These funds operate similarly to a business, where revenues are generated from user fees and are used to cover the costs of providing the service. Enterprise Funds for water and sewer services ensure that these essential utilities operate efficiently and sustainably. They provide a transparent financial framework for managing the costs and revenues associated with these services, supporting the long-term viability and quality of water and sewer operations.

## Summary

The Water Fund reflects the City's commitment to providing reliable water services while maintaining a fiscally responsible approach. The forecast for this year represents continued growth for Josephine, supported by new connections within City limits and the expanding service to Municipal Utility Districts (MUDs).

Despite this growth, projections remain conservative to ensure financial stability and sustainability. The Water Fund is positioned to meet increasing demand while continuing to invest in infrastructure and service improvements that support the City's long-term development.



In the 2026 budget for the Water Fund, total expenditures are budgeted at \$6.9 million, representing a significant increase of 107.87% compared to the 2025 budgeted expenditures of \$3.3 million. This marks a more than doubling of the expenditures from the previous year.

On the revenue side, the 2026 budgeted revenue is \$7.4 million, which is an increase of 87.31% from the 2025 budgeted revenue of \$3.9 million. This substantial rise in revenue, while slightly less than the increase in expenditures, indicates a strong upward trend in budgeted income for the Water Fund.

Overall, both revenues and expenditures show marked growth in 2026 compared to 2025, with expenditures increasing at a higher rate than revenues. The budgeted revenue continues to exceed budgeted expenditures, maintaining a positive difference between the two categories.

## Comprehensive Fund Summary

The Water Fund provides financial support for the City's water operations and the Public Works employees who manage and maintain the water system. Administrative positions are allocated based on a percentage of time dedicated to water-related functions, ensuring accurate cost distribution across departments.

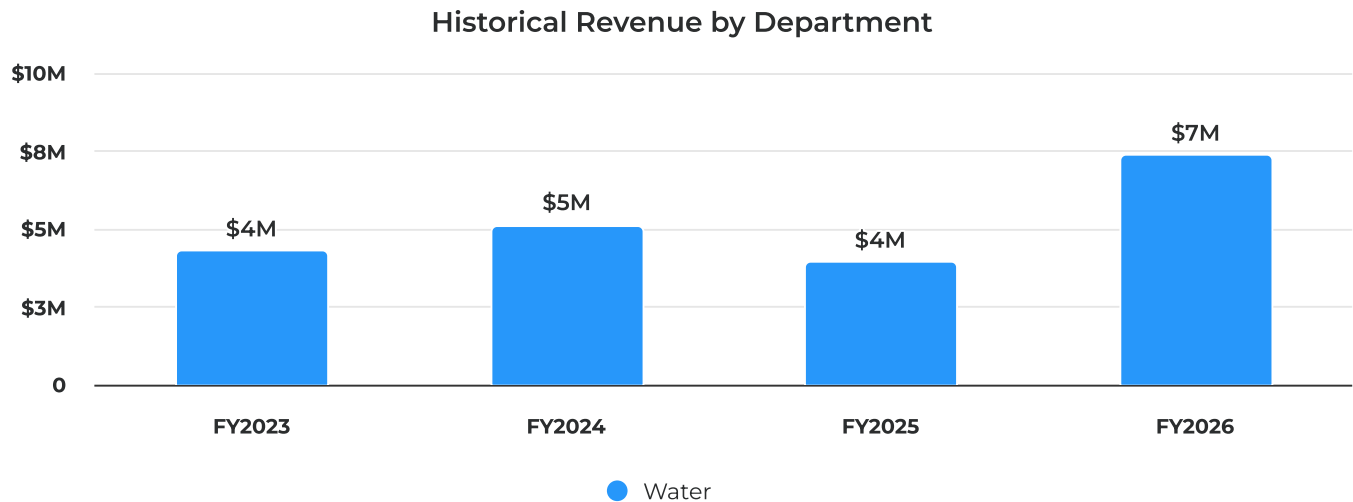
Careful management and monitoring of the Water Fund remain essential to maintain a balanced budget while meeting the growing needs of the community. As Josephine continues to expand with new connections within City limits and service to MUDs, the City prioritizes Water Conservation in alignment with Top Texas conservation initiatives and remains committed to preserving water quality for current and future generations.

### Comprehensive Fund Summary

| Category                                | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted       |
|-----------------------------------------|-----------------------------------------------------------------------|------------------------|
| <b>Beginning Fund Balance</b>           | <b>\$10,161,119.00</b>                                                | <b>\$10,765,701.96</b> |
| <b>Revenues</b>                         |                                                                       |                        |
| Charges for Services                    | \$3,450,700.00                                                        | \$3,961,000.00         |
| Special Assessments                     | \$192,567.38                                                          | -                      |
| Miscellaneous                           | -                                                                     | \$3,107,000.00         |
| Interest                                | \$290,400.00                                                          | \$300,000.00           |
| <b>Total Revenues</b>                   | <b>\$3,933,667.38</b>                                                 | <b>\$7,368,000.00</b>  |
| <b>Expenditures</b>                     |                                                                       |                        |
| Personnel Services                      | \$679,929.82                                                          | \$894,115.03           |
| Operating Expenses                      | \$1,732,390.00                                                        | \$2,200,327.00         |
| Repair & Maint.                         | \$20,000.00                                                           | \$18,300.00            |
| Capital Expenses                        | \$396,264.60                                                          | \$3,107,000.00         |
| Miscellaneous                           | \$500.00                                                              | \$500.00               |
| Transfers                               | \$500,000.00                                                          | \$700,000.00           |
| <b>Total Expenditures</b>               | <b>\$3,329,084.42</b>                                                 | <b>\$6,920,242.03</b>  |
| <b>Total Revenues Less Expenditures</b> | <b>\$604,582.96</b>                                                   | <b>\$447,757.97</b>    |
| <b>Ending Fund Balance</b>              | <b>\$10,765,701.96</b>                                                | <b>\$11,213,459.93</b> |

The Water Fund balance is projected to increase by 23%. This increase reflects a conservative estimate that accounts for continued growth within the City and surrounding Municipal Utility Districts (MUDs), while maintaining prudent financial planning assumptions.

## Revenues by Department

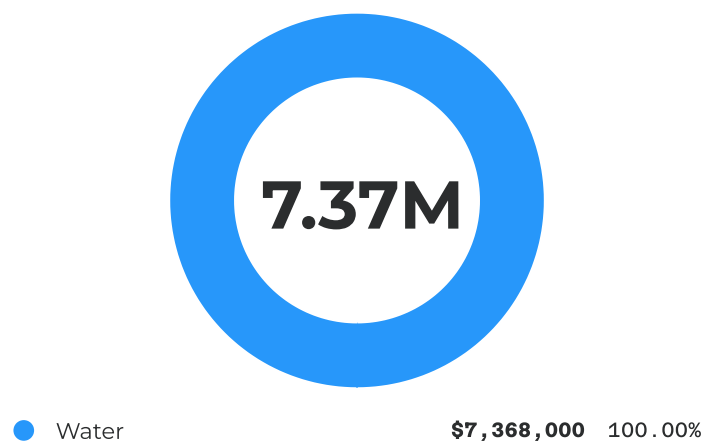


In FY2026, the Water Fund's total revenue is budgeted at \$7.4 million, representing an 87.31% increase from the FY2025 total of \$3.9 million. The Water department remains the sole contributor to the fund's revenue, accounting for 100% of the total in both years.

The Water department's revenue specifically rises from \$3.9 million in FY2025 to \$7.4 million in FY2026, marking a significant increase of \$3.4 million or 87.31%. This increase reverses the previous year's decrease of \$1.2 million or 22.84% experienced by the Water department.

Overall, FY2026 shows a substantial growth in the Water Fund's revenue driven entirely by the Water department's increased contributions, nearly doubling the total revenue compared to FY2025.

### FY26 Revenues by Department



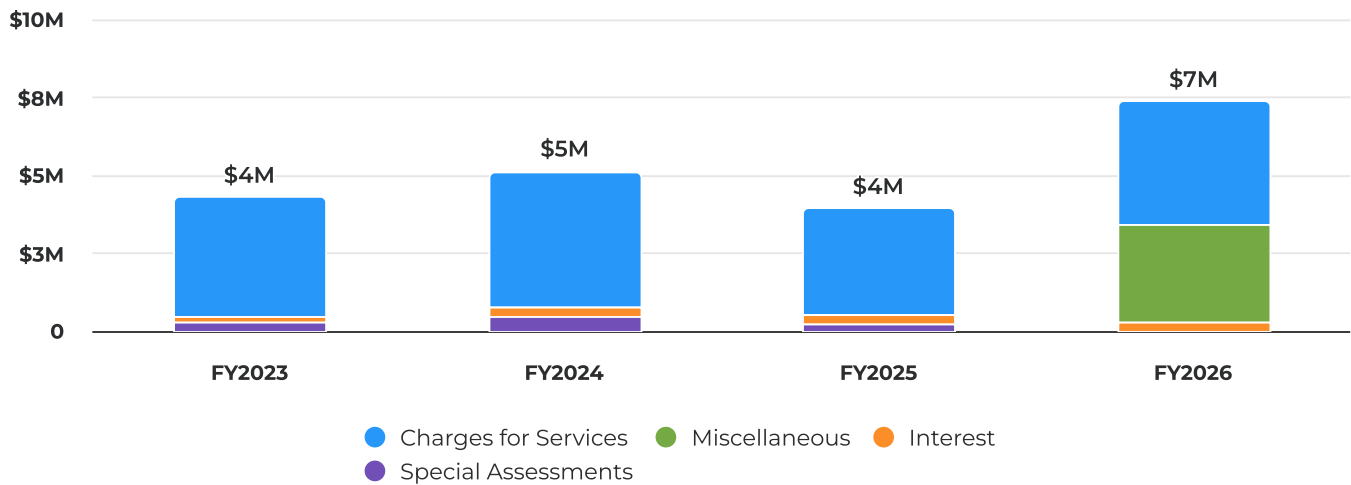
The Water Fund's Fiscal Year Revenue by Department consists entirely of the Water category, which accounts for \$7.4 million, representing 100% of the total revenue.

## Revenues by Department

| Category              | FY 2025 Option 2 FINAL WORKING Copy of FY2025 per Mtg 8/5/24 | FY 2026 Budgeted      | FY 2025 Option 2 FINAL WORKING Copy of FY2025 per Mtg 8/5/24 vs. FY 2026 Budgeted (% Change) |
|-----------------------|--------------------------------------------------------------|-----------------------|----------------------------------------------------------------------------------------------|
| Water                 | \$3,933,667.38                                               | \$7,368,000.00        | 87.31%                                                                                       |
| <b>Total Revenues</b> | <b>\$3,933,667.38</b>                                        | <b>\$7,368,000.00</b> | <b>87.31%</b>                                                                                |

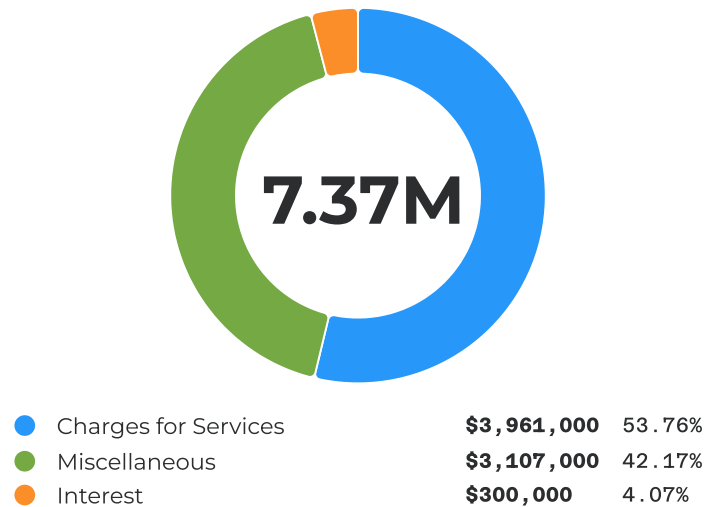
## Revenues by Revenue Source

Historical Revenue by Revenue Source



The Water Fund's total revenue for FY2026 is \$7.4 million, marking an 87.31% increase from the FY2025 total of \$3.9 million. Charges for Services remain the largest revenue source at \$4 million, accounting for 53.76% of the total, and have increased by \$510,300 or 14.79% compared to FY2025. Miscellaneous revenue (Secured Bond Funds) shows a significant rise to \$3.1 million, representing 42.17% of the total, up from zero in the previous year. Interest income has slightly increased to \$300,000, making up 4.07% of total revenue, with a \$9,600 or 3.31% increase from FY2025. Special Assessments have been eliminated, dropping from \$192,567 in FY2025 to zero in FY2026, a 100% decrease. These changes highlight a notable shift in revenue composition, with Miscellaneous revenue emerging as a major contributor in FY2026.

## FY26 Revenues by Revenue Source



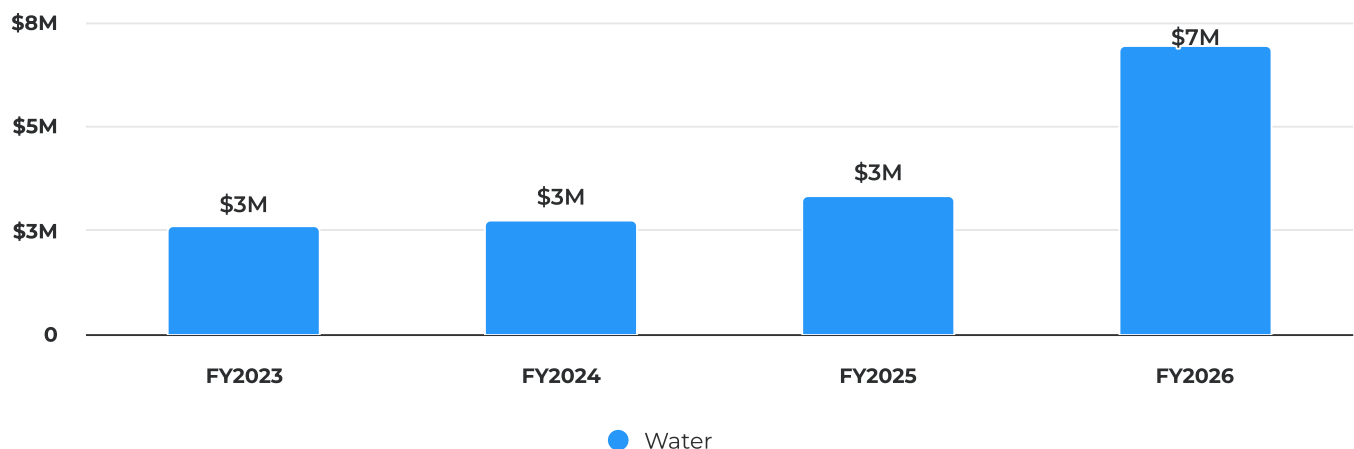
For the Water Fund's Fiscal Year Revenue by Revenue Source, Charges for Services account for \$4 million, representing 53.76% of the total revenue. Miscellaneous revenue (Secured Bond Funds) contributes \$3.1 million, which is 42.17% of the total. Interest revenue amounts to \$300,000, making up 4.07% of the total revenue.

## Revenues by Revenue Source

| Category              | FY 2025 Option 2 FINAL WORKING Copy of FY2025 per Mtg 8/5/24 | FY 2026 Budgeted      | FY 2025 Option 2 FINAL WORKING Copy of FY2025 per Mtg 8/5/24 vs. FY 2026 Budgeted (% Change) |
|-----------------------|--------------------------------------------------------------|-----------------------|----------------------------------------------------------------------------------------------|
| Charges for Services  | \$3,450,700.00                                               | \$3,961,000.00        | 14.79%                                                                                       |
| Special Assessments   | \$192,567.38                                                 | -                     | -100.00%                                                                                     |
| Miscellaneous         | -                                                            | \$3,107,000.00        | -                                                                                            |
| Interest              | \$290,400.00                                                 | \$300,000.00          | 3.31%                                                                                        |
| <b>Total Revenues</b> | <b>\$3,933,667.38</b>                                        | <b>\$7,368,000.00</b> | <b>87.31%</b>                                                                                |

## Expenditures by Department

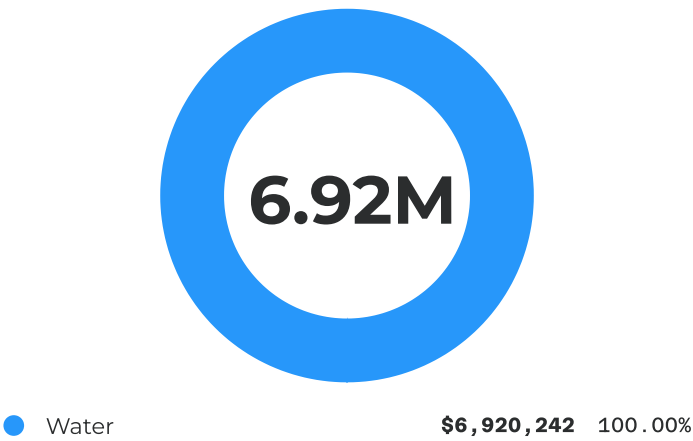
## Historical Expenditures by Department



In FY2026, the total expenditures for the Water Fund increased significantly to \$6.9 million, representing a 107.87% increase from the FY2025 total of \$3.3 million. The Water department remains the sole and largest category, accounting for 100% of the total expenditures in both years.

The Water department's budget more than doubled, rising by \$3.6 million or 107.87% compared to FY2025, when it was \$3.3 million. This substantial increase in the Water department's expenditures is the primary driver of the overall growth in the Water Fund's total budget for FY2026.

FY26 Expenditures by Department

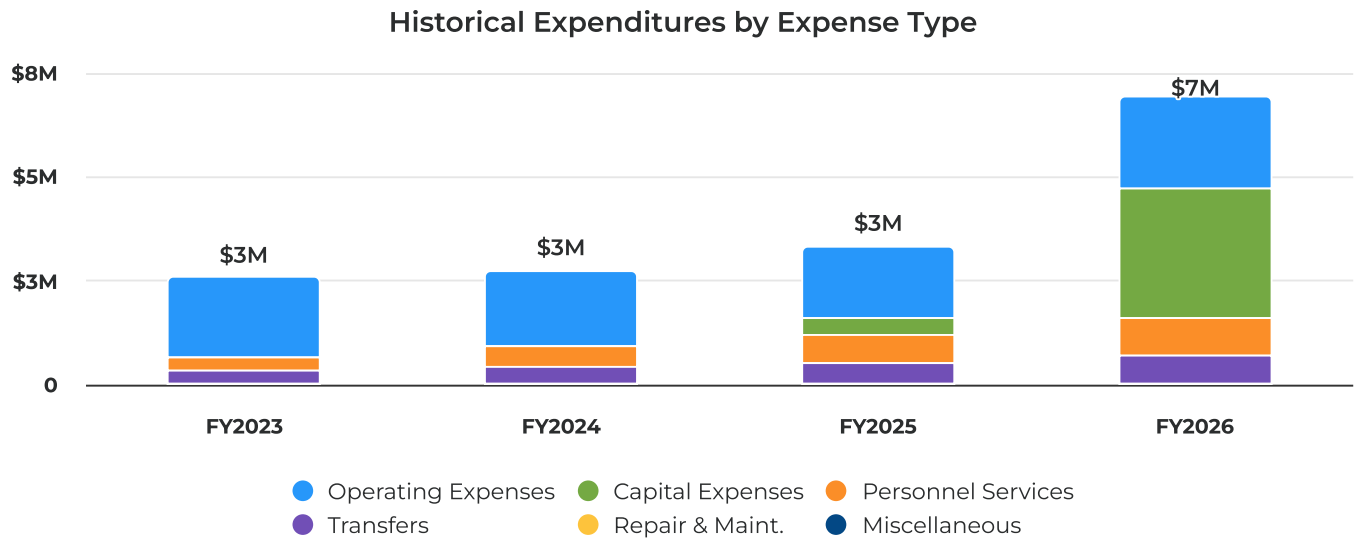


The Water Fund's Fiscal Year Expenditures by Department total \$6.9 million, representing 100% of the expenditures.

Expenditures by Department

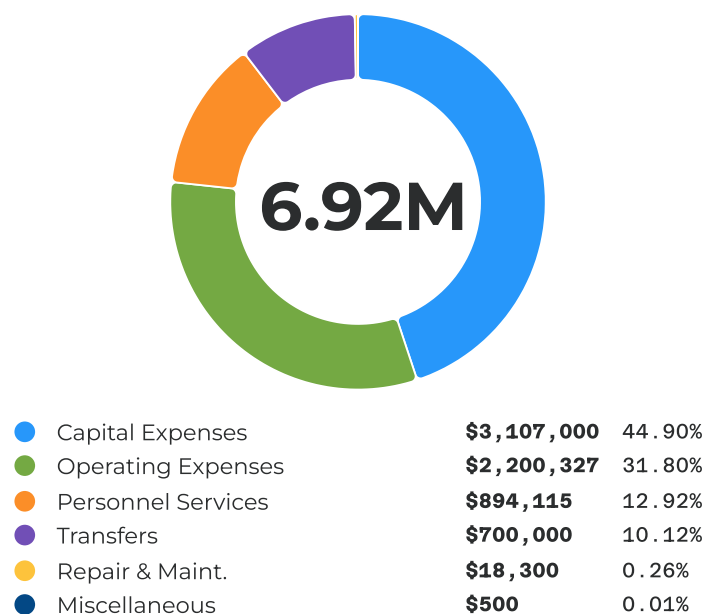
| Category           | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|--------------------|--------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------|
| Water              | \$3,329,084.42                                                     | \$6,920,242.03   | 107.87%                                                                                                     |
| Total Expenditures | \$3,329,084.42                                                     | \$6,920,242.03   | 107.87%                                                                                                     |

## Expenditures by Expense Type



In FY2026, the Water Fund's total expenditures increased significantly to \$6.9 million, marking a 107.87% rise from the previous year's \$3.3 million. Capital Expenses became the largest category, rising dramatically by \$2.7 million or 684.07% to \$3.1 million, representing 44.9% of the total budget. Operating Expenses also grew by \$467,937 or 27.01%, reaching \$2.2 million and accounting for 31.8% of the total. Personnel Services increased by \$214,185 or 31.5% to \$894,115, making up 12.92% of the budget. Transfers rose by \$200,000 or 40%, totaling \$700,000 and comprising 10.12% of expenditures. Conversely, Repair & Maintenance decreased slightly by \$1,700 or 8.5% to \$18,300, representing 0.26% of the total. Miscellaneous expenses remained unchanged at \$500, maintaining a minimal share of 0.01%. Overall, the budget saw substantial growth, particularly driven by the surge in Capital Expenses and notable increases in Operating Expenses, Personnel Services, and Transfers.

### FY26 Expenditures by Expense Type



For the Water Fund's fiscal year expenditures by expense type, Capital Expenses account for \$3.1 million, representing 44.9% of the total. Operating Expenses follow with \$2.2 million, or 31.8%. Personnel Services amount to \$894,115, which is



12.92%. Transfers are \$700,000, making up 10.12%. Repair & Maintenance expenses total \$18,300, or 0.26%, and Miscellaneous expenses are \$500, comprising 0.01% of the expenditures.

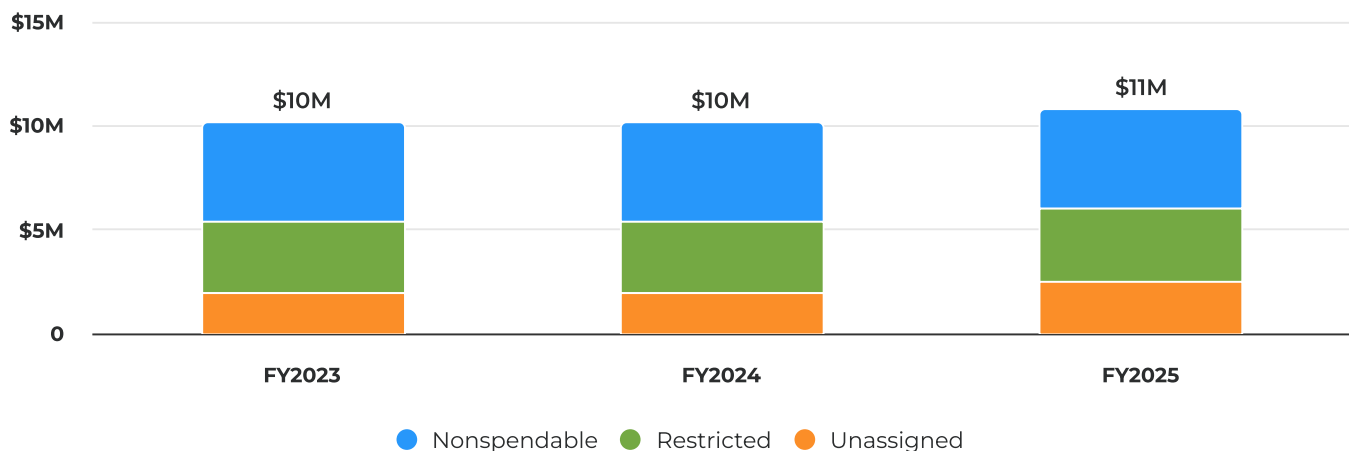
### Expenditures by Expense Type

| Category                  | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted      | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|---------------------------|--------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------|
| Personnel Services        | \$679,929.82                                                       | \$894,115.03          | 31.50%                                                                                                      |
| Operating Expenses        | \$1,732,390.00                                                     | \$2,200,327.00        | 27.01%                                                                                                      |
| Repair & Maint.           | \$20,000.00                                                        | \$18,300.00           | -8.50%                                                                                                      |
| Capital Expenses          | \$396,264.60                                                       | \$3,107,000.00        | 684.07%                                                                                                     |
| Miscellaneous             | \$500.00                                                           | \$500.00              | 0.00%                                                                                                       |
| Transfers                 | \$500,000.00                                                       | \$700,000.00          | 40.00%                                                                                                      |
| <b>Total Expenditures</b> | <b>\$3,329,084.42</b>                                              | <b>\$6,920,242.03</b> | <b>107.87%</b>                                                                                              |

## Fund Balance

The Water Fund balance is projected to increase by 23%. This increase reflects a conservative estimate that accounts for continued growth within the City and surrounding Municipal Utility Districts (MUDs), while maintaining prudent financial planning assumptions.

### Fund Balance Projections



In FY2025, the Water Fund's total fund balance projection increased by 5.95% to \$10.8 million compared to FY2024's \$10.2 million. The largest category, Nonspendable, remained steady at \$4.8 million, representing 44.59% of the total, unchanged in dollar amount from the previous year. The Restricted category also held steady at \$3.5 million, accounting for 32.09% of the total, with no change in value.

The most notable change occurred in the Unassigned category, which rose by \$604,583 or 31.73%, reaching \$2.5 million and making up 23.32% of the total fund balance. This increase in Unassigned funds contributed significantly to the overall growth in the total fund balance for FY2025.

# Sewer Fund

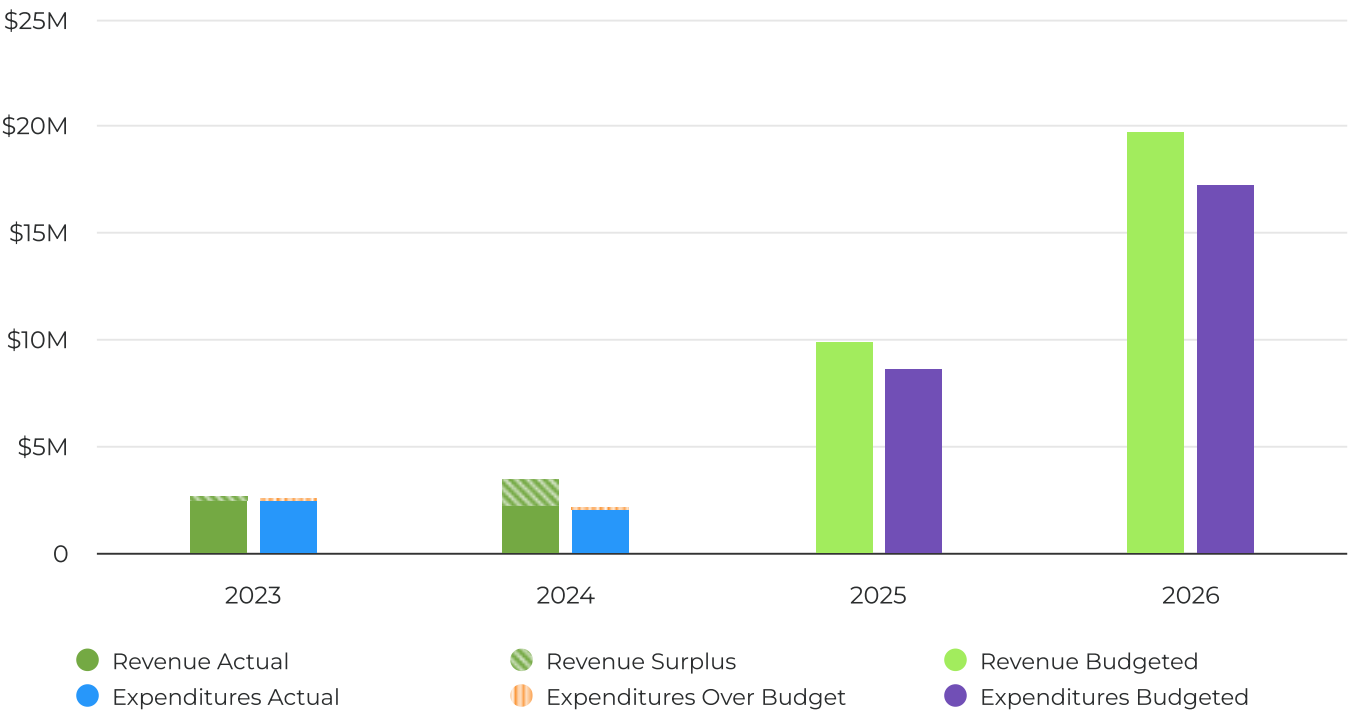
Enterprise Funds are used by municipalities to account for the financial activities of business-type operations, such as water and sewer services. These funds operate similarly to a business, where revenues are generated from user fees and are used to cover the costs of providing the service. Enterprise Funds for water and sewer services ensure that these essential utilities operate efficiently and sustainably. They provide a transparent financial framework for managing the costs and revenues associated with these services, supporting the long-term viability and quality of water and sewer operations.

## Summary

The Sewer Fund reflects the City’s commitment to providing reliable wastewater services while maintaining a conservative financial approach. The forecast for this year represents continued growth for Josephine, driven by new connections within City limits and the expanding service to Municipal Utility Districts (MUDs).

Despite this growth, projections remain conservative to ensure long-term sustainability and compliance with regulatory standards. The Sewer Fund is positioned to meet increasing demand while continuing to invest in infrastructure improvements that support the City’s development and protect environmental quality.

Revenues vs Expenditures Summary



In the Sewer Fund for the 2026 budget year, budgeted expenditures are \$17.2 million, representing a 100.06% increase from the 2025 budgeted expenditures of \$8.6 million. Budgeted revenues for 2026 are \$19.7 million, which is a 99.45% increase compared to the 2025 budgeted revenues of \$9.9 million.

Both expenditures and revenues approximately doubled from 2025 to 2026, with revenues remaining higher than expenditures by \$2.5 million in 2026. This continues the trend of revenues exceeding expenditures as seen in the previous budget year.

## Comprehensive Fund Summary

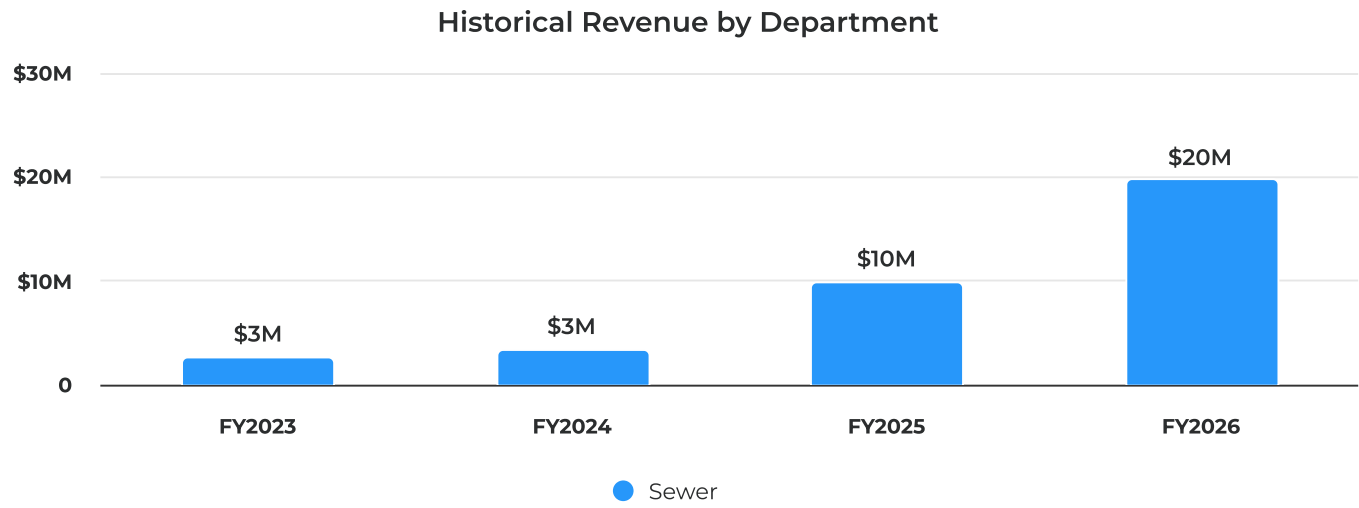
The Sewer Fund provides financial support for the City's wastewater operations and the Public Works employees responsible for maintaining and operating the sewer system. Administrative positions are allocated based on a percentage of time dedicated to sewer-related functions, ensuring accurate cost distribution across departments.

Careful management and monitoring of the Sewer Fund remain essential to maintain a balanced budget while meeting the growing needs of the community. As Josephine continues to expand with new connections within City limits and service to MUDs, the City prioritizes environmental quality and reliable service delivery. These efforts ensure compliance with regulatory standards and protect public health as the City plans for future growth.

### Comprehensive Fund Summary

| Category                                | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted       |
|-----------------------------------------|-----------------------------------------------------------------------|------------------------|
| <b>Beginning Fund Balance</b>           | <b>\$11,303,614.33</b>                                                | <b>\$12,582,720.66</b> |
| <b>Revenues</b>                         |                                                                       |                        |
| Charges for Services                    | \$1,727,000.00                                                        | \$2,139,000.00         |
| Special Assessments                     | \$1,086,000.00                                                        | -                      |
| Miscellaneous                           | \$6,633,750.00                                                        | \$17,150,000.00        |
| Interest                                | \$450,000.00                                                          | \$450,000.00           |
| <b>Total Revenues</b>                   | <b>\$9,896,750.00</b>                                                 | <b>\$19,739,000.00</b> |
| <b>Expenditures</b>                     |                                                                       |                        |
| Personnel Services                      | \$780,486.17                                                          | \$993,373.25           |
| Operating Expenses                      | \$1,211,657.50                                                        | \$1,993,725.75         |
| Repair & Maint.                         | \$20,000.00                                                           | \$22,500.00            |
| Capital Expenses                        | \$6,605,000.00                                                        | \$14,230,709.05        |
| Miscellaneous                           | \$500.00                                                              | \$500.00               |
| <b>Total Expenditures</b>               | <b>\$8,617,643.67</b>                                                 | <b>\$17,240,808.05</b> |
| <b>Total Revenues Less Expenditures</b> | <b>\$1,279,106.33</b>                                                 | <b>\$2,498,191.95</b>  |
| <b>Ending Fund Balance</b>              | <b>\$12,582,720.66</b>                                                | <b>\$15,080,912.61</b> |

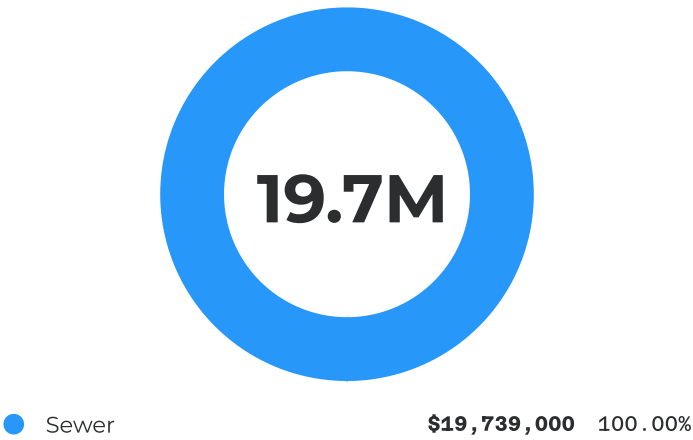
# Revenues by Department



In FY2026, the Sewer Fund's total historical revenue by department is \$19.7 million, representing a 99.45% increase from the FY2025 total of \$9.9 million. The Sewer department remains the largest and sole contributor, accounting for 100% of the total revenue in both years.

The Sewer department's revenue increased by \$9.8 million in FY2026 compared to FY2025, which is a 99.45% rise from the previous year's \$9.9 million. This continues the significant upward trend observed from FY2024 to FY2025, where the Sewer revenue had already increased by \$6.5 million or 190.06%.

## FY26 Revenues by Department



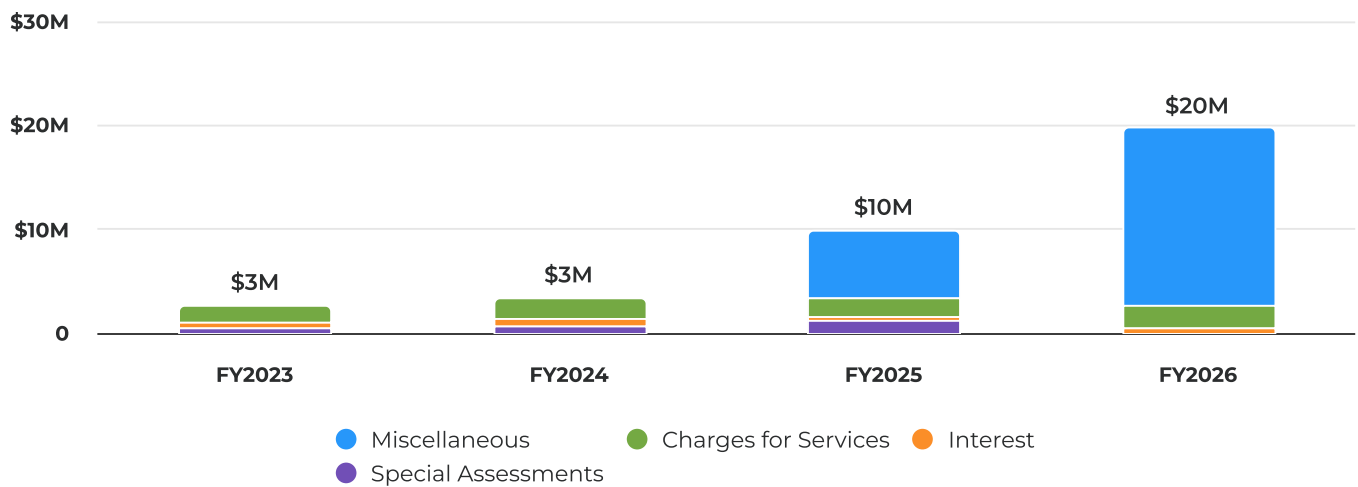
The Sewer Fund's Fiscal Year Revenue by Department totals \$19.7 million, representing 100% of the revenue for this fund.

## Revenues by Department

| Category              | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted       | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|-----------------------|--------------------------------------------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------|
| Sewer                 | \$9,896,750.00                                                     | \$19,739,000.00        | 99.45%                                                                                                      |
| <b>Total Revenues</b> | <b>\$9,896,750.00</b>                                              | <b>\$19,739,000.00</b> | <b>99.45%</b>                                                                                               |

## Revenues by Revenue Source

Historical Revenue by Revenue Source

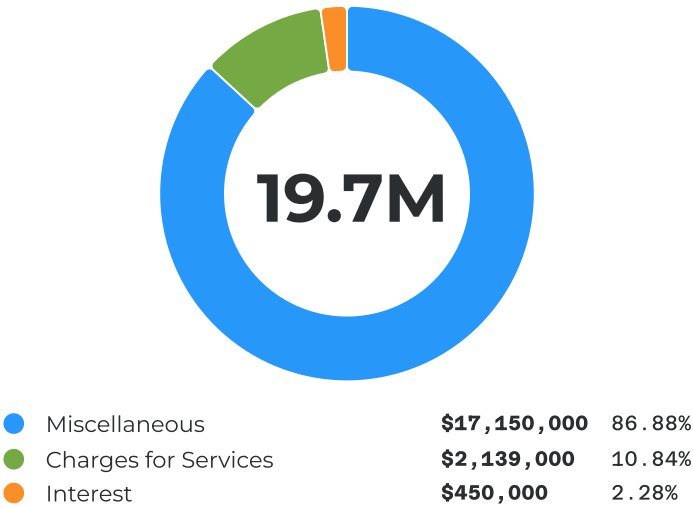


In FY2026, the Sewer Fund's total revenue nearly doubled to \$19.7 million, marking a 99.45% increase from FY2025's \$9.9 million. The largest revenue source, Miscellaneous (Secured Bond Funds), rose significantly to \$17.2 million, representing 86.88% of total revenue and an increase of \$10.5 million or 158.53% compared to the previous year.

Charges for Services also increased to \$2.1 million, accounting for 10.84% of total revenue, which is a \$412,000 or 23.86% rise from FY2025. Interest revenue remained steady at \$450,000, making up 2.28% of the total with no change from the prior year.

Special Assessments, which contributed \$1.1 million or 10.97% of total revenue in FY2025, were completely eliminated in FY2026, resulting in a 100% decrease.

FY26 Revenues by Revenue Source



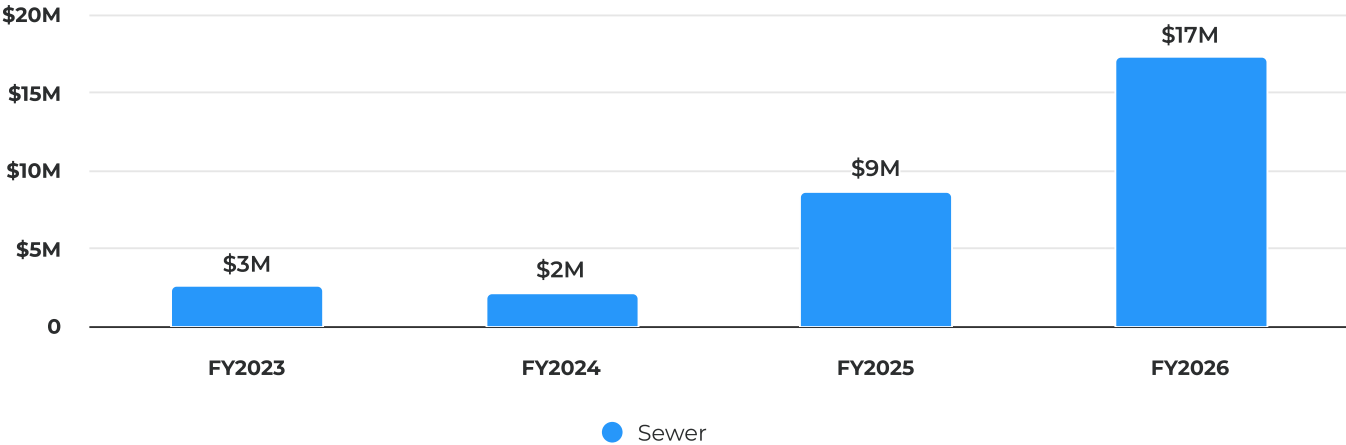
For the Sewer Fund's Fiscal Year Revenue by Revenue Source, Miscellaneous revenue accounts for \$17.2 million, representing 86.88% of the total. Charges for Services contribute \$2.1 million, which is 10.84%. Interest revenue amounts to \$450,000, making up 2.28% of the total revenue.

Revenues by Revenue Source

| Category             | FY 2025 Option 2 FINAL WORKING Copy of FY2025 per Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2 FINAL WORKING Copy of FY2025 per Mtg 8/5/24 vs. FY 2026 Budgeted (% Change) |
|----------------------|--------------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------|
| Charges for Services | \$1,727,000.00                                               | \$2,139,000.00   | 23.86%                                                                                       |
| Special Assessments  | \$1,086,000.00                                               | -                | -100.00%                                                                                     |
| Miscellaneous        | \$6,633,750.00                                               | \$17,150,000.00  | 158.53%                                                                                      |
| Interest             | \$450,000.00                                                 | \$450,000.00     | 0.00%                                                                                        |
| Total Revenues       | \$9,896,750.00                                               | \$19,739,000.00  | 99.45%                                                                                       |

Expenditures by Department

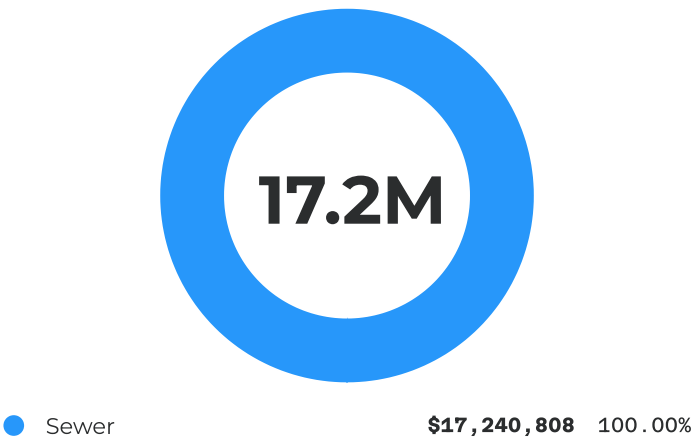
Historical Expenditures by Department



In FY2026, the Sewer Fund's total historical expenditures by department reached \$17.2 million, representing a 100.06% increase from the FY2025 total of \$8.6 million. The Sewer department remained the largest category, accounting for 100% of the total expenditures in both years.

The Sewer department's expenditures increased by \$8.6 million, doubling from \$8.6 million in FY2025 to \$17.2 million in FY2026, which corresponds to a 100.06% increase. This increase in the Sewer department was the largest change and drove the overall doubling of the total expenditures in the Sewer Fund.

FY26 Expenditures by Department



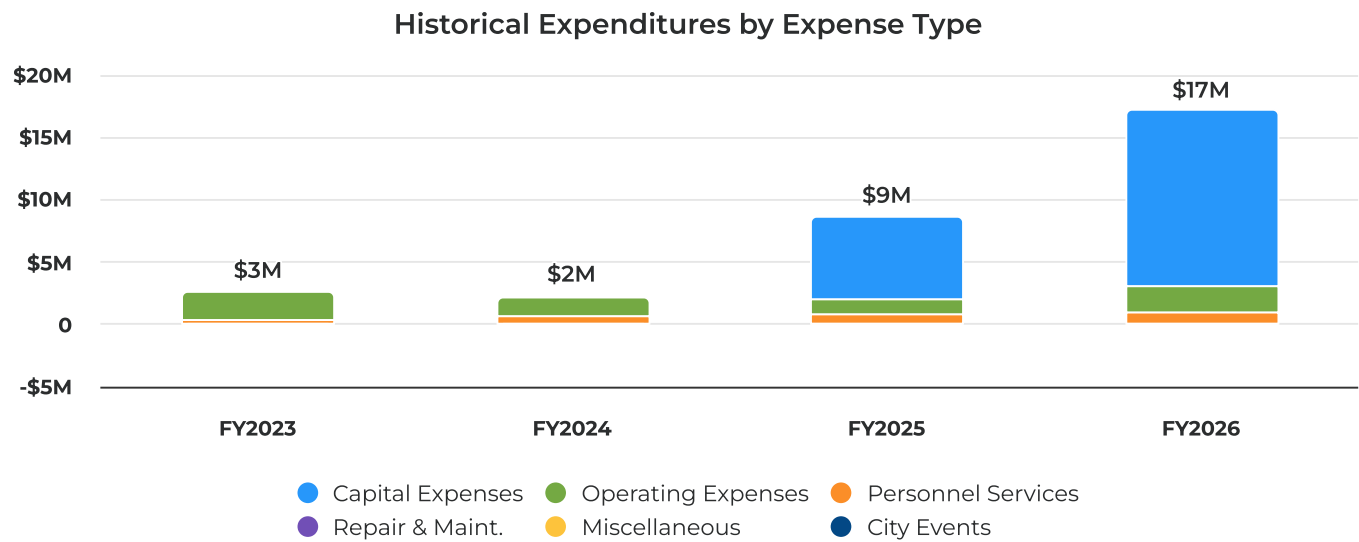
For the Sewer Fund, the total fiscal year expenditures amount to \$17.2 million, representing 100% of the expenditures for this fund.

Expenditures by Department

| Category           | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|--------------------|--------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------|
| Sewer              | \$8,617,643.67                                                     | \$17,240,808.05  | 100.06%                                                                                                     |
| Total Expenditures | \$8,617,643.67                                                     | \$17,240,808.05  | 100.06%                                                                                                     |



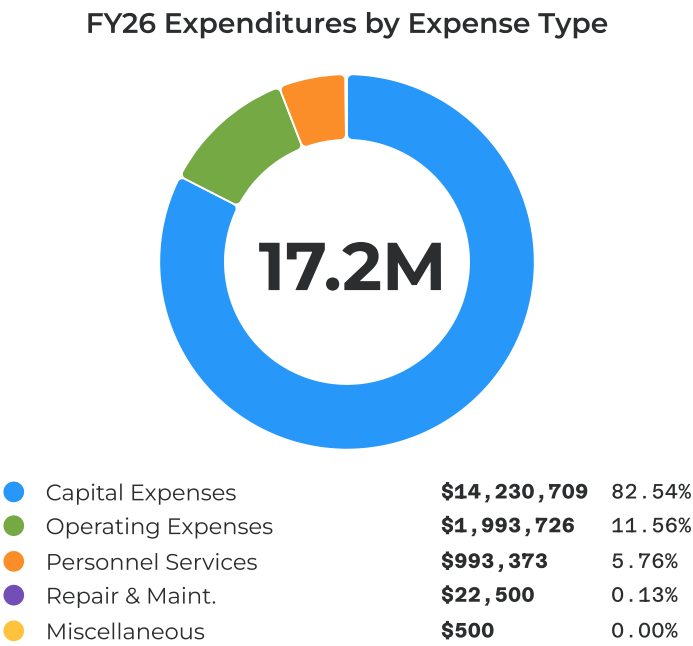
# Expenditures by Expense Type



The Sewer Fund's total expenditures for FY2026 are \$17.2 million, representing a 100.06% increase from the FY2025 total of \$8.6 million. Capital Expenses remain the largest category, increasing by \$7.6 million or 115.45% to \$14.2 million, now accounting for 82.54% of the total budget, up from 76.65% in FY2025.

Operating Expenses rose by \$782,068 or 64.55% to \$2 million, though their share of the total decreased to 11.56% from 14.06% in the previous year. Personnel Services increased by \$212,887 or 27.28% to \$993,373, representing 5.76% of the total budget, down from 9.06% in FY2025.

Repair and Maintenance expenses grew by \$2,500 or 12.5% to \$22,500, making up 0.13% of the total budget, a slight decrease from 0.23% previously. Miscellaneous expenses remained constant at \$500, representing 0% of the total budget. City Events expenditures stayed at \$0, maintaining a 0% share.



For the Sewer Fund's Fiscal Year Expenditures by Expense Type, Capital Expenses constitute the largest portion at \$14.2 million, representing 82.54% of the total expenditures. Operating Expenses follow with \$2 million, accounting for 11.56%.

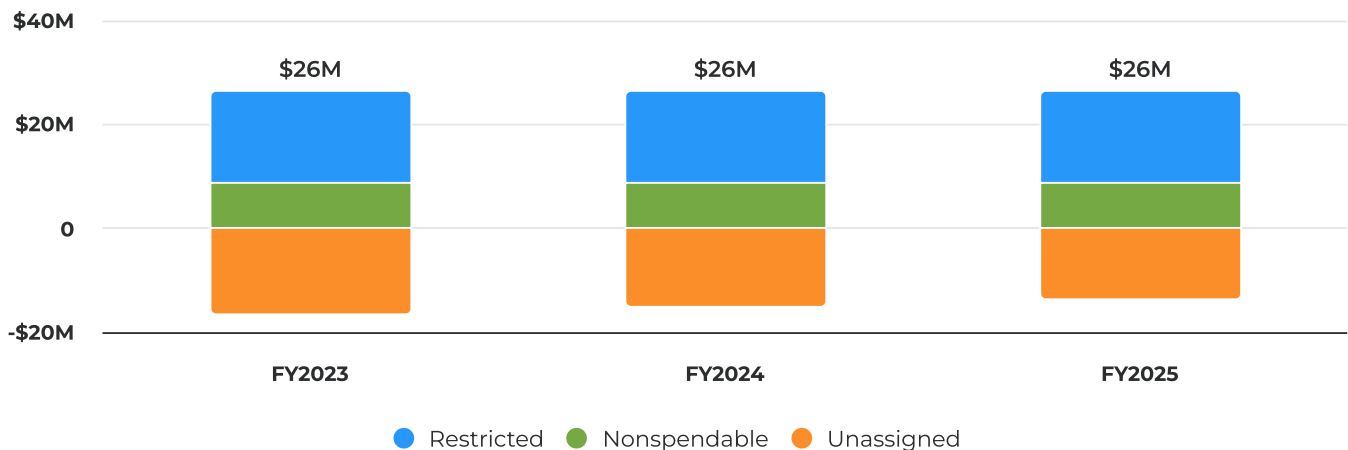
Personnel Services amount to \$993,373, which is 5.76% of the expenditures. Repair & Maint. expenses are \$22,500, making up 0.13%, and Miscellaneous expenses total \$500, representing 0% of the expenditures.

### Expenditures by Expense Type

| Category                  | FY 2025 Option 2 FINAL WORKING Copy of FY2025 per Mtg 8/5/24 | FY 2026 Budgeted       | FY 2025 Option 2 FINAL WORKING Copy of FY2025 per Mtg 8/5/24 vs. FY 2026 Budgeted (% Change) |
|---------------------------|--------------------------------------------------------------|------------------------|----------------------------------------------------------------------------------------------|
| Personnel Services        | \$780,486.17                                                 | \$993,373.25           | 27.28%                                                                                       |
| Operating Expenses        | \$1,211,657.50                                               | \$1,993,725.75         | 64.55%                                                                                       |
| Repair & Maint.           | \$20,000.00                                                  | \$22,500.00            | 12.50%                                                                                       |
| Capital Expenses          | \$6,605,000.00                                               | \$14,230,709.05        | 115.45%                                                                                      |
| Miscellaneous             | \$500.00                                                     | \$500.00               | 0.00%                                                                                        |
| <b>Total Expenditures</b> | <b>\$8,617,643.67</b>                                        | <b>\$17,240,808.05</b> | <b>100.06%</b>                                                                               |

## Fund Balance

### Fund Balance Projections



In FY2025, the Sewer Fund's total fund balance projection increased to \$12.6 million, representing an 11.32% rise from the FY2024 total of \$11.3 million. The largest category by value, Restricted funds, remained steady at \$17.8 million, accounting for 141.22% of the total in FY2025, unchanged in amount from the previous year but showing a decrease in its percentage of the total from 157.2% in FY2024.

The Nonspendable category also held steady at \$8.6 million, comprising 68.72% of the total fund balance in FY2025, down from 76.5% in FY2024, with no change in dollar amount. The Unassigned category, while still negative, improved by \$1.3 million to -\$13.8 million in FY2025, which is an 8.46% decrease relative to its own value, and its share of the total fund balance moved from -133.7% in FY2024 to -109.94% in FY2025.

The most notable change was the increase in the Unassigned fund balance by \$1.3 million, reflecting a reduction in the negative balance, which contributed to the overall increase in the total fund balance projection for FY2025.

# Debt Service Fund

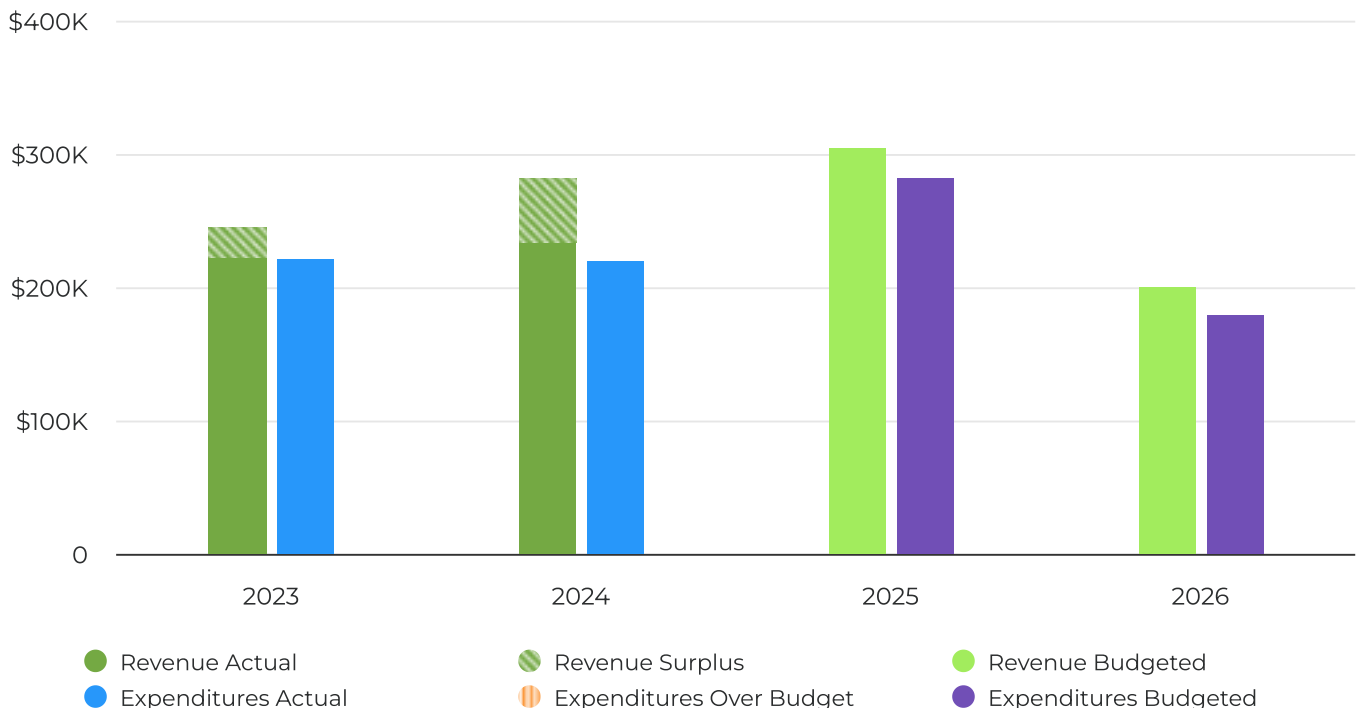
The Debt Service Fund is a specialized financial resource used by municipalities to manage and allocate funds for the repayment of long-term debt obligations, such as bonds and loans. It plays a crucial role in ensuring that a city meets its debt repayment requirements while maintaining financial stability. Key features of the Debt Service Fund include:

1. **Purpose:** The primary purpose of the Debt Service Fund is to provide a dedicated source of funding for paying off principal and interest on debt incurred for capital projects or infrastructure improvements. This helps ensure timely and accurate repayment of debt, supporting the city's creditworthiness.
2. **Revenue Sources:** The Debt Service Fund is typically financed through dedicated revenue streams, which may include property taxes, specific revenue allocations, or transfers from other funds. These revenues are earmarked specifically for debt service, ensuring that funds are available when payments are due.
3. **Expenditures:** Expenditures from the Debt Service Fund are strictly allocated to servicing debt. This includes making scheduled principal repayments and paying interest on outstanding bonds or loans. The fund ensures that these obligations are met in accordance with the terms of the debt agreements.
4. **Management:** The fund is carefully managed to align revenue inflows with debt service requirements. Financial planning and budgeting are crucial to ensure that adequate resources are available to cover both principal and interest payments.
5. **Accounting and Reporting:** The Debt Service Fund operates on an accrual basis, tracking both the accumulation of resources and the recognition of liabilities. This accounting approach ensures accurate reporting and accountability, providing transparency in how debt service obligations are met.

Overall, the Debt Service Fund is essential for maintaining the city's financial health by ensuring that debt obligations are met in a timely manner. It supports continued access to financing for future capital projects and helps maintain a strong credit rating.

## Summary

### Revenues vs Expenditures Summary



In the Debt Service Fund for 2026, the budgeted expenditures are \$179,350, representing a decrease of 36.48% compared to the 2025 budgeted expenditures of \$282,350. Similarly, the budgeted revenues for 2026 are \$200,000, which is 34.14% lower than the 2025 budgeted revenues of \$303,668.

Both revenues and expenditures show significant reductions in 2026 compared to the previous year, with expenditures decreasing slightly more in percentage terms than revenues. The budgeted revenues continue to exceed the budgeted expenditures in 2026, maintaining a positive difference between the two categories.

## Comprehensive Fund Summary

The Debt Service Fund is established to ensure the City meets its long-term financial obligations by setting aside revenue specifically for interest payments and principal debt repayment. This fund provides a structured approach to managing the City's outstanding debt and maintaining fiscal responsibility.

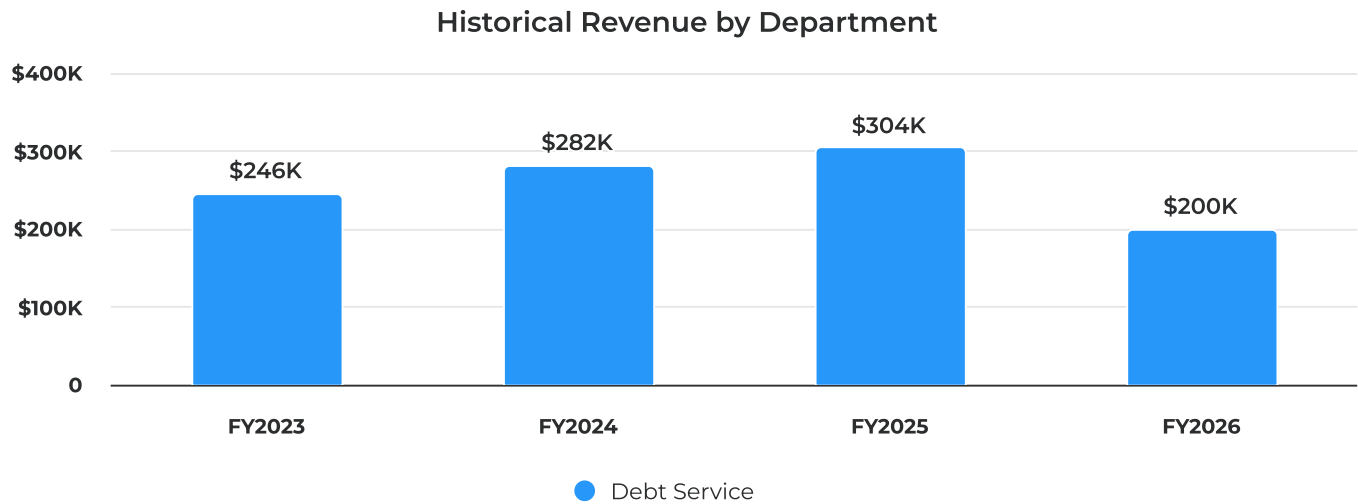
By dedicating resources to this purpose, the City safeguards its creditworthiness and ensures compliance with bond covenants and financial policies. Careful monitoring of this fund remains essential as the City continues to invest in infrastructure and capital improvements while planning for future debt requirements.

### Comprehensive Fund Summary

| Category                                | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted    |
|-----------------------------------------|-----------------------------------------------------------------------|---------------------|
| <b>Beginning Fund Balance</b>           | <b>\$816,778.00</b>                                                   | <b>\$838,095.83</b> |
| <b>Revenues</b>                         |                                                                       |                     |
| Taxes                                   | \$303,667.83                                                          | \$200,000.00        |
| <b>Total Revenues</b>                   | <b>\$303,667.83</b>                                                   | <b>\$200,000.00</b> |
| <b>Expenditures</b>                     |                                                                       |                     |
| Operating Expenses                      | \$282,350.00                                                          | \$179,350.00        |
| <b>Total Expenditures</b>               | <b>\$282,350.00</b>                                                   | <b>\$179,350.00</b> |
| <b>Total Revenues Less Expenditures</b> | <b>\$21,317.83</b>                                                    | <b>\$20,650.00</b>  |
| <b>Ending Fund Balance</b>              | <b>\$838,095.83</b>                                                   | <b>\$858,745.83</b> |

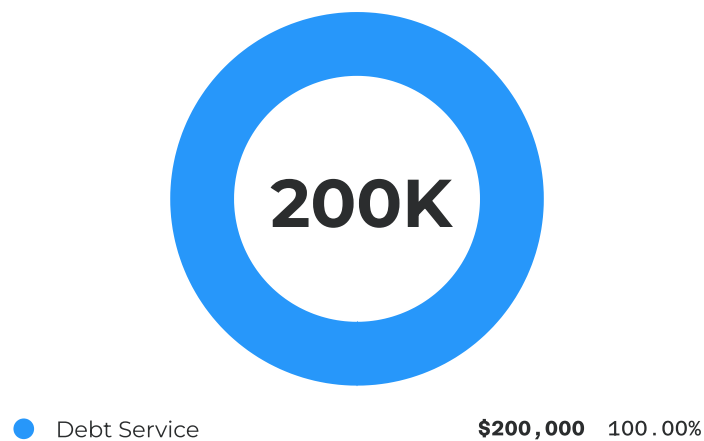
The 34% decrease in the Debt Service Fund revenue and expense projections is attributable to a reduction in required debt payments based on the amortization schedule. Projections were adjusted to remain proportionate to the debt obligation. In addition, a portion of the debt service has been shifted to the Police Department, further reducing the amounts reflected in this fund.

## Revenues by Department



In FY2026, the total revenue for the Debt Service Fund is budgeted at \$200,000, representing a decrease of \$103,668 or 34.14% compared to the FY2025 total of \$303,668. The Debt Service category remains the sole revenue source, accounting for 100% of the total in both years. This category shows a significant reduction of \$103,668, which is a 34.14% decrease from the previous year's amount of \$303,668.

### FY26 Revenues by Department

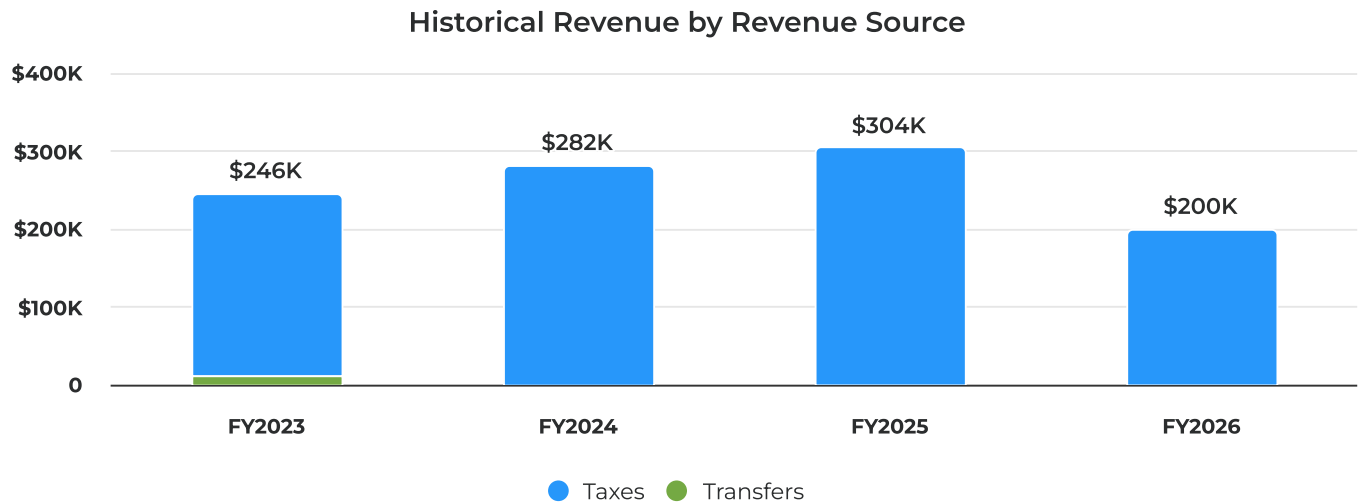


For the Debt Service Fund in the fiscal year, the total revenue by department amounts to \$200,000, which represents 100% of the fund's revenue.

### Revenues by Department

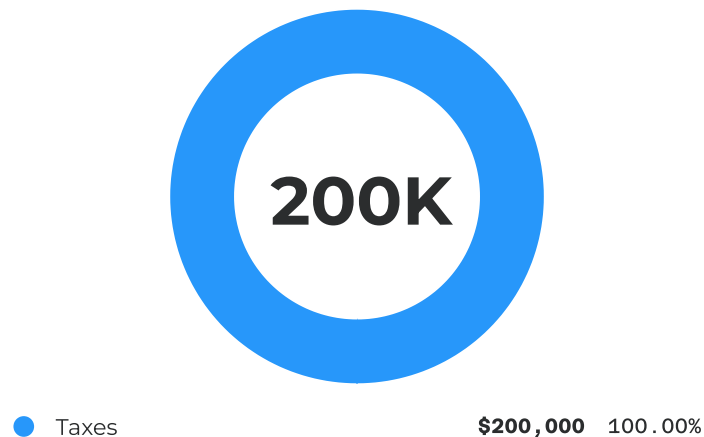
| Category              | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted    | FY 2025 Option 2<br>FINAL WORKING Copy<br>of FY2025 per Mtg<br>8/5/24 vs. FY 2026<br>Budgeted (% Change) |
|-----------------------|-----------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------|
| Debt Service          | \$303,667.83                                                          | \$200,000.00        | -34.14%                                                                                                  |
| <b>Total Revenues</b> | <b>\$303,667.83</b>                                                   | <b>\$200,000.00</b> | <b>-34.14%</b>                                                                                           |

## Revenues by Revenue Source



In FY2026, the Debt Service Fund's total revenue is budgeted at \$200,000, representing a decrease of 34.14% from the previous year's total of \$303,668. Taxes remain the sole revenue source, accounting for 100% of the total revenue in both years. However, tax revenue is projected to decline by \$103,668, or 34.14%, from \$303,668 in FY2025 to \$200,000 in FY2026. Transfers continue to contribute no revenue, maintaining a 0% share of the total. This significant reduction in tax revenue drives the overall decrease in total revenue for the Debt Service Fund in FY2026.

### FY26 Revenues by Revenue Source

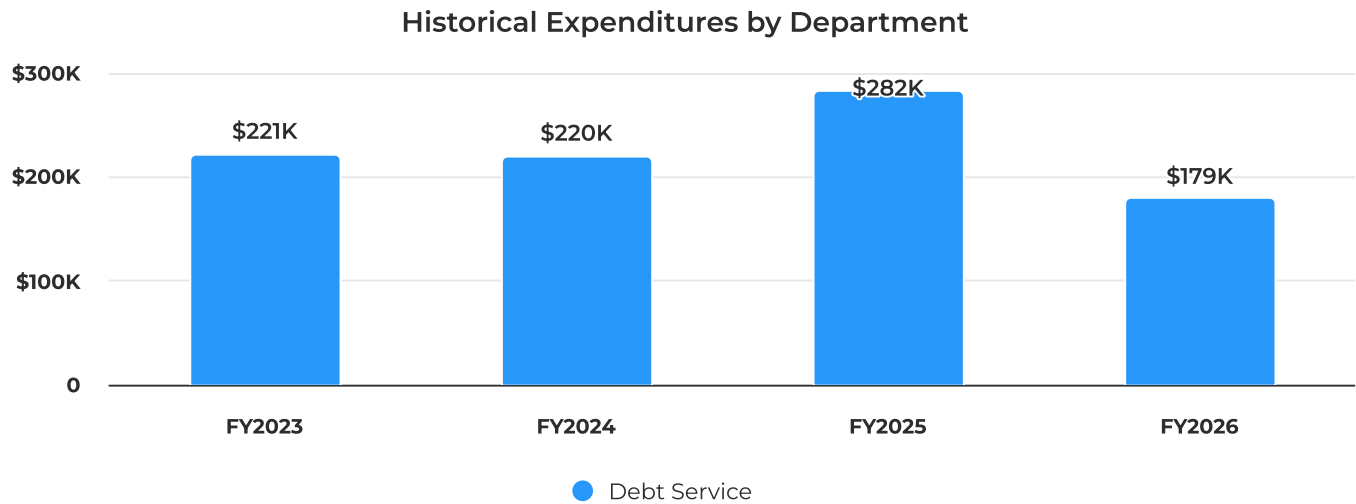


For the Debt Service Fund in the fiscal year, the total revenue by revenue source is comprised entirely of Taxes, amounting to \$200,000, which represents 100% of the revenue.

### Revenues by Revenue Source

| Category              | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted    | FY 2025 Option 2<br>FINAL WORKING Copy<br>of FY2025 per Mtg<br>8/5/24 vs. FY 2026<br>Budgeted (% Change) |
|-----------------------|-----------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------|
| Taxes                 | \$303,667.83                                                          | \$200,000.00        | -34.14%                                                                                                  |
| <b>Total Revenues</b> | <b>\$303,667.83</b>                                                   | <b>\$200,000.00</b> | <b>-34.14%</b>                                                                                           |

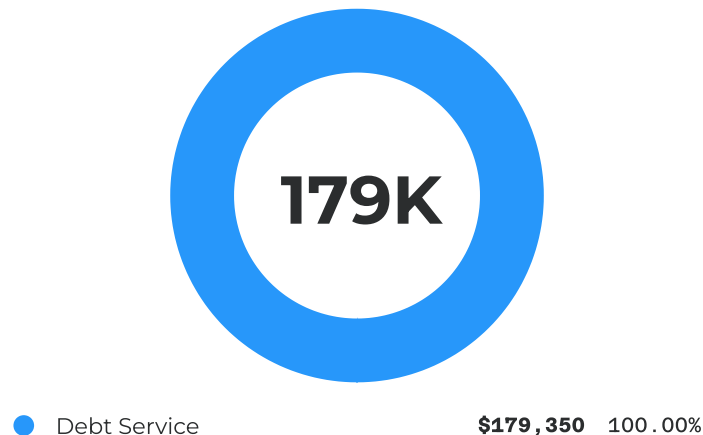
## Expenditures by Department



In FY2026, the total expenditures for the Debt Service Fund are budgeted at \$179,350, representing a decrease of 36.48% from the FY2025 total of \$282,350. The Debt Service category remains the sole expenditure, accounting for 100% of the total budget in both years.

The Debt Service expenditure itself decreases by \$103,000, or 36.48%, from \$282,350 in FY2025 to \$179,350 in FY2026. This marks a significant reduction compared to the previous year, where the Debt Service had increased by 28.49%.

### FY26 Expenditures by Department



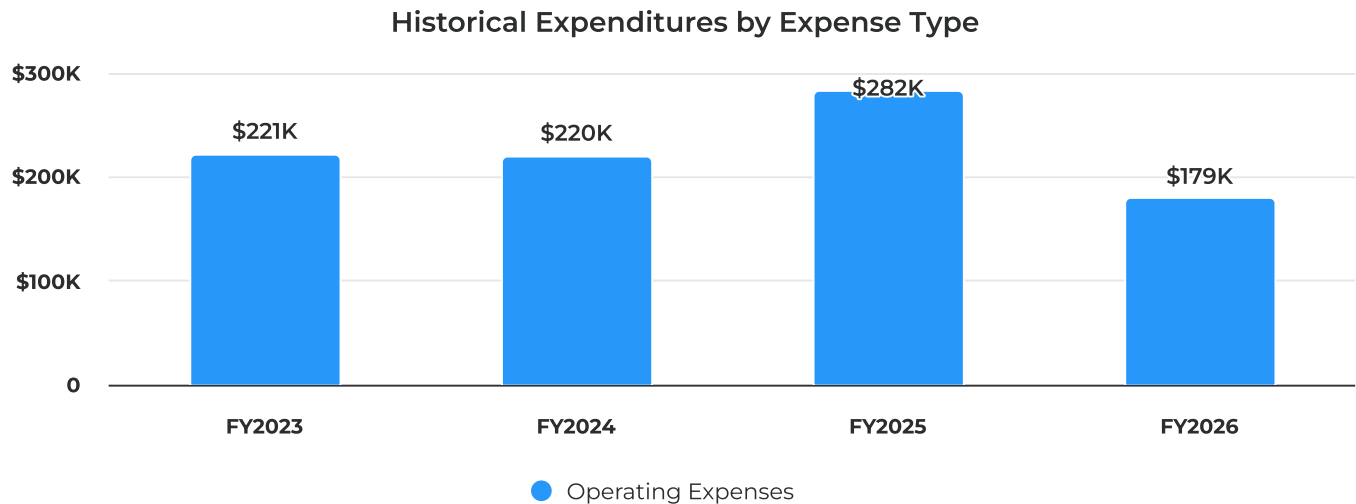
For the Debt Service Fund, the Fiscal Year Expenditures by Department consist entirely of Debt Service, which amounts to \$179,350 and represents 100% of the total expenditures.

### Expenditures by Department

| Category                  | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted    | FY 2025 Option 2<br>FINAL WORKING Copy<br>of FY2025 per Mtg<br>8/5/24 vs. FY 2026<br>Budgeted (% Change) |
|---------------------------|-----------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------|
| Debt Service              | \$282,350.00                                                          | \$179,350.00        | -36.48%                                                                                                  |
| <b>Total Expenditures</b> | <b>\$282,350.00</b>                                                   | <b>\$179,350.00</b> | <b>-36.48%</b>                                                                                           |

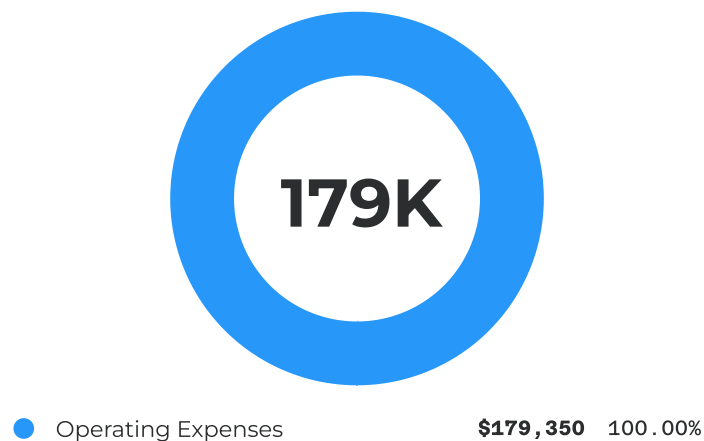


## Expenditures by Expense Type



In FY2026, the Debt Service Fund's total expenditures amount to \$179,350, representing a decrease of 36.48% compared to the previous year's total of \$282,350. Operating Expenses remain the sole expense type, accounting for 100% of the total expenditures in both years. However, Operating Expenses decreased by \$103,000, or 36.48%, from \$282,350 in FY2025 to \$179,350 in FY2026. This marks a significant reduction in the largest and only expense category within the Debt Service Fund for the target budget year.

### FY26 Expenditures by Expense Type



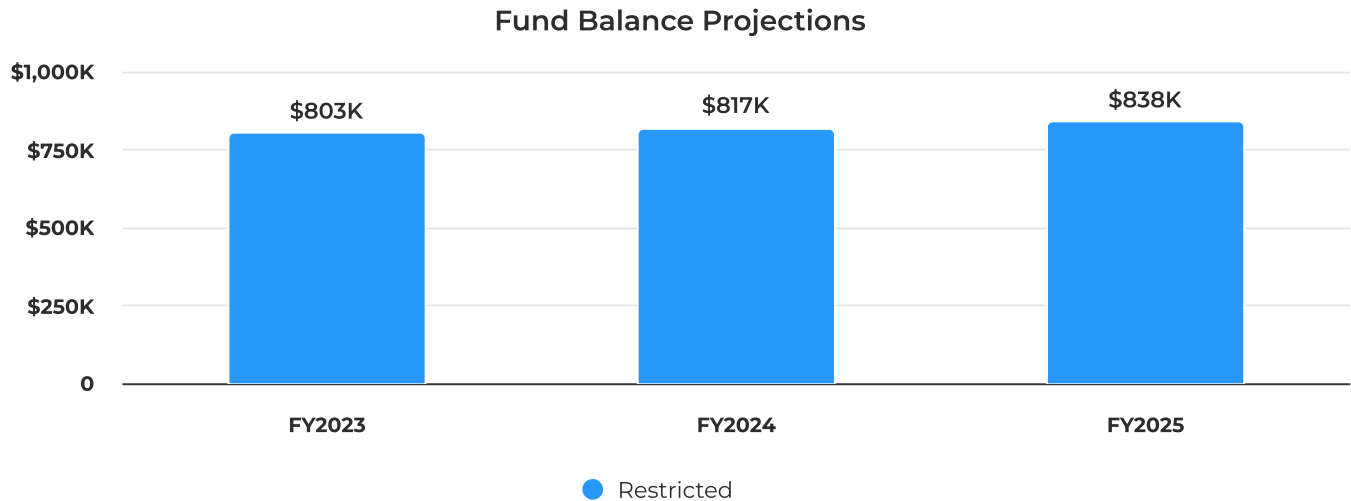
For the Debt Service Fund in the fiscal year, Operating Expenses account for the entire expenditure, totaling \$179,350, which represents 100% of the fiscal year expenditures by expense type.

### Expenditures by Expense Type

| Category                  | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted    | FY 2025 Option 2<br>FINAL WORKING Copy<br>of FY2025 per Mtg<br>8/5/24 vs. FY 2026<br>Budgeted (% Change) |
|---------------------------|-----------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------|
| Operating Expenses        | \$282,350.00                                                          | \$179,350.00        | -36.48%                                                                                                  |
| <b>Total Expenditures</b> | <b>\$282,350.00</b>                                                   | <b>\$179,350.00</b> | <b>-36.48%</b>                                                                                           |

## Fund Balance

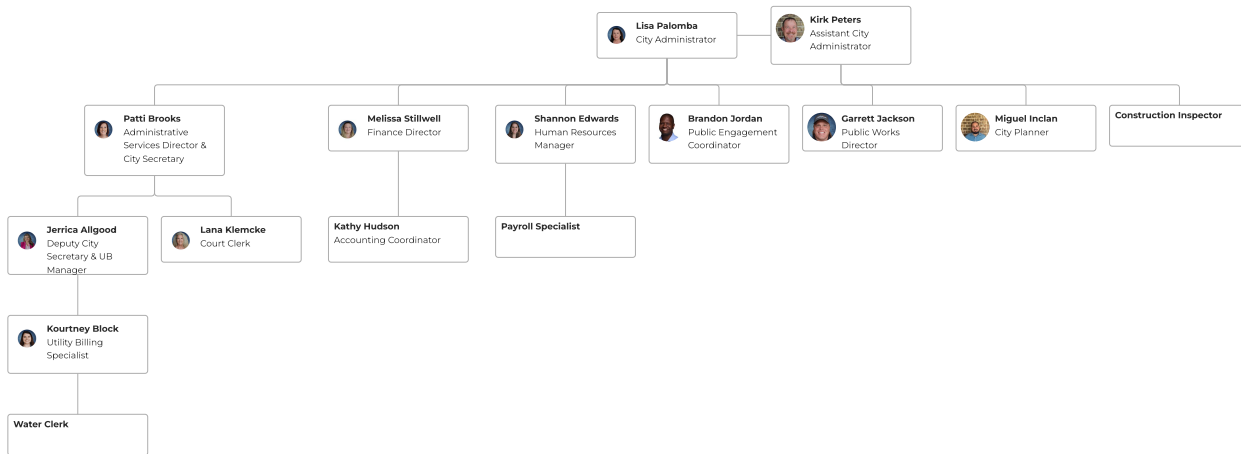
The 34% decrease in the Debt Service Fund revenue and expense projections is attributable to a reduction in required debt payments based on the amortization schedule. Projections were adjusted to remain proportionate to the debt obligation. In addition, a portion of the debt service has been shifted to the Police Department, further reducing the amounts reflected in this fund.



In the Debt Service Fund for FY2025, the total fund balance projection is \$838,096, representing a 2.61% increase from the FY2024 total of \$816,778. The entire fund balance remains categorized as Restricted, which also increased by \$21,318 or 2.61% compared to the previous year. This increase in the Restricted category accounts for the total growth in the fund balance, as it continues to represent 100% of the total fund balance projection.

# Organizational Structure

## Administration



# Administration

## **Activities, Services, and Functions of the Administrative Department**

The Administrative Department of Josephine plays a critical role in supporting the overall operations and governance of our community. This department serves as the backbone of municipal administration, providing essential services and functions that ensure efficient and effective government operations. Here's an overview of the key activities, services, and functions carried out by the Administrative Department:

### **1. Financial Management and Budgeting:**

The Administrative Department oversees the preparation and management of the City's budget. This includes coordinating budget development across departments, conducting financial analysis, monitoring expenditures, and ensuring compliance with fiscal policies and regulations. Changes in this year's budget reflect our commitment to fiscal responsibility and strategic allocation of resources to support community priorities.

### **2. Human Resources and Personnel Administration:**

Managing human resources is another crucial responsibility of the Administrative Department. This includes recruitment, employee relations, performance management, and benefits administration. Changes in staffing levels and workforce planning are carefully managed to optimize organizational effectiveness while aligning with budgetary constraints and operational needs.

### **3. Policy Development and Implementation:**

The Administrative Department supports the development, implementation, and enforcement of policies and procedures governing municipal operations. This includes researching best practices, drafting ordinances, facilitating public hearings, and ensuring compliance with legal requirements. Changes in policy emphasis may reflect evolving community needs, legislative updates, or strategic initiatives identified during the budget process.

### **4. Records Management and Information Technology:**

Ensuring efficient records management and leveraging technology to enhance service delivery are priorities within the Administrative Department. This includes maintaining public records, overseeing IT infrastructure and systems, and implementing technology solutions that improve operational efficiency and transparency.

### **5. Community Engagement and Public Relations:**

The Administrative Department plays a role in fostering community engagement and maintaining positive public relations. This includes coordinating public meetings, responding to citizen inquiries, and facilitating communication between residents, elected officials, and City staff. Emphasis on community outreach and transparency may influence budget allocations for communication tools and engagement initiatives.

### **Changes to This Year's Budget and Shift in Emphasis:**

In the current year's budget, we have focused on enhancing transparency, efficiency, and responsiveness in our administrative functions. This includes investments in technology upgrades to improve service delivery, initiatives to streamline processes and reduce administrative burdens, and efforts to strengthen internal controls and compliance measures.

As we look ahead, our strategic priorities may involve further enhancements in technology integration, expanded community engagement efforts, and continued emphasis on fiscal sustainability. Changes in budget allocations reflect our commitment to aligning resources with these priorities while maintaining high standards of service and accountability to the residents of Josephine.

By effectively managing resources and adapting to evolving challenges and opportunities, the Administrative Department remains dedicated to supporting the growth and well-being of our community.

# City Administrator

General Fund

## WORKLOAD INDICATORS & PERFORMANCE MEASURES

| Objective                                         | Performance Measure                                                                                       | FY 24-25                                                                                   | FY 25-26                                                                     |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| <b>Enhance Public Safety</b>                      | Ordinance Creating City Fire Dept                                                                         | Complete by 12/21/2024                                                                     | Completed FY25                                                               |
|                                                   | Hire Qualified Fire Chief/Fire Marshal/Dir. of Emergency Management                                       | Fill position by 7/1/2025                                                                  | Completed FY25                                                               |
|                                                   | Successful/Timely Opening of new Public Safety Building/Open House Event                                  | Opening expected 10/1/2025                                                                 | New opening is November 19th, Organizing Open House Spring 2026              |
|                                                   | Successful Transition of independent volunteer fire dept to city dept.                                    | Complete by 09/01/2025                                                                     | Fire Department is being Organized                                           |
| <b>Increase Community Engagement</b>              | Host Citizen meet and greet at City Hall to enhance citizen knowledge about current events/issues         | Host 3 Events                                                                              | Christmas in the Park, Fireworks in the Park, Police Movie Night, Game Night |
|                                                   | Attend HOA Meetings to inform neighborhoods of community happenings/events/issues                         | Attend 2 Events                                                                            | Attend 2 Events                                                              |
|                                                   | Community Center opening                                                                                  | Opening expected 12/31/2024                                                                | Opened April 2025                                                            |
| <b>Improve Intergovernmental Relations</b>        | Attend/Engage MUD Board Meetings                                                                          | Attend 2 Meetings                                                                          | Attend 2 Meetings                                                            |
|                                                   | Attend/Engage County Commissioner Meetings                                                                | 3 Connections                                                                              | 3 Connections                                                                |
|                                                   | Contacts with State Representatives                                                                       | Continue, minimum 4 connections                                                            | Continue, minimum 4 connections                                              |
| <b>Establish/Manage City's Legislative Agenda</b> | Initiate TML Resolution regarding MUD reform                                                              | Present TML Conference October 2024                                                        | Presented. Continued Initiative                                              |
|                                                   | Keep Council Well Informed of State Legislature Important Bills                                           | Provide monthly updates during Legislate Session                                           | Presented. Continued Initiative                                              |
| <b>Seek Alternate Funding Sources</b>             | Seek alternate funding sources for infrastructure                                                         | Find funding sources Texas Water Dev. Board or alternate source                            | Find funding sources Texas Water Dev. Board or alternate source              |
|                                                   | Apply for SAFER Grant                                                                                     | Apply for grant for full-time firefighter positions spring of 2024                         | Once Grant Opportunity Opens: Spring of 2026                                 |
|                                                   | Apply for Parks Grant                                                                                     | Apply in 2025                                                                              | Completed & Awarded. Apply for next round in Spring 2026                     |
| <b>Organizational Restructure</b>                 | Hire for all funded positions and train new employee and transition responsibilities of current employees | Complete by 07/01/2025                                                                     | Completed-Continued Initiative                                               |
| <b>Improve Communications</b>                     | Provide quarterly updates to Council regarding City management activity                                   | 4 updates by 09/31/2025                                                                    | Completed-Continued Initiative                                               |
|                                                   | Improve city messaging efforts                                                                            | Increased contribution for newsletters, increased postings, increase use of message boards | Completed-Continued Initiative                                               |

# City Secretary

General Fund

## WORKLOAD INDICATORS & PERFORMANCE MEASURES

| Performance Measure                            | FY 23-24 | FY 24-25 | FY 25-26 Budget |
|------------------------------------------------|----------|----------|-----------------|
| Number of City Council Agenda Packets Prepared | 15       | 19       | 16              |
| Number of Permits issued                       | 1135     | 1019     | 900             |

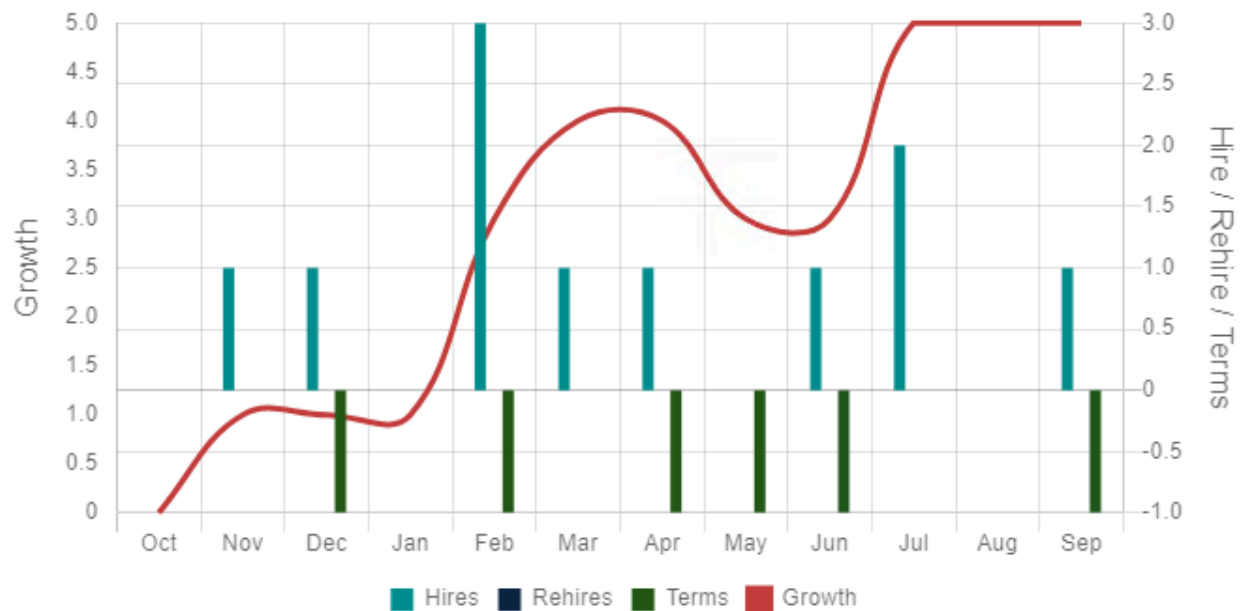
# Finance & Human Resources

General Fund

## WORKLOAD INDICATORS & PERFORMANCE MEASURES

| Performance Measure                                                                  | FY 23-24  | FY 24-25    | FY 25-26 Budget |
|--------------------------------------------------------------------------------------|-----------|-------------|-----------------|
| Interest Earnings (Dollar Actuals)                                                   | \$996,400 | \$1,208,737 | \$872,000       |
| S&P Global Bond Rating                                                               | A+        | AA-         | AA-             |
| Employee Onboarding Rate                                                             | 9         | 9           | 25              |
| Employee Offboarding Rate                                                            | N/A       | 5           | N/A             |
| Workers Comp Claims                                                                  | 0         | 0           | 0               |
| Applications Received Annually                                                       | 50        | 202         | 300             |
| Number of Vendor Invoices processed annually                                         | 2579      | 2856        | 2800            |
| Number of banking & Investment Accounts reconciled monthly                           | 8         | 9           | 9               |
| Prepare monthly financial statements by the 5th working day of the month             | 100%      | 100%        | 100%            |
| Prepare quarterly investment reports by the 5th working day of the quarter           | 100%      | 100%        | 100%            |
| Finance CPE Credits Earned                                                           | 25        | 36.5        | 25              |
| Human Resources CPE Credits Earned                                                   | 5         | 1           | 0               |
| Receive annual unmodified auditor opinions                                           | Yes       | Yes         | Yes             |
| Cybersecurity Online Training completed on time and at 100%                          | 100%      | 100%        | 100%            |
| Employees Supporting Finance and Human Resources                                     | 3         | 3           | 3.25            |
| Initiatives: Apply and Receive FY25 GFOA Award for Distinguished Budget Presentation | Yes       | Yes         | Yes             |
| Employee Turnover Rate                                                               | 25%       | 37%         | 25%             |

## Employee Turnover





# Human Resources Initiatives & Goals



## Achievements FY 24-25

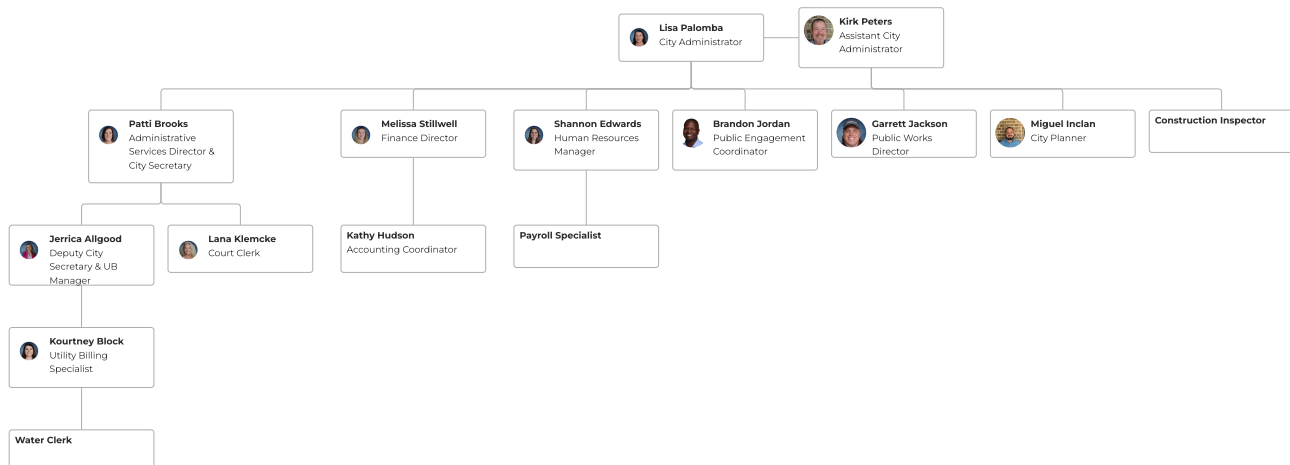
Launch of Employee of the Year Program  
Enhanced Recruitment Marketing Campaigns  
Department Hiring Partnerships  
Successful Recruitment for Key Leadership Positions  
Transition to Electronic Evaluation System  
Annual Elective Benefit Fair for Open enrollment

## Goals for FY 25-26

HR Accessibility and Employee Engagement  
Employer Brand Enhancement  
Employee Satisfaction Survey  
Recognitions Program  
Prepare for Advanced Reporting and Analytics

Administration Org Chart

## Administration



# Strategic Planning Goals

Finalize and adopt the Unified Development Code to promote traditional neighborhood design and vibrant mixed-use corridors, fostering a unique development character that attracts premier commercial and residential investment aligned with the City's vision in the Comprehensive Plan.

Enhance the City's economic development visibility through an aerial map brochure that showcases available commercial and residential development sites, helping attract and guide site selection for key retail, restaurant, and healthcare investments.

Enhance the Planning Department website to provide comprehensive, upfront information for prospective developers and update the development flowchart to improve efficiency and streamline the review process.

Partner with property owners and master developers to create “ready sites” that streamline development by minimizing zoning entitlement requirements and accelerating the transition to site planning and construction.

Revise the City's Thoroughfare Plan to coordinate with the updated Collin County and Hunt County Thoroughfare Plans, as well as the Collin County Outer Loop, ensuring regional connectivity and consistency.

Adopt the Parks and Trails Master Plan to align with Collin County's updated Regional Trails Plan, positioning the City for stronger collaboration and enhanced funding opportunities—especially for the future Cotton Belt Regional Rail Trail.

Work closely with regional partners—including Collin County, Hunt County, TxDOT, Community ISD, and Special Districts—to coordinate planning efforts that strengthen regional alignment and increase community value.

Engage with academic partners like UT Dallas, UT Arlington, and other universities to support Planning and Economic Development efforts, capitalizing on low- or no-cost expertise to sustain project momentum.

Develop a Downtown Strategic and Area Plan to establish a framework for a vibrant city center, with the City Park serving as the focal point.

Develop a Food Truck Park at the City Park, designed to accommodate complementary events—like Farmers Markets—leveraging shared infrastructure.



# Water Conservation

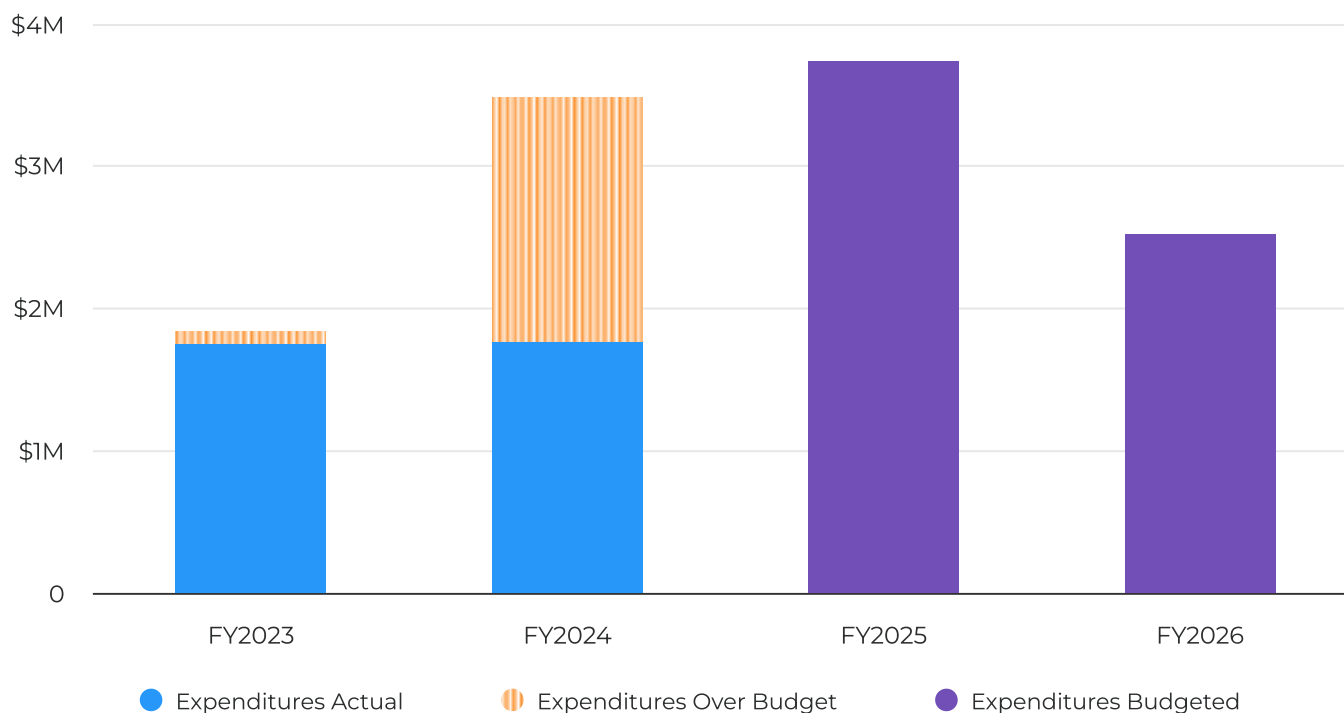


We remain committed to enhancing our Public Outreach program to better serve the community. This year, we will continue to develop and refine our outreach efforts, focusing on improving communication regarding water schedules and fostering a strong partnership with the North Texas Municipal Water District (NTMWD). In addition, we will collaborate with NTMWD on addressing future water supply needs, ensuring long-term sustainability and reliability of our water resources. Our goal is to promote effective water conservation practices and keep residents well-informed about water usage and availability. By strengthening these initiatives, we aim to support sustainable water management and build a more informed and engaged community.

## Expenditure Summary

Expenditure estimates are derived from trend analysis and current contractual agreements.

## Historical Expenditures Across Department

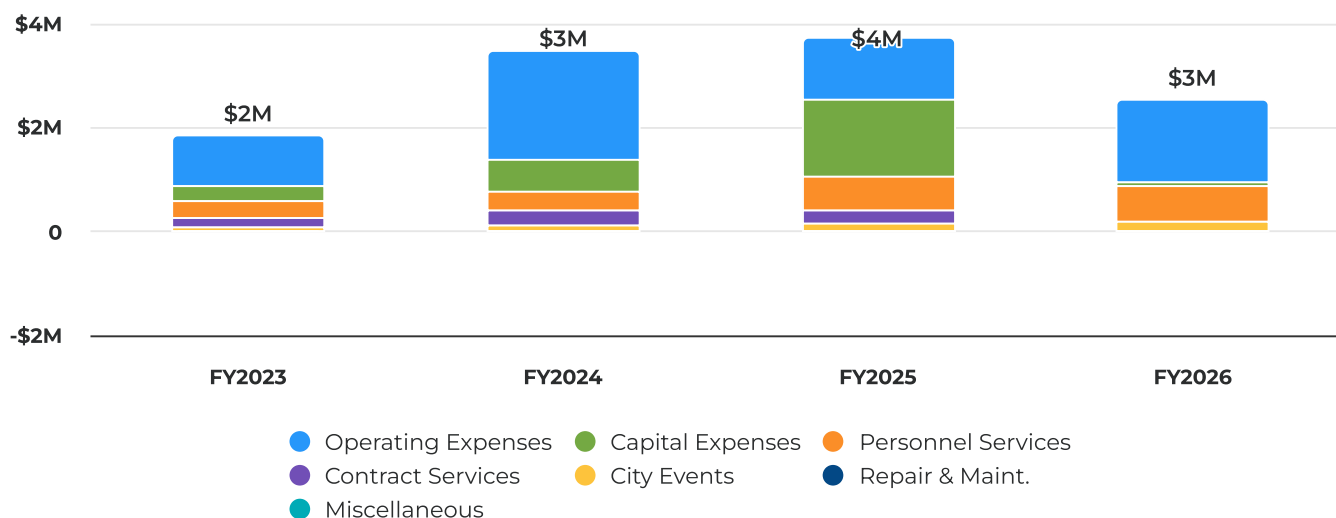


In FY2025, the Administration's total budgeted expenditures increased significantly to \$3.7 million, representing a 110.23% rise from the previous period. This marks a substantial growth in the budget allocation for that year primarily due to Capital Projects.

In FY2026, the budgeted expenditures decreased to \$2.5 million, which is a 32.43% reduction compared to FY2025. This decline indicates a notable contraction in the budget following the prior year's increase.

## Expenditures by Expense Type

### Historical Expenditures by Expense Type



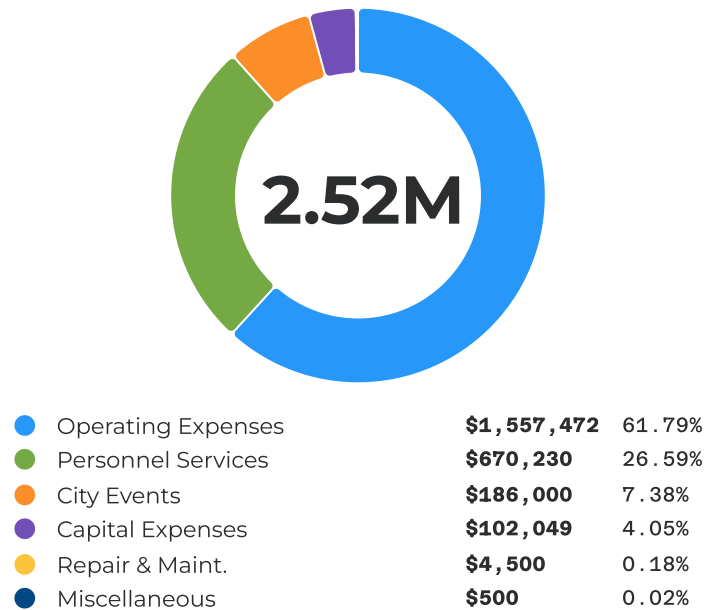
In FY2026, the total Administration budget decreased by 32.43% to \$2.5 million compared to FY2025's \$3.7 million. The largest expense category shifted from Capital Expenses to Operating Expenses. Operating Expenses increased by 30% to \$1.6 million, now representing 61.79% of the total budget, up from 32.11% in the previous year.

Personnel Services also rose by 5.93% to \$670,230, accounting for 26.59% of the total budget, a slight increase from 16.96% previously. City Events saw a significant increase of 44.3%, reaching \$186,000 and making up 7.38% of the budget.

Capital Expenses experienced a substantial decrease of 93.1%, dropping to \$102,049 and comprising only 4.05% of the total budget, down from 39.64% in FY2025. Contract Services were eliminated entirely, decreasing by 100% to \$0.

Repair and Maintenance expenses increased by 28.57% to \$4,500, representing 0.18% of the budget, while Miscellaneous expenses remained steady at \$500, a negligible 0.02% of the total.

### FY26 Expenditures by Expense Type



For the Administration's Fiscal Year Expenditures by Expense Type, Operating Expenses account for \$1.6 million, representing 61.79% of the total. Personnel Services follow with \$670,230, making up 26.59%. City Events expenditures are \$186,000, which is 7.38%. Capital Expenses total \$102,049, comprising 4.05%. Repair & Maint. expenses are \$4,500, or 0.18%, and Miscellaneous costs are \$500, representing 0.02% of the expenditures.

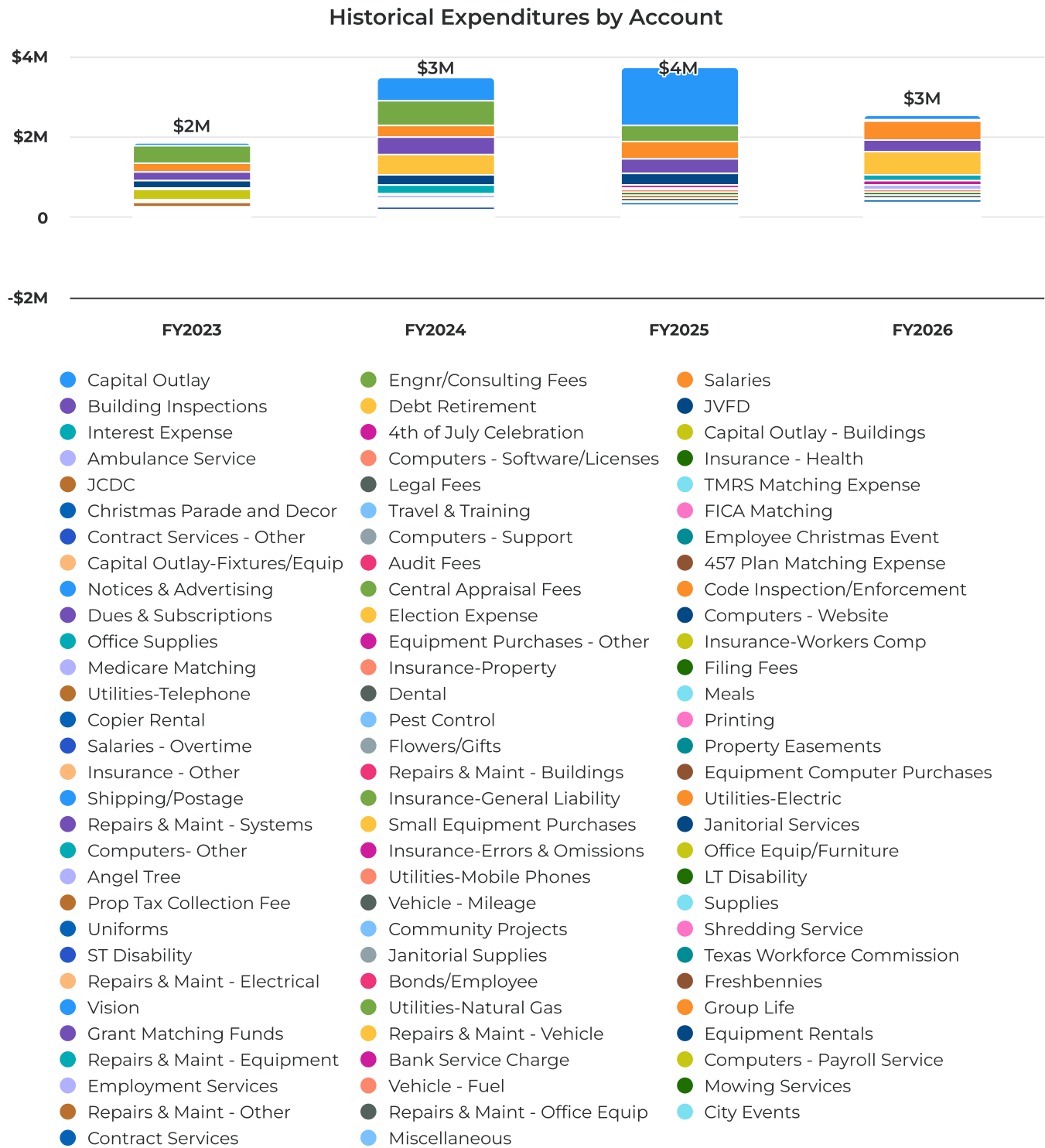
### Expenditures by Expense Type

| Category           | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|--------------------|--------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------|
| Personnel Services | \$632,738.32                                                       | \$670,230.12     | 5.93%                                                                                                       |
| Operating Expenses | \$1,198,098.00                                                     | \$1,557,472.00   | 30.00%                                                                                                      |
| Contract Services  | \$288,000.00                                                       | -                | -100.00%                                                                                                    |
| Repair & Maint.    | \$3,500.00                                                         | \$4,500.00       | 28.57%                                                                                                      |
| Capital Expenses   | \$1,479,034.00                                                     | \$102,049.00     | -93.10%                                                                                                     |
| City Events        | \$128,900.00                                                       | \$186,000.00     | 44.30%                                                                                                      |
| Miscellaneous      | \$500.00                                                           | \$500.00         | 0.00%                                                                                                       |

| Category                  | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted      | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|---------------------------|--------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------|
| <b>Total Expenditures</b> | <b>\$3,730,770.32</b>                                              | <b>\$2,520,751.12</b> | <b>-32.43%</b>                                                                                              |



## Expenditures by Account



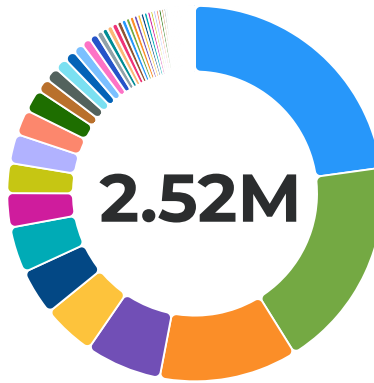
In FY2026, the Administration's total expenditures decreased by 32.43% to \$2.5 million compared to FY2025's \$3.7 million. The largest expenditure category shifted from Capital Outlay, which dropped significantly by 93.13% to \$100,349 (3.98% of total), to Debt Retirement, which was newly budgeted at \$575,000, representing 22.81% of the total budget.

Salaries increased by 9.39% to \$461,670, making up 18.31% of the total, while Building Inspections decreased by 14.29% to \$300,000, accounting for 11.9% of expenditures. Interest Expense appeared as a new significant category at \$165,312, or 6.56% of the total budget.

Ambulance Service expenditures more than doubled, rising 104.22% to \$115,000 (4.56% of total). The 4th of July Celebration also saw a notable increase of 44.93% to \$100,000 (3.97% of total). Insurance - Health and Computers - Software/Licenses experienced modest increases of 10.56% and 4.7%, reaching \$74,343 (2.95%) and \$65,000 (2.58%) respectively. TMRS Matching Expense grew by 20.96% to \$63,084, representing 2.5% of the budget.

Significant decreases included Engineering/Consulting Fees, which fell sharply by 93.7% to \$25,000, and the complete elimination of JVFD and JCDC expenditures, both reduced by 100% to \$0. The 457 Plan Matching Expense was also eliminated, dropping from \$42,000 to \$0. Capital Outlay-Fixtures/Equip declined by 91.15% to \$1,700, and Computers - Payroll Service was removed entirely.

## FY26 Expenditures by Account



|                               |           |        |
|-------------------------------|-----------|--------|
| Debt Retirement               | \$575,000 | 22.81% |
| Salaries                      | \$461,670 | 18.31% |
| Building Inspections          | \$300,000 | 11.90% |
| Interest Expense              | \$165,312 | 6.56%  |
| Ambulance Service             | \$115,000 | 4.56%  |
| Capital Outlay                | \$100,349 | 3.98%  |
| 4th of July Celebration       | \$100,000 | 3.97%  |
| Insurance - Health            | \$74,343  | 2.95%  |
| Computers - Software/Licenses | \$65,000  | 2.58%  |
| TMRS Matching Expense         | \$63,084  | 2.50%  |
| Christmas Parade and Decor    | \$55,000  | 2.18%  |
| Legal Fees                    | \$49,500  | 1.96%  |
| Employee Christmas Event      | \$30,000  | 1.19%  |
| Travel & Training             | \$30,000  | 1.19%  |
| FICA Matching                 | \$28,295  | 1.12%  |
| Engnr/Consulting Fees         | \$25,000  | 0.99%  |
| Equipment Purchases - Other   | \$23,000  | 0.91%  |
| Contract Services - Other     | \$20,000  | 0.79%  |
| Computers - Support           | \$18,000  | 0.71%  |
| Dental                        | \$13,654  | 0.54%  |
| Insurance-Workers Comp        | \$12,000  | 0.48%  |
| Code Inspection/Enforcement   | \$12,000  | 0.48%  |
| Audit Fees                    | \$12,000  | 0.48%  |
| Central Appraisal Fees        | \$10,300  | 0.41%  |
| Office Supplies               | \$10,000  | 0.40%  |
| Notices & Advertising         | \$9,000   | 0.36%  |
| Election Expense              | \$9,000   | 0.36%  |
| Small Equipment Purchases     | \$8,000   | 0.32%  |
| Computers- Other              | \$7,600   | 0.30%  |
| Utilities-Telephone           | \$7,500   | 0.30%  |
| Dues & Subscriptions          | \$7,500   | 0.30%  |
| Medicare Matching             | \$6,617   | 0.26%  |
| Insurance-Property            | \$6,300   | 0.25%  |
| Pest Control                  | \$6,000   | 0.24%  |
| Meals                         | \$6,000   | 0.24%  |
| Filing Fees                   | \$6,000   | 0.24%  |
| Property Easements            | \$5,000   | 0.20%  |
| Computers - Website           | \$5,000   | 0.20%  |
| Equipment Computer Purchases  | \$4,535   | 0.18%  |

|                               |         |       |
|-------------------------------|---------|-------|
| Utilities-Electric            | \$4,000 | 0.16% |
| Utilities-Mobile Phones       | \$3,500 | 0.14% |
| Copier Rental                 | \$3,500 | 0.14% |
| Vehicle - Mileage             | \$3,500 | 0.14% |
| Salaries - Overtime           | \$3,200 | 0.13% |
| Janitorial Services           | \$3,000 | 0.12% |
| Flowers/Gifts                 | \$2,800 | 0.11% |
| Insurance - Other             | \$2,650 | 0.11% |
| Office Equip/Furniture        | \$2,500 | 0.10% |
| Insurance-General Liability   | \$2,420 | 0.10% |
| LT Disability                 | \$2,002 | 0.08% |
| Repairs & Maint - Buildings   | \$2,000 | 0.08% |
| Uniforms                      | \$2,000 | 0.08% |
| Shipping/Postage              | \$2,000 | 0.08% |
| Insurance-Errors & Omissions  | \$1,980 | 0.08% |
| Prop Tax Collection Fee       | \$1,800 | 0.07% |
| Printing                      | \$1,800 | 0.07% |
| Capital Outlay-Fixtures/Equip | \$1,700 | 0.07% |
| Supplies                      | \$1,100 | 0.04% |
| Texas Workforce Commission    | \$1,050 | 0.04% |
| ST Disability                 | \$1,036 | 0.04% |
| Community Projects            | \$1,000 | 0.04% |
| Repairs & Maint - Vehicle     | \$1,000 | 0.04% |
| Repairs & Maint - Electrical  | \$1,000 | 0.04% |
| Janitorial Supplies           | \$1,000 | 0.04% |
| Shredding Service             | \$900   | 0.04% |
| Freshbennies                  | \$647   | 0.03% |
| Bonds/Employee                | \$600   | 0.02% |
| Vision                        | \$545   | 0.02% |
| Miscellaneous                 | \$500   | 0.02% |
| Repairs & Maint - Systems     | \$500   | 0.02% |
| Group Life                    | \$487   | 0.02% |
| Utilities-Natural Gas         | \$325   | 0.01% |
| Bank Service Charge           | \$150   | 0.01% |

In the Administration's Fiscal Year Expenditures by Account, Debt Retirement accounts for \$575,000, representing 22.81% of the total. Salaries follow with \$461,670, or 18.31%. Building Inspections comprise \$300,000, which is 11.9% of the expenditures. Interest Expense is \$165,312, making up 6.56%, while Ambulance Service accounts for \$115,000, or 4.56%. Capital Outlay is \$100,349, representing 3.98%, and the 4th of July Celebration is close behind at \$100,000, or 3.97%. Insurance - Health expenses total \$74,343, which is 2.95%, Computers - Software/Licenses are \$65,000, or 2.58%, and TMRS Matching Expense is \$63,084, accounting for 2.5% of the expenditures. There are an additional 63 smaller categories not listed here.

## Expenditures by Account

| Category            | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|---------------------|--------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------|
| Salaries            | \$422,023.56                                                       | \$461,670.06     | 9.39%                                                                                                       |
| Salaries - Overtime | \$3,200.00                                                         | \$3,200.00       | 0.00%                                                                                                       |
| FICA Matching       | \$25,847.96                                                        | \$28,295.28      | 9.47%                                                                                                       |

| Category                      | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|-------------------------------|--------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------|
| Medicare Matching             | \$6,045.09                                                         | \$6,617.44       | 9.47%                                                                                                       |
| Texas Workforce Commission    | \$972.50                                                           | \$1,050.20       | 7.99%                                                                                                       |
| Insurance - Health            | \$67,239.75                                                        | \$74,343.49      | 10.56%                                                                                                      |
| Insurance - Other             | \$2,650.00                                                         | \$2,650.00       | 0.00%                                                                                                       |
| Dental                        | \$2,406.18                                                         | \$13,653.74      | 467.44%                                                                                                     |
| Vision                        | \$501.41                                                           | \$545.47         | 8.79%                                                                                                       |
| LT Disability                 | \$1,938.45                                                         | \$2,001.62       | 3.26%                                                                                                       |
| ST Disability                 | \$946.37                                                           | \$1,035.97       | 9.47%                                                                                                       |
| Group Life                    | \$339.11                                                           | \$486.60         | 43.49%                                                                                                      |
| Freshbennies                  | \$523.45                                                           | \$646.53         | 23.51%                                                                                                      |
| TMRS Matching Expense         | \$52,154.50                                                        | \$63,083.72      | 20.96%                                                                                                      |
| 457 Plan Matching Expense     | \$42,000.00                                                        | -                | -100.00%                                                                                                    |
| Audit Fees                    | \$12,000.00                                                        | \$12,000.00      | 0.00%                                                                                                       |
| Bank Service Charge           | \$150.00                                                           | \$150.00         | 0.00%                                                                                                       |
| Central Appraisal Fees        | \$9,800.00                                                         | \$10,300.00      | 5.10%                                                                                                       |
| Code Inspection/Enforcement   | \$12,000.00                                                        | \$12,000.00      | 0.00%                                                                                                       |
| Computers- Other              | -                                                                  | \$7,600.00       | -                                                                                                           |
| Computers - Software/Licenses | \$62,085.00                                                        | \$65,000.00      | 4.70%                                                                                                       |
| Computers - Support           | \$17,000.00                                                        | \$18,000.00      | 5.88%                                                                                                       |
| Computers - Payroll Service   | \$250.00                                                           | -                | -100.00%                                                                                                    |
| Computers - Website           | \$5,000.00                                                         | \$5,000.00       | 0.00%                                                                                                       |
| Dues & Subscriptions          | \$7,500.00                                                         | \$7,500.00       | 0.00%                                                                                                       |
| Election Expense              | \$7,500.00                                                         | \$9,000.00       | 20.00%                                                                                                      |
| Engnr/Consulting Fees         | \$397,000.00                                                       | \$25,000.00      | -93.70%                                                                                                     |
| Filing Fees                   | \$6,000.00                                                         | \$6,000.00       | 0.00%                                                                                                       |
| Property Easements            | \$5,000.00                                                         | \$5,000.00       | 0.00%                                                                                                       |
| Interest Expense              | -                                                                  | \$165,312.00     | -                                                                                                           |
| Legal Fees                    | \$49,500.00                                                        | \$49,500.00      | 0.00%                                                                                                       |
| Meals                         | \$4,000.00                                                         | \$6,000.00       | 50.00%                                                                                                      |
| Notices & Advertising         | \$7,000.00                                                         | \$9,000.00       | 28.57%                                                                                                      |
| Office Supplies               | \$5,500.00                                                         | \$10,000.00      | 81.82%                                                                                                      |
| Printing                      | \$1,800.00                                                         | \$1,800.00       | 0.00%                                                                                                       |
| Prop Tax Collection Fee       | \$1,800.00                                                         | \$1,800.00       | 0.00%                                                                                                       |
| Shipping/Postage              | \$2,000.00                                                         | \$2,000.00       | 0.00%                                                                                                       |
| Travel & Training             | \$30,000.00                                                        | \$30,000.00      | 0.00%                                                                                                       |
| Uniforms                      | \$600.00                                                           | \$2,000.00       | 233.33%                                                                                                     |
| Office Equip/Furniture        | \$2,500.00                                                         | \$2,500.00       | 0.00%                                                                                                       |
| Vehicle - Mileage             | -                                                                  | \$3,500.00       | -                                                                                                           |
| Contract Services - Other     | \$10,000.00                                                        | \$20,000.00      | 100.00%                                                                                                     |
| Ambulance Service             | \$56,313.00                                                        | \$115,000.00     | 104.22%                                                                                                     |
| Pest Control                  | \$3,500.00                                                         | \$6,000.00       | 71.43%                                                                                                      |
| Shredding Service             | \$900.00                                                           | \$900.00         | 0.00%                                                                                                       |
| Janitorial Services           | \$2,500.00                                                         | \$3,000.00       | 20.00%                                                                                                      |
| Bonds/Employee                | \$600.00                                                           | \$600.00         | 0.00%                                                                                                       |

| Category                      | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted      | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|-------------------------------|--------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------|
| Insurance-Errors & Omissions  | \$1,980.00                                                         | \$1,980.00            | 0.00%                                                                                                       |
| Insurance-General Liability   | \$2,420.00                                                         | \$2,420.00            | 0.00%                                                                                                       |
| Insurance-Property            | \$5,000.00                                                         | \$6,300.00            | 26.00%                                                                                                      |
| Insurance-Workers Comp        | \$5,000.00                                                         | \$12,000.00           | 140.00%                                                                                                     |
| Building Inspections          | \$350,000.00                                                       | \$300,000.00          | -14.29%                                                                                                     |
| Equipment Purchases - Other   | -                                                                  | \$23,000.00           | -                                                                                                           |
| Equipment Computer Purchases  | \$3,600.00                                                         | \$4,535.00            | 25.97%                                                                                                      |
| Small Equipment Purchases     | -                                                                  | \$8,000.00            | -                                                                                                           |
| Copier Rental                 | \$3,500.00                                                         | \$3,500.00            | 0.00%                                                                                                       |
| Janitorial Supplies           | \$500.00                                                           | \$1,000.00            | 100.00%                                                                                                     |
| Supplies                      | \$1,100.00                                                         | \$1,100.00            | 0.00%                                                                                                       |
| Repairs & Maint - Buildings   | \$2,000.00                                                         | \$2,000.00            | 0.00%                                                                                                       |
| Repairs & Maint - Electrical  | \$1,000.00                                                         | \$1,000.00            | 0.00%                                                                                                       |
| Repairs & Maint - Systems     | \$500.00                                                           | \$500.00              | 0.00%                                                                                                       |
| Repairs & Maint - Vehicle     | -                                                                  | \$1,000.00            | -                                                                                                           |
| Utilities-Electric            | \$1,400.00                                                         | \$4,000.00            | 185.71%                                                                                                     |
| Utilities-Mobile Phones       | \$925.00                                                           | \$3,500.00            | 278.38%                                                                                                     |
| Utilities-Natural Gas         | \$325.00                                                           | \$325.00              | 0.00%                                                                                                       |
| Utilities-Telephone           | \$3,700.00                                                         | \$7,500.00            | 102.70%                                                                                                     |
| Capital Outlay                | \$1,459,834.00                                                     | \$100,349.00          | -93.13%                                                                                                     |
| Capital Outlay-Fixtures/Equip | \$19,200.00                                                        | \$1,700.00            | -91.15%                                                                                                     |
| 4th of July Celebration       | \$69,000.00                                                        | \$100,000.00          | 44.93%                                                                                                      |
| Christmas Parade and Decor    | \$45,000.00                                                        | \$55,000.00           | 22.22%                                                                                                      |
| Employee Christmas Event      | \$14,000.00                                                        | \$30,000.00           | 114.29%                                                                                                     |
| Community Projects            | \$900.00                                                           | \$1,000.00            | 11.11%                                                                                                      |
| Debt Retirement               | -                                                                  | \$575,000.00          | -                                                                                                           |
| JCDC                          | \$100,000.00                                                       | -                     | -100.00%                                                                                                    |
| JVFD                          | \$288,000.00                                                       | -                     | -100.00%                                                                                                    |
| Flowers/Gifts                 | \$2,800.00                                                         | \$2,800.00            | 0.00%                                                                                                       |
| Miscellaneous                 | \$500.00                                                           | \$500.00              | 0.00%                                                                                                       |
| <b>Total Expenditures</b>     | <b>\$3,730,770.32</b>                                              | <b>\$2,520,751.12</b> | <b>-32.43%</b>                                                                                              |

## Revenue Summary

Revenue projections are based on historical trend analysis and established contractual commitments.

## Historical Revenues Across Department

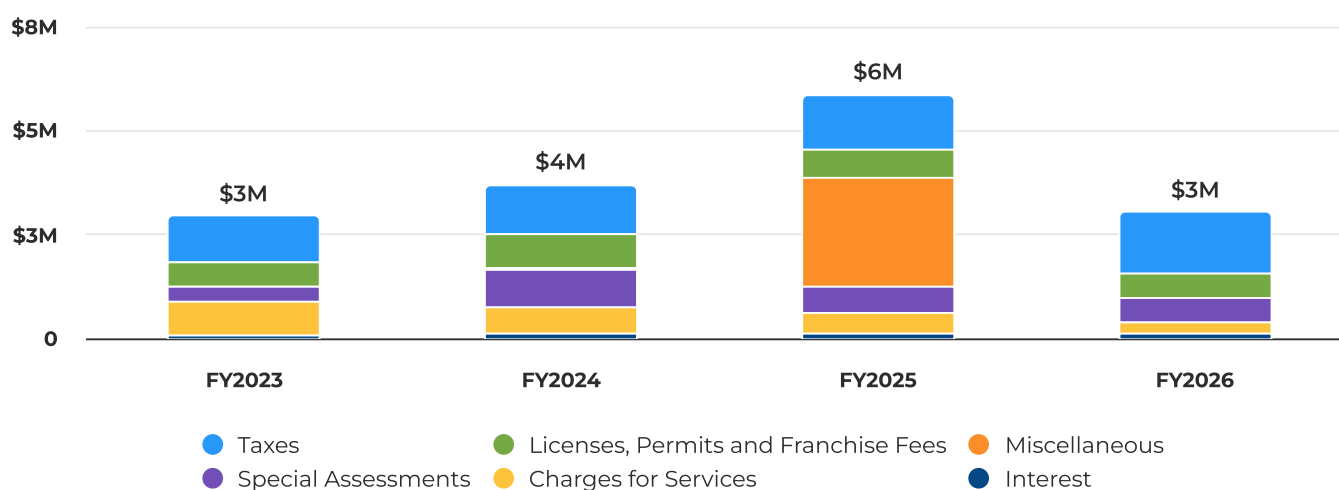


For FY2025, the Administration's revenue budget is set at \$5.9 million, representing a significant increase of 90.8% compared to the prior period. This marks a substantial growth in the total revenue budget for that year.

In FY2026, the revenue budget decreases to \$3 million, which is a 48.22% reduction from the FY2025 budget. This decline follows the large increase seen in the previous year, indicating a notable adjustment in the revenue expectations for FY2026.

## Revenues by Revenue Source

### Historical Revenues by Revenue Source



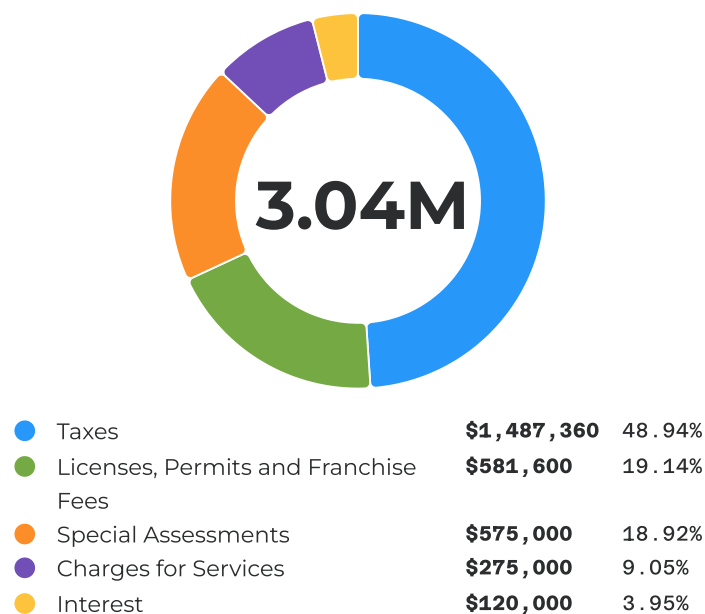


In FY2026, the total revenue for Administration is \$3 million, representing a 48.22% decrease from the previous year's \$5.9 million. The largest revenue source shifts from Miscellaneous to Taxes, which now account for \$1.5 million or 48.94% of the total, increasing by \$148,881 or 11.12% compared to FY2025.

Licenses, Permits and Franchise Fees contribute \$581,600, making up 19.14% of the total revenue, which is a decrease of \$104,900 or 15.28% from the prior year. Special Assessments provide \$575,000 or 18.92% of the total, down by \$33,813 or 5.55%. Charges for Services decline significantly to \$275,000, representing 9.05% of total revenue and a decrease of \$224,000 or 44.89%. Interest revenue remains steady at \$120,000, accounting for 3.95% of the total with no change from the previous year.

Notably, the Miscellaneous category, which was the largest revenue source in FY2025 at \$2.6 million (44.57% of total), is completely absent in FY2026, showing a 100% decrease. This absence largely contributes to the overall reduction in total revenue for FY2026.

### FY26 Revenues by Revenue Source



For the fiscal year, the Administration's revenue by source includes Taxes at \$1.5 million, accounting for 48.94% of the total. Licenses, Permits and Franchise Fees contribute \$581,600, which is 19.14%. Special Assessments provide \$575,000, representing 18.92%. Charges for Services amount to \$275,000, or 9.05%, and Interest revenue is \$120,000, making up 3.95% of the total revenue.

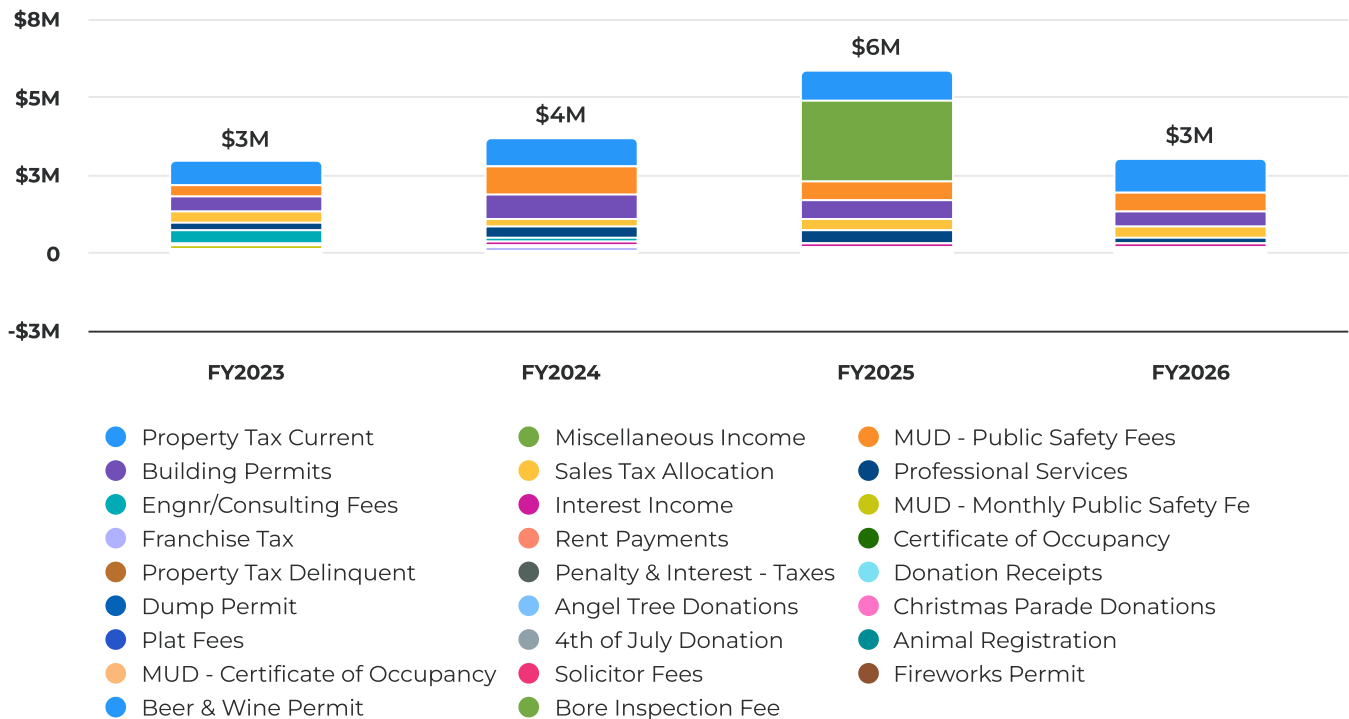
### Revenues by Revenue Source

| Category                             | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|--------------------------------------|--------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------|
| Taxes                                | \$1,338,478.82                                                     | \$1,487,360.00   | 11.12%                                                                                                      |
| Licenses, Permits and Franchise Fees | \$686,500.00                                                       | \$581,600.00     | -15.28%                                                                                                     |
| Charges for Services                 | \$499,000.00                                                       | \$275,000.00     | -44.89%                                                                                                     |
| Special Assessments                  | \$608,813.00                                                       | \$575,000.00     | -5.55%                                                                                                      |
| Miscellaneous                        | \$2,615,913.70                                                     | -                | -100.00%                                                                                                    |
| Interest                             | \$120,000.00                                                       | \$120,000.00     | 0.00%                                                                                                       |

| Category              | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted      | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|-----------------------|--------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------|
| <b>Total Revenues</b> | <b>\$5,868,705.52</b>                                              | <b>\$3,038,960.00</b> | <b>-48.22%</b>                                                                                              |

## Revenues by Account

Historical Revenues by Account



In FY2026, the total historical revenue for Administration is budgeted at \$3 million, representing a 48.22% decrease from the FY2025 total of \$5.9 million. The largest revenue category in FY2026 is Property Tax Current, which accounts for 36.54% of the total at \$1.1 million, marking a \$138,881 increase or 14.3% growth compared to FY2025.

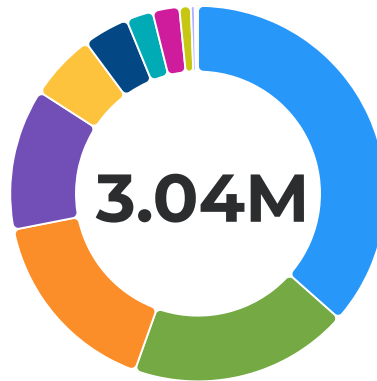
MUD - Public Safety Fees is the second largest category at \$575,000, comprising 18.92% of total revenue, but it decreased by \$31,313 or 5.16% from the previous year. Building Permits follow with \$500,000, making up 16.45% of the total, and showing an \$115,000 decline or 18.7% decrease from FY2025.

Sales Tax Allocation increased slightly by \$10,000 or 2.78% to \$370,000, representing 12.18% of total revenue. Professional Services revenue dropped significantly by \$224,000 or 56.14% to \$175,000, now 5.76% of the total. Interest Income remains steady at \$120,000, holding 3.95% of the total with no change from the prior year.

Franchise Tax rose by \$5,000 or 7.69% to \$70,000, accounting for 2.3% of total revenue, the same percentage as MUD - Monthly Public Safety Fees, which remained unchanged at \$70,000. Rent Payments also stayed constant at \$30,000, representing 0.99% of the total.

Certificate of Occupancy revenue doubled from \$5,000 to \$10,000, a 100% increase, though it remains a small portion at 0.33% of total revenue. Notably, Miscellaneous Income, which was the largest category in FY2025 at \$2.6 million and 44.57% of total revenue, is absent in FY2026, reflecting a complete elimination of this revenue source.

## FY26 Revenues by Account



|                                |             |        |
|--------------------------------|-------------|--------|
| Property Tax Current           | \$1,110,360 | 36.54% |
| MUD - Public Safety Fees       | \$575,000   | 18.92% |
| Building Permits               | \$500,000   | 16.45% |
| Sales Tax Allocation           | \$370,000   | 12.18% |
| Professional Services          | \$175,000   | 5.76%  |
| Interest Income                | \$120,000   | 3.95%  |
| MUD - Monthly Public Safety Fe | \$70,000    | 2.30%  |
| Franchise Tax                  | \$70,000    | 2.30%  |
| Rent Payments                  | \$30,000    | 0.99%  |
| Certificate of Occupancy       | \$10,000    | 0.33%  |
| Property Tax Delinquent        | \$5,000     | 0.16%  |
| Penalty & Interest - Taxes     | \$2,000     | 0.07%  |
| Dump Permit                    | \$1,000     | 0.03%  |
| Beer & Wine Permit             | \$300       | 0.01%  |
| Animal Registration            | \$200       | 0.01%  |
| Fireworks Permit               | \$100       | 0.00%  |

The Administration's Fiscal Year Revenue by Account is led by Property Tax Current, which contributes \$1.1 million, accounting for 36.54% of the total revenue. MUD - Public Safety Fees follow with \$575,000, representing 18.92%. Building Permits provide \$500,000, or 16.45%, while Sales Tax Allocation adds \$370,000, making up 12.18% of the revenue.

Additional sources include Professional Services at \$175,000 (5.76%), Interest Income at \$120,000 (3.95%), Franchise Tax and MUD - Monthly Public Safety Fees each contributing \$70,000 (2.3% each). Rent Payments account for \$30,000 (0.99%), and Certificate of Occupancy brings in \$10,000 (0.33%).

## Revenues by Account

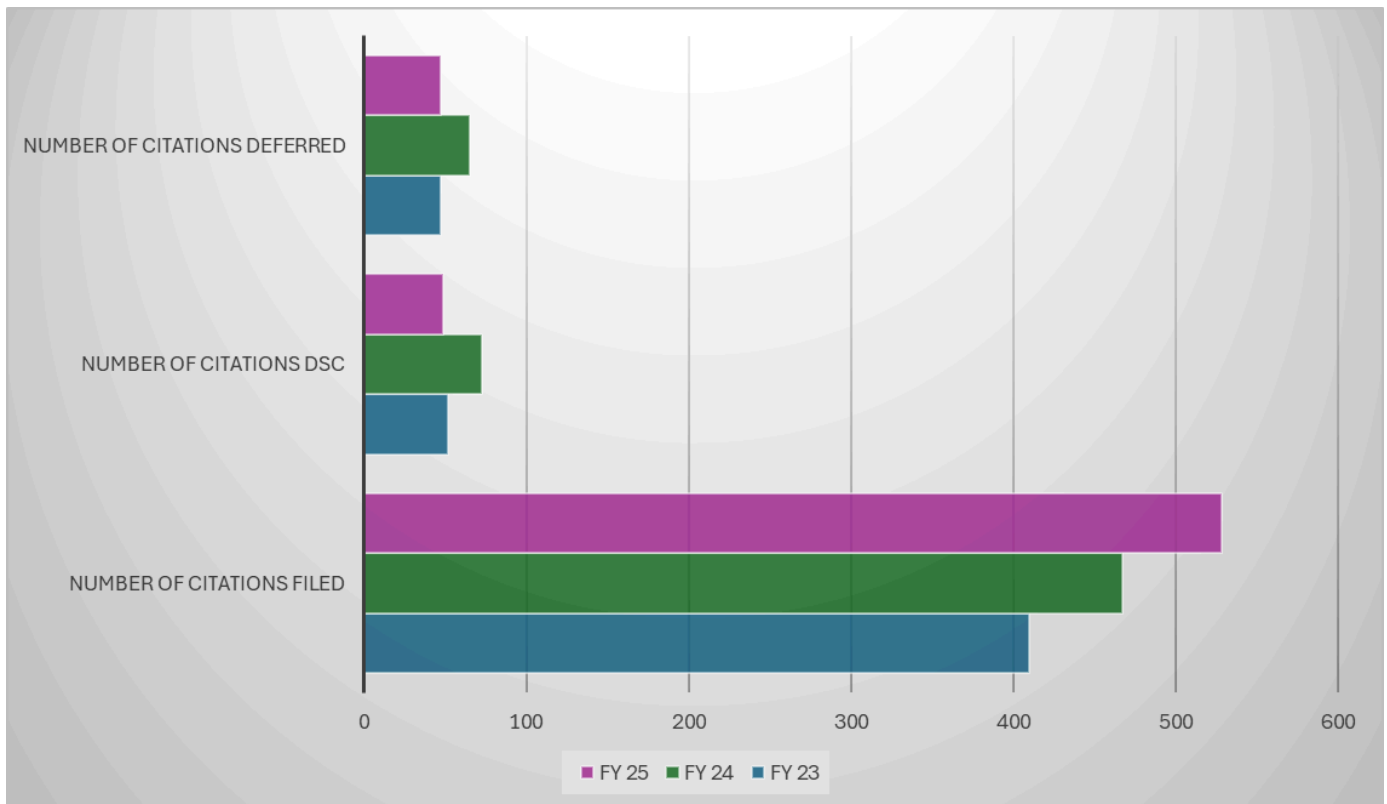
| Category                   | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|----------------------------|--------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------|
| Property Tax Current       | \$971,478.82                                                       | \$1,110,360.00   | 14.30%                                                                                                      |
| Property Tax Delinquent    | \$5,000.00                                                         | \$5,000.00       | 0.00%                                                                                                       |
| Penalty & Interest - Taxes | \$2,000.00                                                         | \$2,000.00       | 0.00%                                                                                                       |
| Franchise Tax              | \$65,000.00                                                        | \$70,000.00      | 7.69%                                                                                                       |
| Sales Tax Allocation       | \$360,000.00                                                       | \$370,000.00     | 2.78%                                                                                                       |
| Animal Registration        | \$200.00                                                           | \$200.00         | 0.00%                                                                                                       |

| Category                       | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted      | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|--------------------------------|--------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------|
| Beer & Wine Permit             | -                                                                  | \$300.00              | -                                                                                                           |
| Building Permits               | \$615,000.00                                                       | \$500,000.00          | -18.70%                                                                                                     |
| Certificate of Occupancy       | \$5,000.00                                                         | \$10,000.00           | 100.00%                                                                                                     |
| Dump Permit                    | \$1,200.00                                                         | \$1,000.00            | -16.67%                                                                                                     |
| Fireworks Permit               | \$100.00                                                           | \$100.00              | 0.00%                                                                                                       |
| Plat Fees                      | \$2,500.00                                                         | -                     | -100.00%                                                                                                    |
| MUD - Public Safety Fees       | \$606,313.00                                                       | \$575,000.00          | -5.16%                                                                                                      |
| MUD - Monthly Public Safety Fe | \$70,000.00                                                        | \$70,000.00           | 0.00%                                                                                                       |
| Professional Services          | \$399,000.00                                                       | \$175,000.00          | -56.14%                                                                                                     |
| Interest Income                | \$120,000.00                                                       | \$120,000.00          | 0.00%                                                                                                       |
| Miscellaneous Income           | \$2,615,913.70                                                     | -                     | -100.00%                                                                                                    |
| Rent Payments                  | \$30,000.00                                                        | \$30,000.00           | 0.00%                                                                                                       |
| <b>Total Revenues</b>          | <b>\$5,868,705.52</b>                                              | <b>\$3,038,960.00</b> | <b>-48.22%</b>                                                                                              |

# Municipal Court

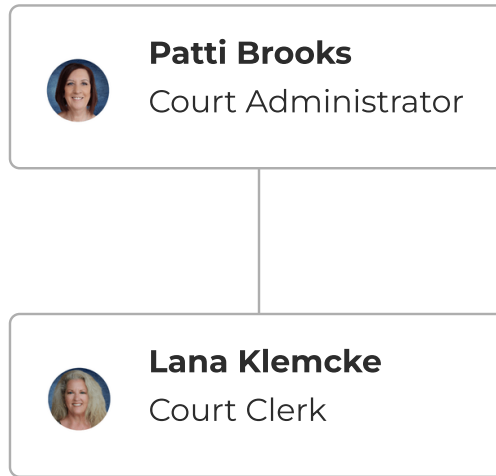
The mission of the Municipal Court is to provide a forum for justice that ensures all citizens served by the City of Josephine Municipal Court are treated fairly and equally, while following guidelines provided for due process of the law.

The Josephine Municipal Court is presided over by the Honorable Judge Terry Douglas and maintained by the Court Clerk. The court was established on February 22, 2004, under appointment by the Josephine City Council. Municipal courts stem from a long line of local courts that embrace the notion that the preservation of community life and the prevention of lawlessness begins in our own towns and cities. Josephine Municipal Court has jurisdiction over all class C misdemeanors, which are “fine-only” criminal offenses and ordinance violations within the Josephine city limits. The Municipal Court also has concurrent jurisdiction with the justice courts in offenses occurring within the territorial limits and on property owned by the city in the city’s extraterritorial jurisdiction.



# Organizational Chart

## Josephine Municipal Court



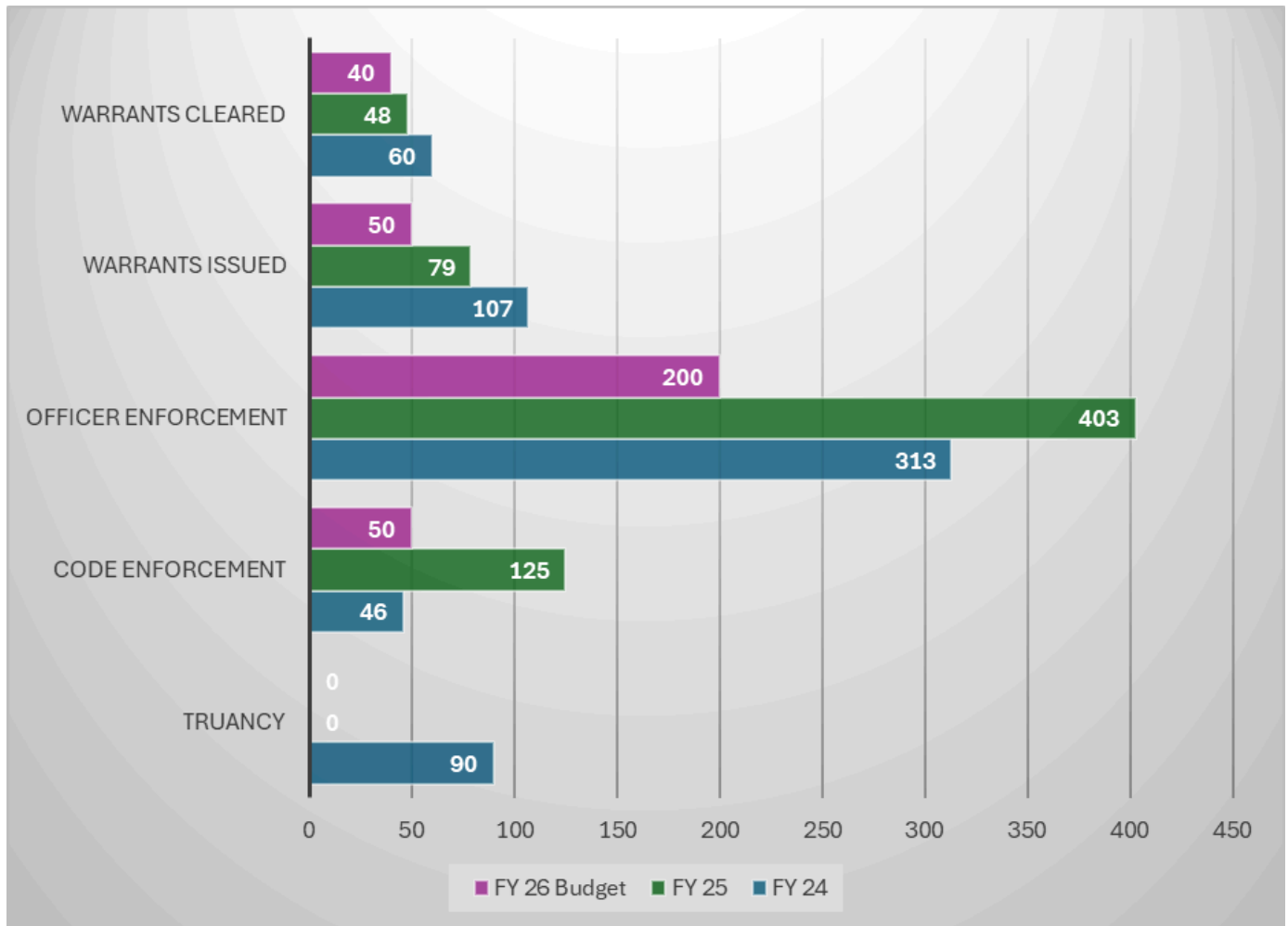
## Municipal Court

## General Fund

## WORKLOAD INDICATORS &amp; PERFORMANCE MEASURES

| Description                     | FY 23 | FY 24 | FY 25 |
|---------------------------------|-------|-------|-------|
| Number of Citations<br>Filed    | 410   | 467   | 528   |
| Number of Citations<br>DSC      | 52    | 73    | 49    |
| Number of Citations<br>Deferred | 47    | 65    | 47    |
| % of Citations<br>Deferred      | 12.6% | 15.6% | 9.6%  |
| Number of Citations<br>Closed   | 254   | 195   | 303   |
| Employees<br>Supporting Court   | 2     | 2     | 2     |





# Court Achievements and Initiatives

## **Court Achievements**

This fiscal year, Josephine Courts has made significant strides in community engagement, operational efficiency, and public education:

**Increased Community Participation:** We saw higher involvement in Statewide Municipal Court Weeks and the National Night Out program, reflecting growing community interest and trust in our services.

**Enhanced Public Education Initiatives:** Our team implemented expanded outreach programs focused on traffic safety education, helping residents understand laws and promote safer driving practices.

**Technology Integration:** Josephine Courts began utilizing a new ticket-writing software fully integrated with our court management system. Staff have successfully learned and adapted to this system, improving accuracy and efficiency in case processing.

These achievements demonstrate our continued commitment to community engagement, public safety, and efficient court operations.



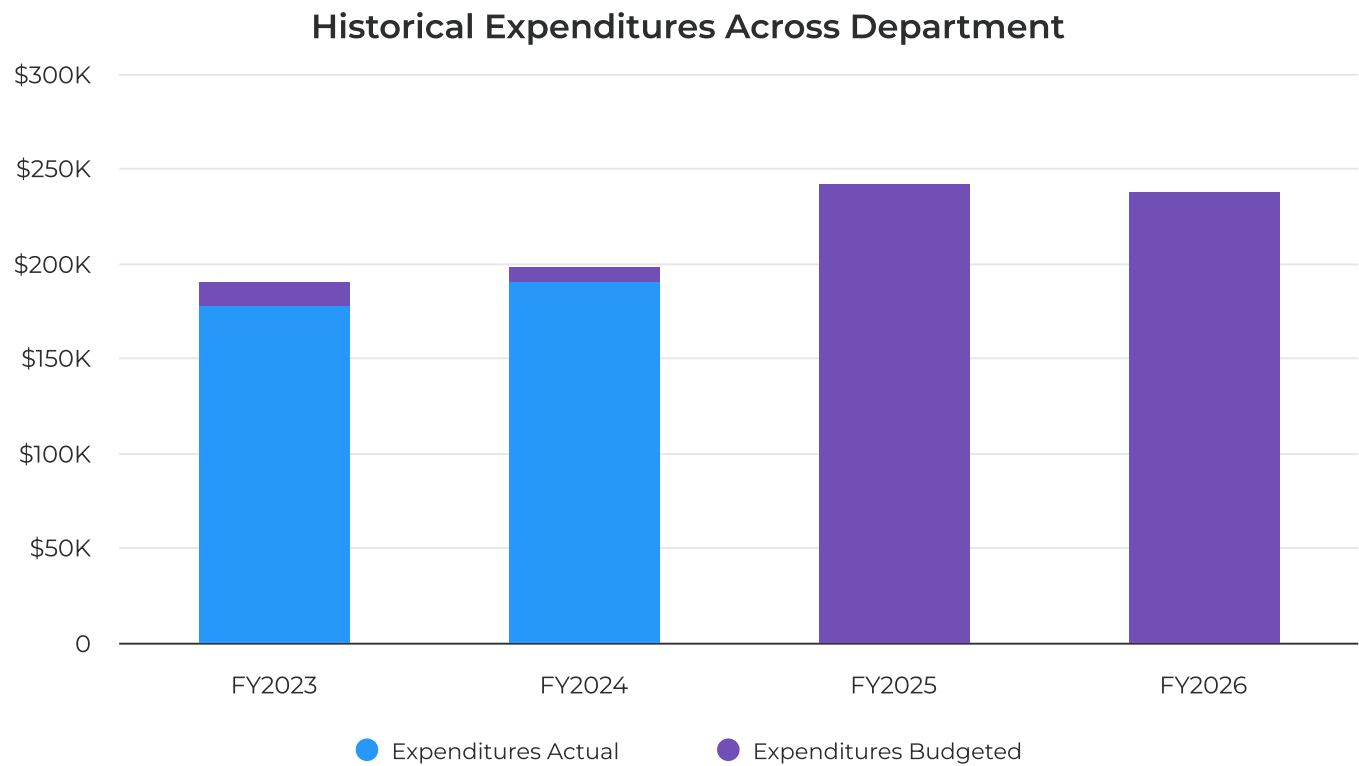
## **Court Initiatives**

Proposed Initiatives for Josephine Courts:

1. Expanded Community Outreach Programs  
Partner with local schools and community organizations to host traffic safety workshops and interactive learning sessions.
2. Digital Engagement and Public Education  
Create a post for the website that highlights traffic safety tips, court processes, and upcoming events.
3. Technology & Process Improvement  
Continue training staff on new ticket-writing and court management software to maximize efficiency and reduce errors.

# Expenditure Summary

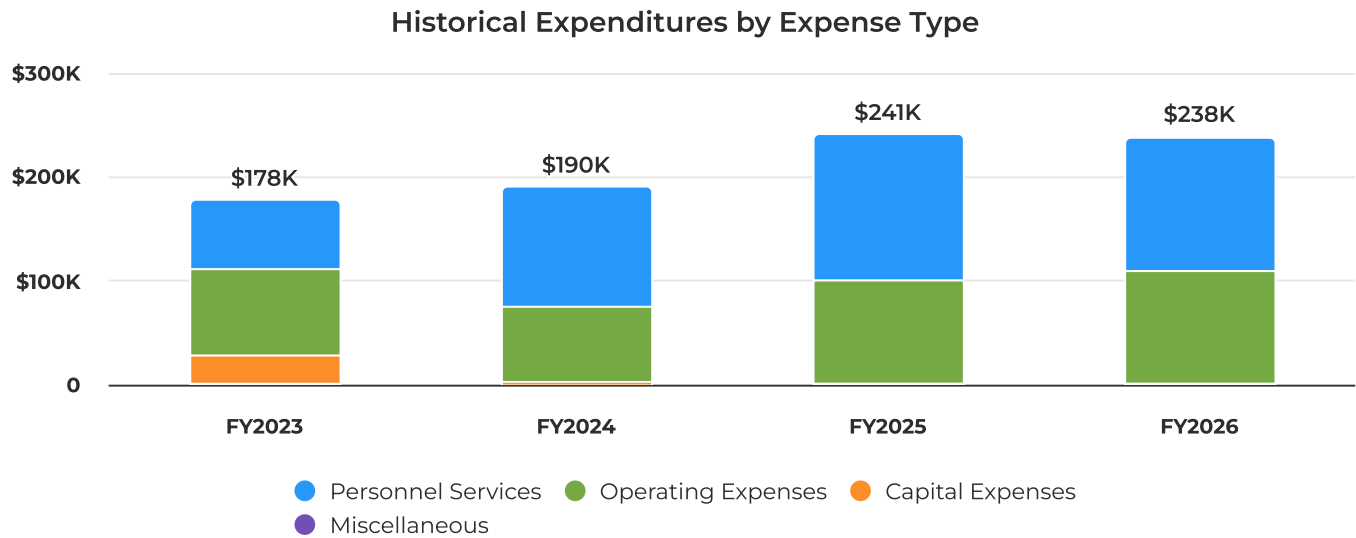
Expenditure estimates are derived from trend analysis and current contractual agreements



For FY2025, the Municipal Court's total budgeted expenditures are \$241,098, representing a 21.96% increase from the previous period. This marks a significant rise in the overall expenditure allocation for this year.

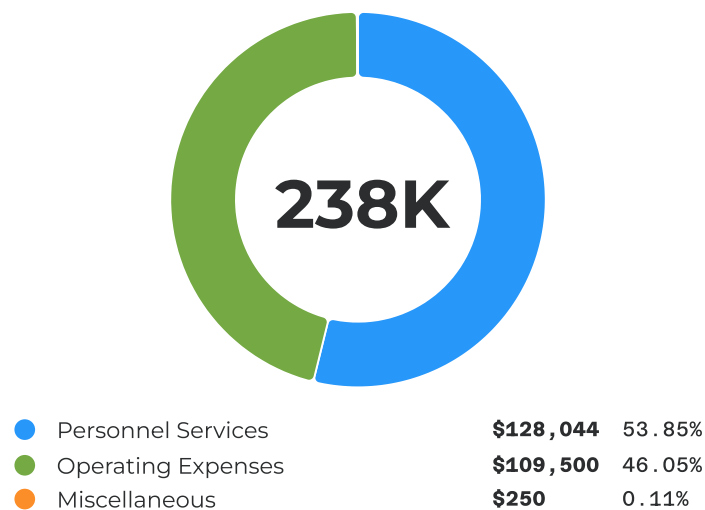
In FY2026, the budgeted expenditures slightly decrease to \$237,794, which is a 1.37% reduction compared to FY2025. Despite this decrease, the total expenditures remain close to the previous year's elevated level.

## Expenditures by Expense Type



The total expenditures for the Municipal Court in FY2026 are \$237,794, representing a slight decrease of 1.37% compared to FY2025. Personnel Services, the largest expense category, decreased by \$13,104 or 9.28%, accounting for 53.85% of the total budget in FY2026, down from 58.54% in the previous year. Operating Expenses increased by \$9,800 or 9.83%, making up 46.05% of the total budget, up from 41.35% in FY2025. Miscellaneous expenses remained constant at \$250, representing 0.11% of the total. Capital Expenses remained at \$0, continuing a decrease of 100% from the prior year. Overall, the budget shows a shift with a decrease in Personnel Services and an increase in Operating Expenses while the total budget slightly declined.

### FY26 Expenditures by Expense Type



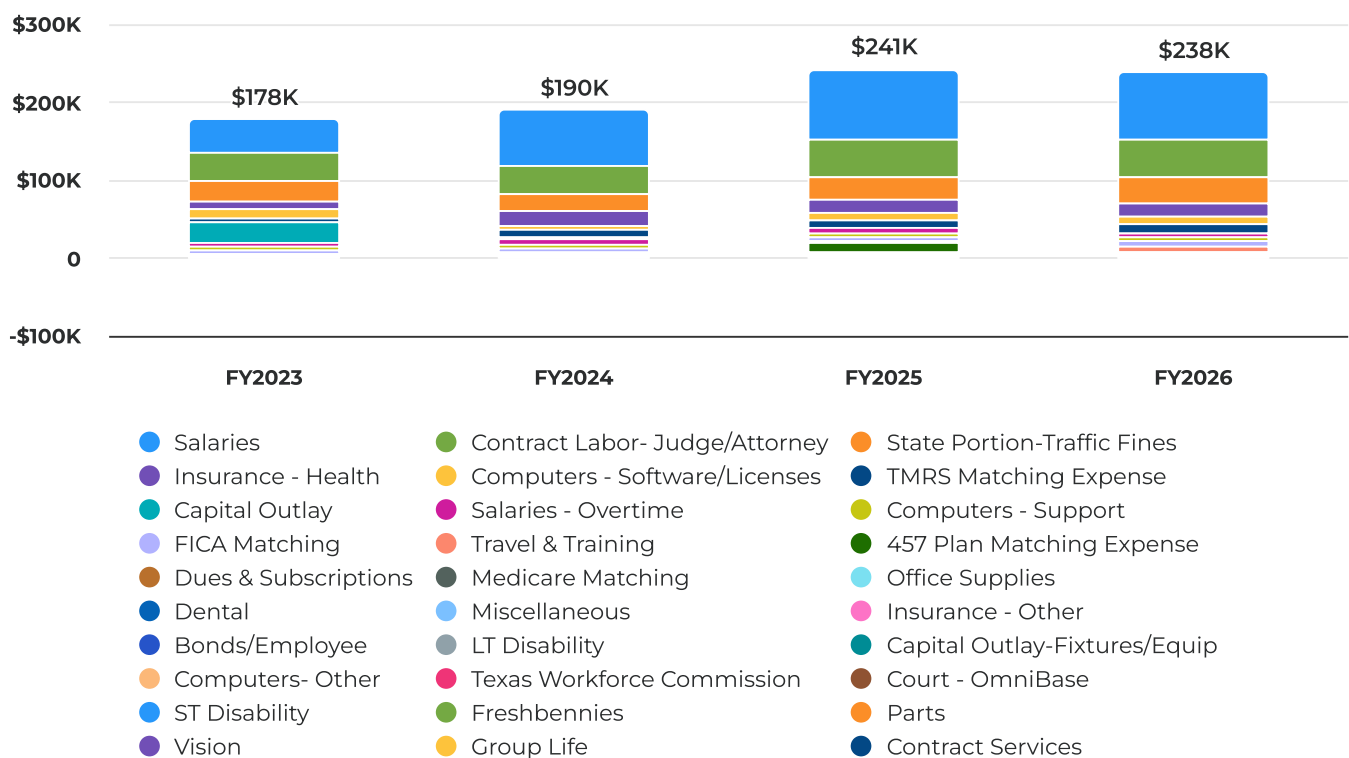
For the Municipal Court's Fiscal Year Expenditures by Expense Type, Personnel Services account for \$128,044, representing 53.85% of the total expenditures. Operating Expenses follow with \$109,500, making up 46.05%. Miscellaneous expenses are \$250, which is 0.11% of the total.

## Expenditures by Expense Type

| Category                  | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted    | FY 2025 Option 2<br>FINAL WORKING Copy<br>of FY2025 per Mtg<br>8/5/24 vs. FY 2026<br>Budgeted (% Change) |
|---------------------------|-----------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------|
| Personnel Services        | \$141,148.35                                                          | \$128,043.91        | -9.28%                                                                                                   |
| Operating Expenses        | \$99,700.00                                                           | \$109,500.00        | 9.83%                                                                                                    |
| Miscellaneous             | \$250.00                                                              | \$250.00            | 0.00%                                                                                                    |
| <b>Total Expenditures</b> | <b>\$241,098.35</b>                                                   | <b>\$237,793.91</b> | <b>-1.37%</b>                                                                                            |

## Expenditures by Account

## Historical Expenditures by Account



The total expenditures for the Municipal Court in FY2026 are \$237,794, representing a slight decrease of 1.37% from the FY2025 total of \$241,098. Salaries remain the largest expenditure category at \$85,948, accounting for 36.14% of the total, but this is a decrease of \$3,052 or 3.43% compared to the previous year.

Contract Labor for Judge/Attorney holds steady at \$48,000, making up 20.19% of the total budget with no change from FY2025. The State Portion for Traffic Fines increases by \$5,000 or 16.67% to \$35,000, now representing 14.72% of the total expenditures.

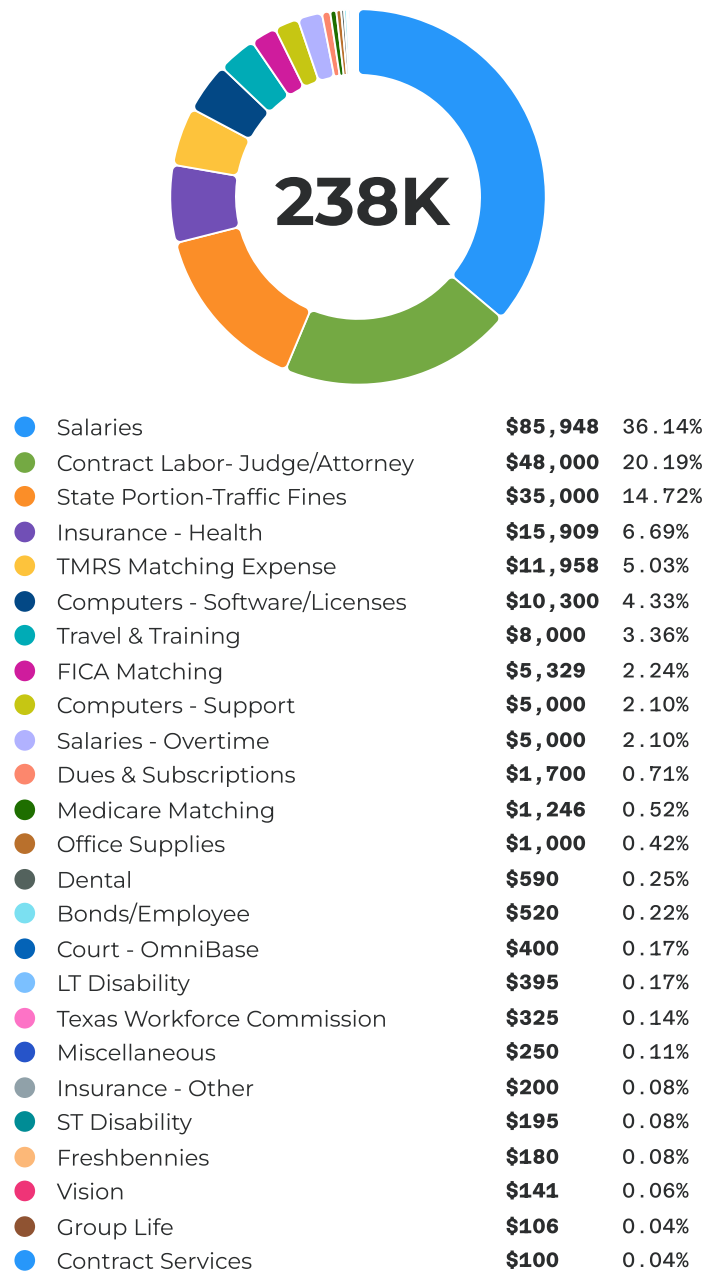
Insurance - Health decreases by \$1,046 or 6.17% to \$15,909, comprising 6.69% of the budget. TMRS Matching Expense shows a notable increase of \$2,468 or 26.01%, rising to \$11,958 and accounting for 5.03% of total expenditures. Computers - Software/Licenses slightly increase by \$300 or 3% to \$10,300, maintaining a similar share of 4.33%.

Travel & Training expenses more than double, increasing by \$4,500 or 128.57% to \$8,000, now 3.36% of the budget. FICA Matching also rises by \$626 or 13.3% to \$5,329, representing 2.24% of total expenditures. Salaries - Overtime decrease by

\$600 or 10.71% to \$5,000, making up 2.1% of the budget, while Computers - Support remains unchanged at \$5,000.

Among the largest decreases, the 457 Plan Matching Expense is eliminated entirely, dropping \$11,200 or 100% from the previous year. Insurance - Other reduces by \$600 or 75% to \$200, and Computers - Other is removed, decreasing by \$500 or 100%. Overall, the budget reflects modest shifts with some categories increasing significantly, such as Travel & Training and TMRS Matching Expense, while others like the 457 Plan Matching Expense are discontinued.

### FY26 Expenditures by Account



For the Municipal Court's Fiscal Year Expenditures by Account, Salaries account for \$85,948, representing 36.14% of the total. Contract Labor for Judge/Attorney follows with \$48,000, or 20.19%. The State Portion of Traffic Fines is \$35,000, making up 14.72%. Insurance - Health expenses total \$15,909, which is 6.69% of the expenditures. TMRS Matching Expense is \$11,958, or 5.03%. Computers - Software/Licenses cost \$10,300, accounting for 4.33%. Travel & Training expenses are \$8,000, representing 3.36%. FICA Matching is \$5,329, or 2.24%. Salaries - Overtime and Computers - Support each amount to \$5,000, both constituting 2.1% of the expenditures. Fifteen smaller categories are not included in this summary.

## Expenditures by Account

| Category                       | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted    | FY 2025 Option 2<br>FINAL WORKING Copy<br>of FY2025 per Mtg<br>8/5/24 vs. FY 2026<br>Budgeted (% Change) |
|--------------------------------|-----------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------|
| Salaries                       | \$89,000.00                                                           | \$85,948.40         | -3.43%                                                                                                   |
| Salaries - Overtime            | \$5,600.00                                                            | \$5,000.00          | -10.71%                                                                                                  |
| FICA Matching                  | \$4,703.15                                                            | \$5,328.80          | 13.30%                                                                                                   |
| Medicare Matching              | \$1,099.93                                                            | \$1,246.25          | 13.30%                                                                                                   |
| Texas Workforce Commission     | \$297.50                                                              | \$325.25            | 9.33%                                                                                                    |
| Insurance - Health             | \$16,954.81                                                           | \$15,908.53         | -6.17%                                                                                                   |
| Insurance - Other              | \$800.00                                                              | \$200.00            | -75.00%                                                                                                  |
| Dental                         | \$574.54                                                              | \$590.39            | 2.76%                                                                                                    |
| Vision                         | \$116.92                                                              | \$141.07            | 20.65%                                                                                                   |
| LT Disability                  | \$348.94                                                              | \$395.36            | 13.30%                                                                                                   |
| ST Disability                  | \$172.20                                                              | \$195.10            | 13.30%                                                                                                   |
| Group Life                     | \$106.39                                                              | \$106.39            | 0.00%                                                                                                    |
| Freshbennies                   | \$164.22                                                              | \$180.23            | 9.75%                                                                                                    |
| TMRS Matching Expense          | \$9,489.75                                                            | \$11,958.14         | 26.01%                                                                                                   |
| 457 Plan Matching Expense      | \$11,200.00                                                           | -                   | -100.00%                                                                                                 |
| Computers- Other               | \$500.00                                                              | -                   | -100.00%                                                                                                 |
| Computers - Software/Licenses  | \$10,000.00                                                           | \$10,300.00         | 3.00%                                                                                                    |
| Computers - Support            | \$5,000.00                                                            | \$5,000.00          | 0.00%                                                                                                    |
| Dues & Subscriptions           | \$1,700.00                                                            | \$1,700.00          | 0.00%                                                                                                    |
| Office Supplies                | \$500.00                                                              | \$1,000.00          | 100.00%                                                                                                  |
| State Portion-Traffic Fines    | \$30,000.00                                                           | \$35,000.00         | 16.67%                                                                                                   |
| Travel & Training              | \$3,500.00                                                            | \$8,000.00          | 128.57%                                                                                                  |
| Contract Labor- Judge/Attorney | \$48,000.00                                                           | \$48,000.00         | 0.00%                                                                                                    |
| Contract Services              | \$100.00                                                              | \$100.00            | 0.00%                                                                                                    |
| Bonds/Employee                 | \$520.00                                                              | \$520.00            | 0.00%                                                                                                    |
| Miscellaneous                  | \$250.00                                                              | \$250.00            | 0.00%                                                                                                    |
| Court - OmniBase               | \$400.00                                                              | \$400.00            | 0.00%                                                                                                    |
| <b>Total Expenditures</b>      | <b>\$241,098.35</b>                                                   | <b>\$237,793.91</b> | <b>-1.37%</b>                                                                                            |

## Revenue Summary

Revenue projections are based on historical trend analysis and established contractual commitments.



### Historical Revenues Across Department

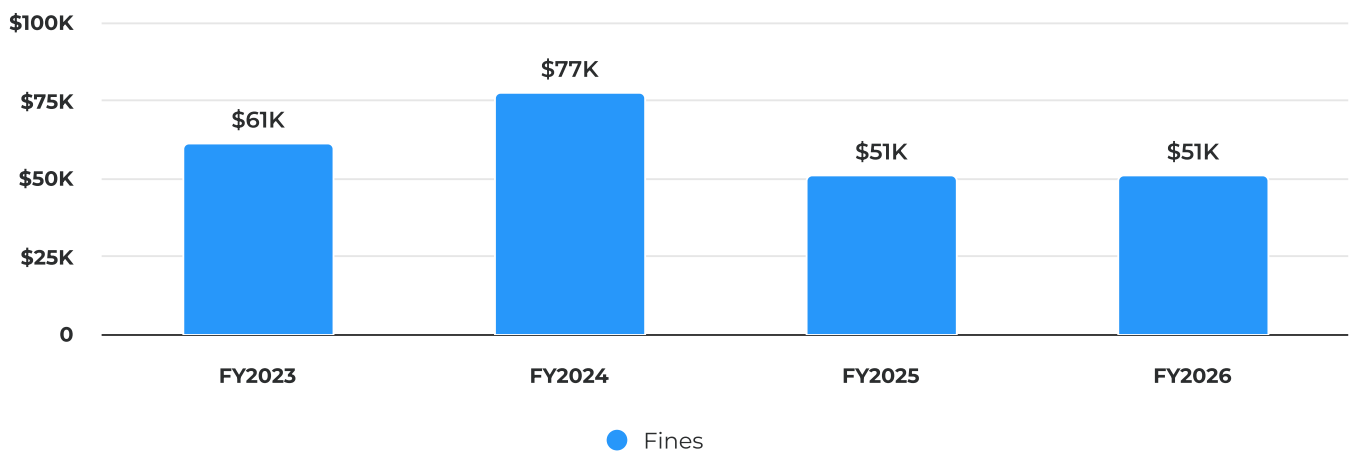


For FY2025, the Municipal Court's revenue budget is set at \$51,000, showing no change from the prior period with a 0% increase.

In FY2026, the revenue budget remains steady at \$51,000, maintaining a 0% change from FY2025.

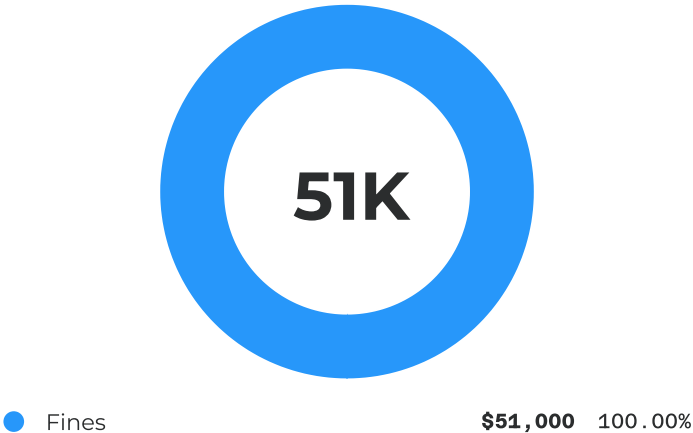
## Revenues by Revenue Source

### Historical Revenues by Revenue Source



In FY2026, the total revenue for the Municipal Court remains steady at \$51,000, showing no change from the previous year. The entire revenue continues to come from fines, which also hold steady at \$51,000, representing 100% of the total revenue. This category experienced no increase or decrease compared to FY2025, maintaining its position as the sole and largest revenue source for the Municipal Court.

FY26 Revenues by Revenue Source

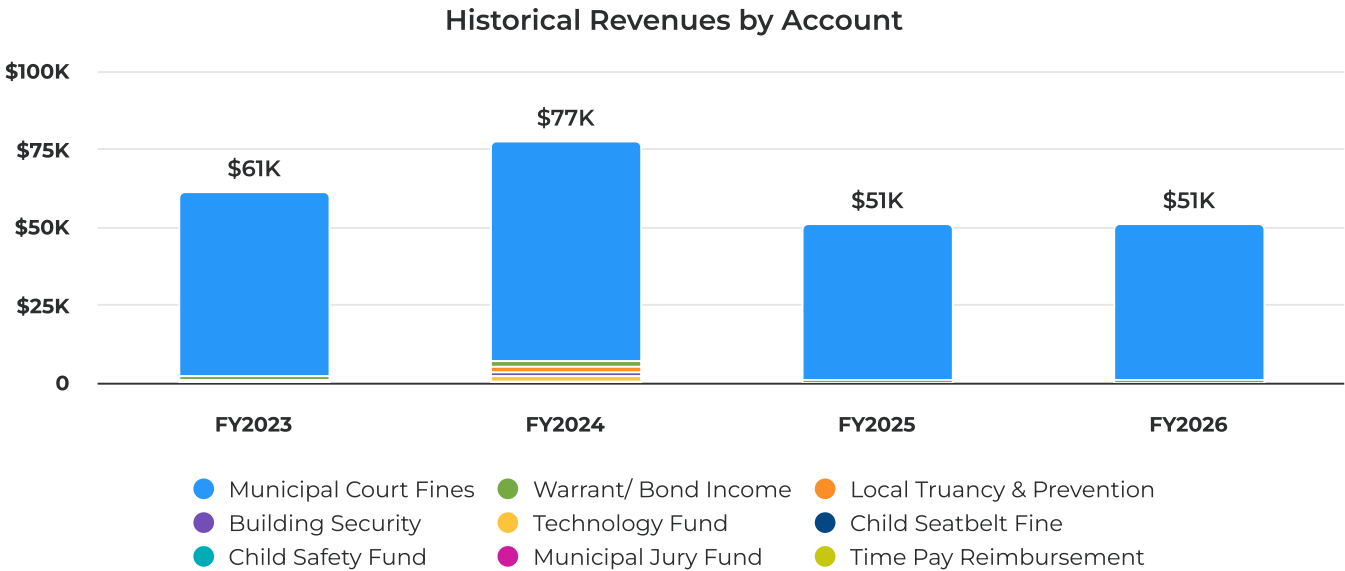


For the Municipal Court fiscal year revenue by revenue source, the total revenue is \$51,000, which is entirely comprised of Fines, accounting for 100% of the revenue.

Revenues by Revenue Source

| Category       | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING Copy<br>of FY2025 per Mtg<br>8/5/24 vs. FY 2026<br>Budgeted (% Change) |
|----------------|-----------------------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------------------|
| Fines          | \$51,000.00                                                           | \$51,000.00      | 0.00%                                                                                                    |
| Total Revenues | \$51,000.00                                                           | \$51,000.00      | 0.00%                                                                                                    |

Revenues by Account

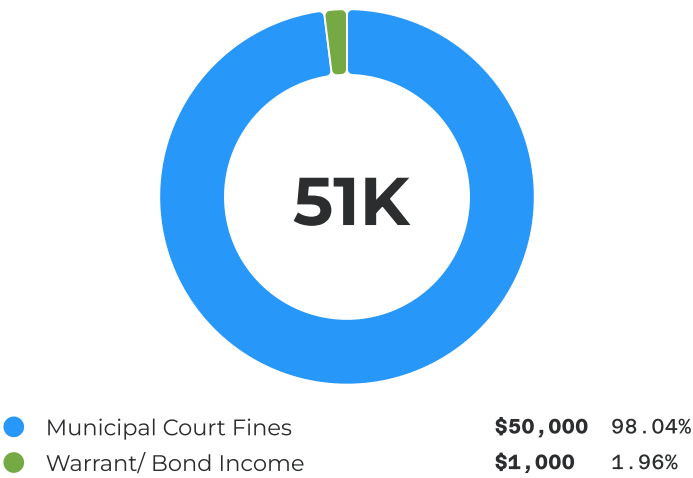


In FY2026, the total revenue for the Municipal Court remains steady at \$51,000, showing no change from FY2025. The largest revenue source continues to be Municipal Court Fines, contributing \$50,000, which is 98.04% of the total revenue

and unchanged from the previous year. Warrant/Bond Income also remains constant at \$1,000, representing 1.96% of the total revenue with no increase or decrease from FY2025.

All other revenue accounts, including Technology Fund, Building Security, Local Truancy & Prevention, Municipal Jury Fund, Time Pay Reimbursement, Child Safety Fund, and Child Seatbelt Fine, remain at \$0, consistent with the prior year. There are no increases or decreases in these categories compared to FY2025.

FY26 Revenues by Account



The Fiscal Year Revenue by Account for the Municipal Court consists primarily of Municipal Court Fines, which amount to \$50,000 and represent 98.04% of the total revenue. Warrant/Bond Income contributes \$1,000, making up 1.96% of the revenue.

Revenues by Account

| Category              | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING Copy<br>of FY2025 per Mtg<br>8/5/24 vs. FY 2026<br>Budgeted (% Change) |
|-----------------------|-----------------------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------------------|
| Municipal Court Fines | \$50,000.00                                                           | \$50,000.00      | 0.00%                                                                                                    |
| Warrant/ Bond Income  | \$1,000.00                                                            | \$1,000.00       | 0.00%                                                                                                    |
| Total Revenues        | \$51,000.00                                                           | \$51,000.00      | 0.00%                                                                                                    |

## Josephine Police Department

The dedicated members of the Josephine Police Department are proud to serve and protect the community, working diligently to enhance the quality of life for our citizens. Through proactive programs, crime prevention strategies, and comprehensive training, we ensure that our personnel are well-prepared to meet the needs of the community as skilled Public Safety Officers. Our mission is to protect lives and property, preserve public peace, and deliver essential community services with the highest standards of professionalism and ethics. We are committed to advancing a policing philosophy rooted in our core values of Leadership, Service, and Faith, continually striving to uphold these principles in all our endeavors.



Performance Measures

Police  
General Fund

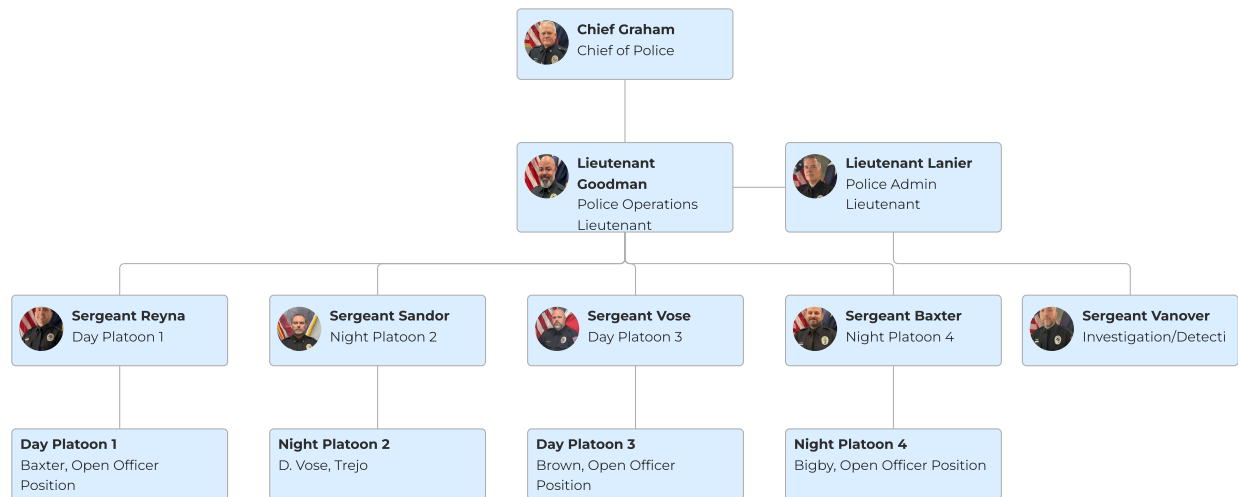
**WORKLOAD INDICATORS & PERFORMANCE MEASURES**

| Performance Measures                                                     | 2022-2023<br>Actual | 2023-2024<br>Actual | 2024-2025<br>Actual | 2025-2026<br>Budget |
|--------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Total calls for service                                                  | 8611                | 7588                | 13010               | 10000               |
| Emergency responses under 2 minutes                                      | 1477                | 1814                | 4650                | 4000                |
| Non-emergency responses under 6 minutes                                  | 948                 | 601                 | 1047                | 950                 |
| Number of police officers that are certified for Mental Health Awareness | 2                   | 3                   | 4                   | 9                   |

# Organizational Chart

Josephine Police Department

## Josephine Police Department



# Achievements and Initiatives

## 2024–2025 Achievements

Throughout 2024–2025, the Police Department made significant progress in strengthening its workforce and preparing for future growth.

- **Mental Health Training:** Nine officers successfully completed certification as Mental Health Peace Officers. For example, these officers have already been able to assist in multiple crisis calls, providing de-escalation and connecting citizens to resources rather than resorting to enforcement alone.
- **Leadership Development:** Three new sergeants completed supervisory training, and one lieutenant completed advanced supervisor coursework. This additional leadership capacity has ensured that front-line officers receive consistent guidance and mentorship, improving both accountability and morale.
- **Field Training Expansion:** The Department certified additional Field Training Officers (FTOs) to meet the growing demand for new hires. These FTOs have played a direct role in preparing recruits more quickly and effectively, shortening the time between academy graduation and full service in the community.
- **Comprehensive Training Programs:** Officers participated in a balanced training program that emphasized both technical law enforcement skills and community engagement. For example, training included updated legal procedures alongside community interaction scenarios, equipping officers to respond with professionalism and empathy.

These achievements demonstrate the Department's commitment to preparing a professional, compassionate, and responsive workforce capable of meeting the demands of a growing community.

### **2025–2026 Initiatives**

Looking forward, the Police Department will build upon these accomplishments by investing in advanced training, wellness, technology, and community trust.

- **Advanced Crisis Response:** With all officers certified as Mental Health Peace Officers, the next step will focus on specialized training in advanced crisis intervention and de-escalation. For example, officers will participate in scenario-based exercises that simulate complex mental health and substance abuse crises, ensuring readiness for real-world challenges.
- **Specialized Training Expansion:** Officers will have the opportunity to pursue additional areas of expertise, such as crisis negotiation, cultural competency, and emerging technology use. This will prepare the Department to adapt to new types of calls and community expectations.
- **Employee Wellness and Retention:** The Department will expand wellness initiatives, including peer support programs and access to stress-management resources. For example, supervisors will be trained to identify early signs of burnout and connect staff to resources that encourage resilience and retention.
- **Technology Integration:** Investments will be made in tools that improve efficiency, safety, and transparency. For instance, expanding the use of body-worn camera analytics or digital evidence management will streamline case processing and enhance accountability.
- **Community Partnerships:** The Department will expand youth programs, such as mentorship opportunities in schools, and provide more avenues for public collaboration, such as citizen advisory panels and neighborhood forums. These efforts will ensure the Department remains transparent, accessible, and connected to those it serves.

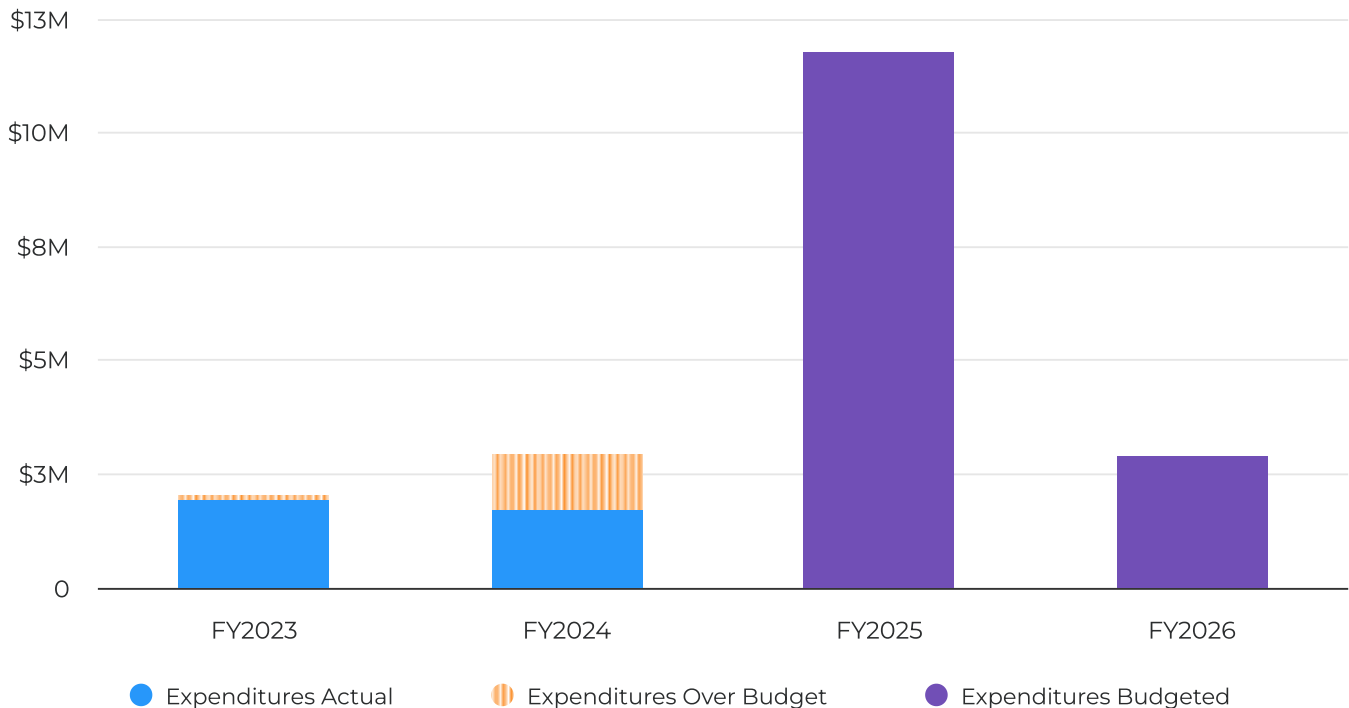
By fostering a culture of continuous learning, accountability, and trust, the Police Department will ensure it remains a dependable and progressive pillar of public safety for the community.



## Expenditure Summary

Expenditure estimates are derived from trend analysis and current contractual agreements.

## Historical Expenditures Across Department

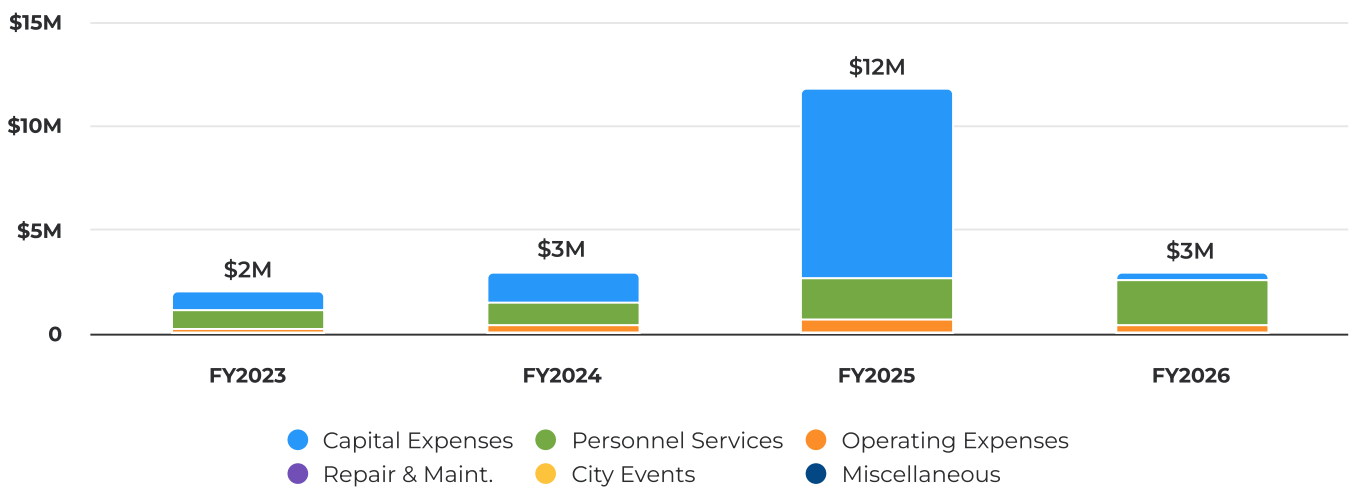


In FY2025, the Police department's budgeted expenditures increased significantly to \$11.8 million, representing a 586.77% increase from the prior period. This marks a substantial rise in planned spending compared to the previous budget year.

For FY2026, the budgeted expenditures for the Police department decreased sharply to \$2.9 million, which is a 75.44% reduction from the FY2025 budget. This notable change is due to Capital Planning Initiatives that were completed in FY25.

## Expenditures by Expense Type

### Historical Expenditures by Expense Type



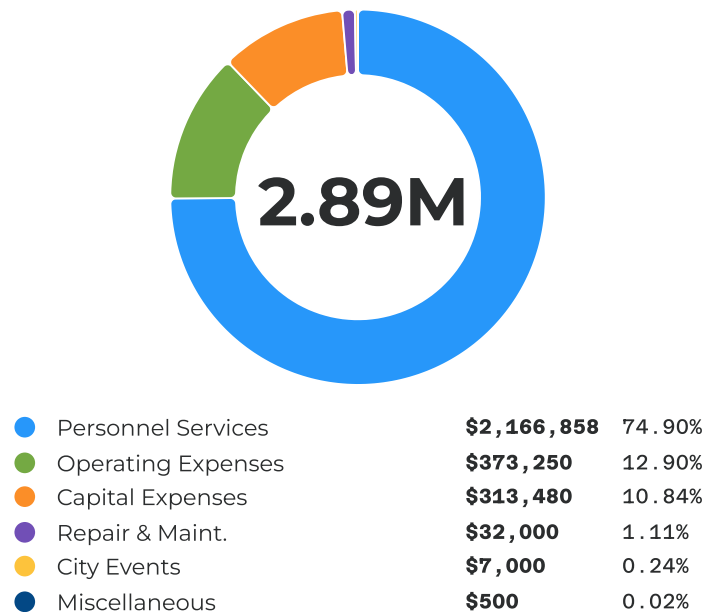
In FY2026, the total Police budget decreased significantly to \$2.9 million, a 75.44% reduction from the previous year's \$11.8 million. The largest expense category shifted from Capital Expenses to Personnel Services.



Personnel Services became the dominant category, accounting for 74.9% of the total budget at \$2.2 million, which is a 9.27% increase of \$183,854 compared to FY2025. In contrast, Capital Expenses dropped dramatically by 96.57%, falling from \$9.1 million (77.62% of total) in FY2025 to \$313,480 (10.84% of total) in FY2026.

Operating Expenses also declined by 39.49%, decreasing from \$616,840 (5.24% of total) in FY2025 to \$373,250 (12.9% of total) in FY2026. Repair and Maintenance expenses increased by 13.86%, rising from \$28,105 (0.24% of total) to \$32,000 (1.11% of total). City Events and Miscellaneous expenses remained stable at \$7,000 and \$500 respectively, with no change from the previous year.

### FY26 Expenditures by Expense Type

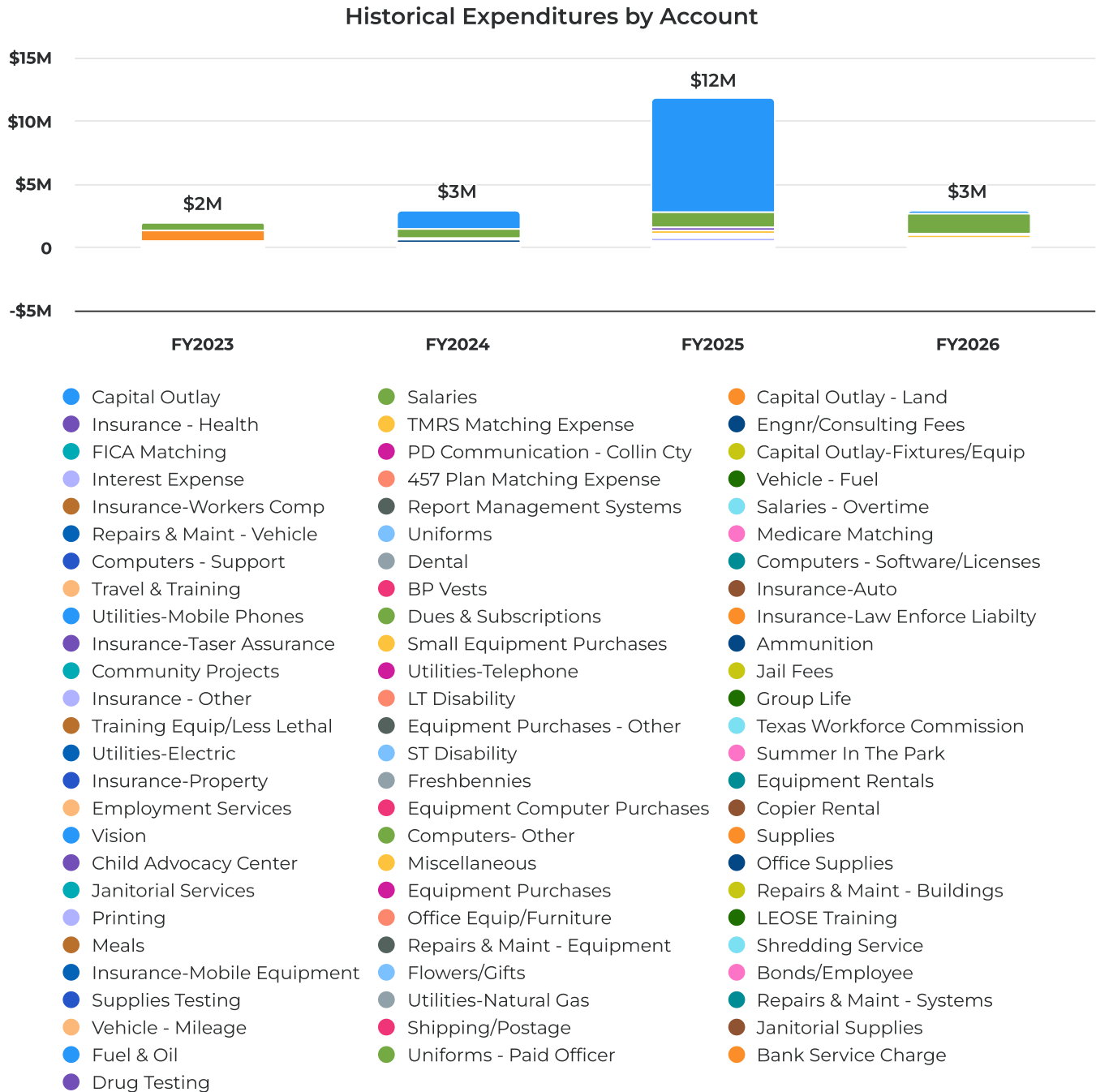


The Police fiscal year expenditures by expense type include Personnel Services at \$2.2 million, which accounts for 74.9% of the total. Operating Expenses are \$373,250, representing 12.9%. Capital Expenses amount to \$313,480, or 10.84%. Repair & Maint. costs are \$32,000, making up 1.11%. City Events expenses total \$7,000, which is 0.24%, and Miscellaneous expenses are \$500, comprising 0.02% of the expenditures.

### Expenditures by Expense Type

| Category                  | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted      | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|---------------------------|--------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------|
| Personnel Services        | \$1,983,004.00                                                     | \$2,166,858.13        | 9.27%                                                                                                       |
| Operating Expenses        | \$616,840.00                                                       | \$373,250.00          | -39.49%                                                                                                     |
| Repair & Maint.           | \$28,105.00                                                        | \$32,000.00           | 13.86%                                                                                                      |
| Capital Expenses          | \$9,142,020.00                                                     | \$313,480.00          | -96.57%                                                                                                     |
| City Events               | \$7,000.00                                                         | \$7,000.00            | 0.00%                                                                                                       |
| Miscellaneous             | \$500.00                                                           | \$500.00              | 0.00%                                                                                                       |
| <b>Total Expenditures</b> | <b>\$11,777,469.00</b>                                             | <b>\$2,893,088.13</b> | <b>-75.44%</b>                                                                                              |

## Expenditures by Account



The total budget for the Police department in FY2026 is \$2.9 million, representing a significant decrease of 75.44% from the previous year's total of \$11.8 million in FY2025. This reduction is primarily driven by a sharp decline in Capital Outlay expenditures, which dropped by \$8.8 million or 97.22%, falling from \$9 million (76.45% of total) in FY2025 to \$250,000 (8.64% of total) in FY2026.

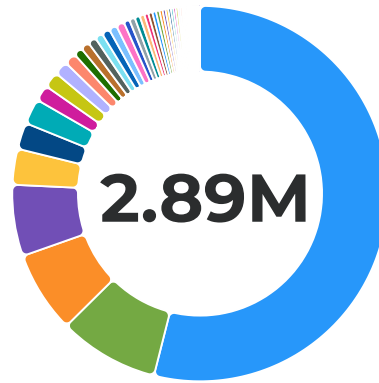
Salaries increased by \$307,049 or 24.49%, rising to \$1.6 million and now constituting 53.94% of the total budget, up from 10.64% in the prior year. TMRS Matching Expense also saw an increase of \$38,675 or 23.5%, reaching \$203,246 (7.03% of total). FICA Matching rose by \$7,732 or 9.48%, totaling \$89,295 (3.09% of total).

Insurance - Health expenses decreased by \$66,905 or 27.36%, amounting to \$177,602 (6.14% of total). Capital Outlay-Fixtures/Equip expenditures declined by \$74,374 or 53.95%, down to \$63,480 (2.19% of total). Notably, Interest Expense and 457 Plan Matching Expense were eliminated entirely, each decreasing by 100% from \$188,690 and \$125,654 respectively. Engineering/Consulting Fees also dropped to zero, a 100% decrease from \$125,000.

New or significantly increased categories include Dental expenses, which rose by \$30,292 or 306.76% to \$40,166 (1.39% of total), and Group Life insurance, which increased by \$11,757 or 876.73% to \$13,098. Travel & Training increased by \$8,000 or 66.67% to \$20,000, and Computers - Support rose by \$6,000 or 37.5% to \$22,000. Utilities-Telephone expenses increased by \$5,500 or 157.14% to \$9,000.

PD Communication - Collin Cty remained steady at \$66,000, maintaining 2.28% of the total budget with no change from the previous year. Report Management Systems also held steady at \$40,000 (1.38% of total), and Vehicle - Fuel remained unchanged at \$35,000 (1.21% of total).

## FY26 Expenditures by Account



|                                |             |        |
|--------------------------------|-------------|--------|
| Salaries                       | \$1,560,603 | 53.94% |
| Capital Outlay                 | \$250,000   | 8.64%  |
| TMRS Matching Expense          | \$203,246   | 7.03%  |
| Insurance - Health             | \$177,602   | 6.14%  |
| FICA Matching                  | \$89,295    | 3.09%  |
| PD Communication - Collin Cty  | \$66,000    | 2.28%  |
| Capital Outlay-Fixtures/Equip  | \$63,480    | 2.19%  |
| Dental                         | \$40,166    | 1.39%  |
| Report Management Systems      | \$40,000    | 1.38%  |
| Vehicle - Fuel                 | \$35,000    | 1.21%  |
| Repairs & Maint - Vehicle      | \$30,000    | 1.04%  |
| Small Equipment Purchases      | \$22,000    | 0.76%  |
| Computers - Support            | \$22,000    | 0.76%  |
| Medicare Matching              | \$20,883    | 0.72%  |
| Insurance-Workers Comp         | \$20,000    | 0.69%  |
| Uniforms                       | \$20,000    | 0.69%  |
| Travel & Training              | \$20,000    | 0.69%  |
| Salaries - Overtime            | \$20,000    | 0.69%  |
| Computers - Software/Licenses  | \$15,000    | 0.52%  |
| Insurance-Auto                 | \$14,000    | 0.48%  |
| Group Life                     | \$13,098    | 0.45%  |
| BP Vests                       | \$12,000    | 0.41%  |
| Utilities-Mobile Phones        | \$10,000    | 0.35%  |
| Dues & Subscriptions           | \$10,000    | 0.35%  |
| Insurance-Taser Assurance      | \$9,375     | 0.32%  |
| Utilities-Telephone            | \$9,000     | 0.31%  |
| Insurance-Law Enforce Liabilty | \$7,800     | 0.27%  |
| Ammunition                     | \$7,000     | 0.24%  |
| Jail Fees                      | \$7,000     | 0.24%  |
| LT Disability                  | \$6,625     | 0.23%  |
| Utilities-Electric             | \$6,000     | 0.21%  |
| Training Equip/Less Lethal     | \$6,000     | 0.21%  |
| Equipment Purchases - Other    | \$6,000     | 0.21%  |
| Equipment Computer Purchases   | \$5,000     | 0.17%  |
| Insurance-Property             | \$5,000     | 0.17%  |
| Community Projects             | \$4,500     | 0.16%  |
| Texas Workforce Commission     | \$3,875     | 0.13%  |
| ST Disability                  | \$3,269     | 0.11%  |
| Janitorial Services            | \$3,000     | 0.10%  |

|                               |                |       |
|-------------------------------|----------------|-------|
| ● Summer In The Park          | <b>\$2,500</b> | 0.09% |
| ● Freshbennies                | <b>\$2,318</b> | 0.08% |
| ● LEOSE Training              | <b>\$2,000</b> | 0.07% |
| ● Computers- Other            | <b>\$2,000</b> | 0.07% |
| ● Insurance - Other           | <b>\$2,000</b> | 0.07% |
| ● Equipment Rentals           | <b>\$1,900</b> | 0.07% |
| ● Vision                      | <b>\$1,828</b> | 0.06% |
| ● Employment Services         | <b>\$1,500</b> | 0.05% |
| ● Copier Rental               | <b>\$1,200</b> | 0.04% |
| ● Office Supplies             | <b>\$1,200</b> | 0.04% |
| ● Repairs & Maint - Buildings | <b>\$1,000</b> | 0.03% |
| ● Child Advocacy Center       | <b>\$1,000</b> | 0.03% |
| ● Office Equip/Furniture      | <b>\$1,000</b> | 0.03% |
| ● Meals                       | <b>\$1,000</b> | 0.03% |
| ● Supplies                    | <b>\$850</b>   | 0.03% |
| ● Printing                    | <b>\$800</b>   | 0.03% |
| ● Insurance-Mobile Equipment  | <b>\$600</b>   | 0.02% |
| ● Bonds/Employee              | <b>\$550</b>   | 0.02% |
| ● Miscellaneous               | <b>\$500</b>   | 0.02% |
| ● Flowers/Gifts               | <b>\$500</b>   | 0.02% |
| ● Repairs & Maint - Systems   | <b>\$500</b>   | 0.02% |
| ● Repairs & Maint - Equipment | <b>\$500</b>   | 0.02% |
| ● Supplies Testing            | <b>\$500</b>   | 0.02% |
| ● Vehicle - Mileage           | <b>\$500</b>   | 0.02% |
| ● Shredding Service           | <b>\$450</b>   | 0.02% |
| ● Utilities-Natural Gas       | <b>\$325</b>   | 0.01% |
| ● Shipping/Postage            | <b>\$150</b>   | 0.01% |
| ● Janitorial Supplies         | <b>\$100</b>   | 0.00% |

The Police fiscal year expenditures by account include Salaries at \$1.6 million, representing 53.94% of the total. Capital Outlay accounts for \$250,000 or 8.64%, followed by TMRS Matching Expense at \$203,246, which is 7.03%. Insurance - Health expenses total \$177,602, making up 6.14% of the expenditures. FICA Matching is \$89,295 or 3.09%, and PD Communication - Collin Cty is \$66,000, representing 2.28%. Capital Outlay-Fixtures/Equip amounts to \$63,480, which is 2.19%. Dental expenses are \$40,166 or 1.39%, while Report Management Systems cost \$40,000, accounting for 1.38%. Vehicle - Fuel expenses total \$35,000, comprising 1.21% of the expenditures. There are 57 smaller categories not listed here.

## Expenditures by Account

| Category                   | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|----------------------------|--------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------|
| Salaries                   | \$1,253,553.80                                                     | \$1,560,602.74   | 24.49%                                                                                                      |
| Salaries - Overtime        | \$24,000.00                                                        | \$20,000.00      | -16.67%                                                                                                     |
| FICA Matching              | \$81,562.36                                                        | \$89,294.55      | 9.48%                                                                                                       |
| Medicare Matching          | \$19,075.07                                                        | \$20,883.40      | 9.48%                                                                                                       |
| Texas Workforce Commission | \$3,750.00                                                         | \$3,875.00       | 3.33%                                                                                                       |
| Insurance - Health         | \$244,506.12                                                       | \$177,601.60     | -27.36%                                                                                                     |
| Insurance - Other          | \$4,000.00                                                         | \$2,000.00       | -50.00%                                                                                                     |
| Dental                     | \$9,874.56                                                         | \$40,166.13      | 306.76%                                                                                                     |
| Vision                     | \$1,957.68                                                         | \$1,827.66       | -6.64%                                                                                                      |
| LT Disability              | \$6,051.40                                                         | \$6,625.08       | 9.48%                                                                                                       |

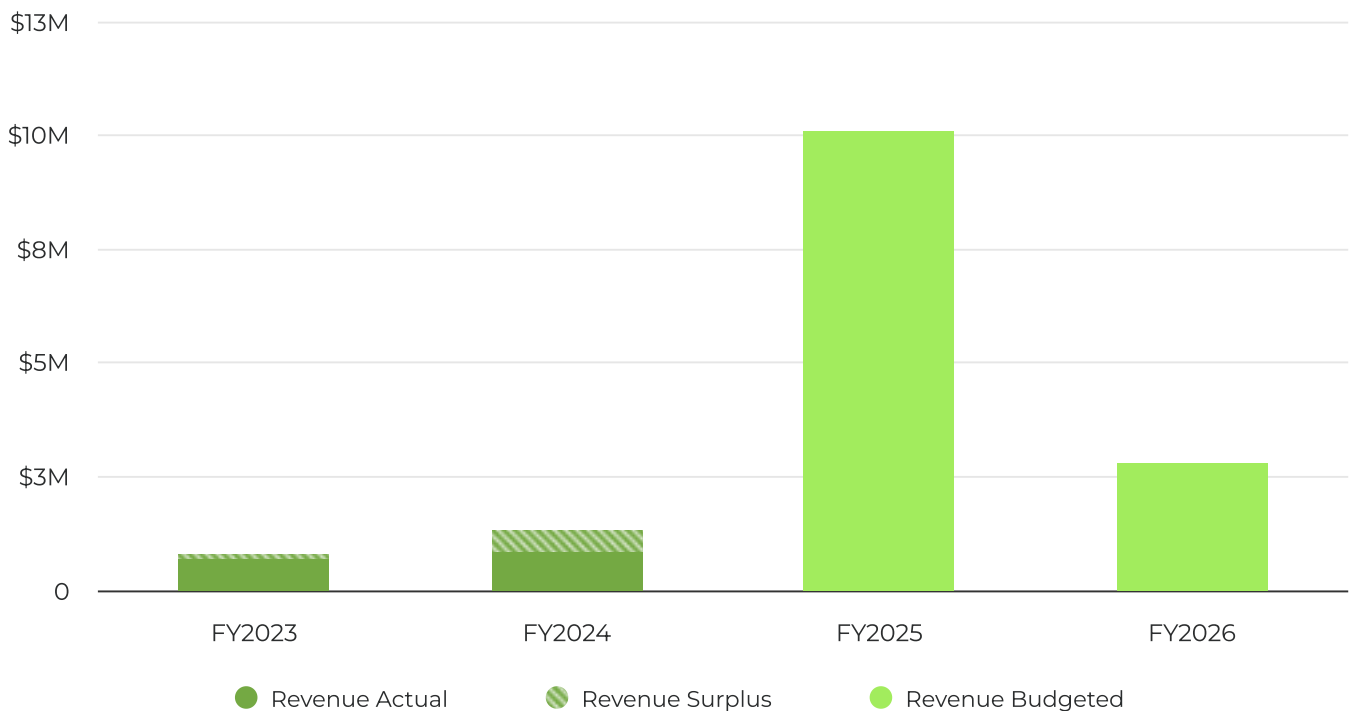
| Category                       | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|--------------------------------|--------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------|
| ST Disability                  | \$2,986.23                                                         | \$3,269.33       | 9.48%                                                                                                       |
| Group Life                     | \$1,341.00                                                         | \$13,097.90      | 876.73%                                                                                                     |
| Freshbennies                   | \$2,070.00                                                         | \$2,318.40       | 12.00%                                                                                                      |
| TMRS Matching Expense          | \$164,571.78                                                       | \$203,246.33     | 23.50%                                                                                                      |
| 457 Plan Matching Expense      | \$125,654.00                                                       | -                | -100.00%                                                                                                    |
| Computers- Other               | -                                                                  | \$2,000.00       | -                                                                                                           |
| Computers - Software/Licenses  | \$20,500.00                                                        | \$15,000.00      | -26.83%                                                                                                     |
| Computers - Support            | \$16,000.00                                                        | \$22,000.00      | 37.50%                                                                                                      |
| Dues & Subscriptions           | \$8,500.00                                                         | \$10,000.00      | 17.65%                                                                                                      |
| Engnr/Consulting Fees          | \$125,000.00                                                       | -                | -100.00%                                                                                                    |
| Interest Expense               | \$188,690.00                                                       | -                | -100.00%                                                                                                    |
| Meals                          | \$500.00                                                           | \$1,000.00       | 100.00%                                                                                                     |
| Office Supplies                | \$750.00                                                           | \$1,200.00       | 60.00%                                                                                                      |
| Printing                       | \$600.00                                                           | \$800.00         | 33.33%                                                                                                      |
| Shipping/Postage               | \$150.00                                                           | \$150.00         | 0.00%                                                                                                       |
| Travel & Training              | \$12,000.00                                                        | \$20,000.00      | 66.67%                                                                                                      |
| LEOSE Training                 | -                                                                  | \$2,000.00       | -                                                                                                           |
| Uniforms                       | \$20,000.00                                                        | \$20,000.00      | 0.00%                                                                                                       |
| BP Vests                       | \$16,000.00                                                        | \$12,000.00      | -25.00%                                                                                                     |
| Office Equip/Furniture         | \$1,000.00                                                         | \$1,000.00       | 0.00%                                                                                                       |
| Vehicle - Mileage              | -                                                                  | \$500.00         | -                                                                                                           |
| Vehicle - Fuel                 | \$35,000.00                                                        | \$35,000.00      | 0.00%                                                                                                       |
| Child Advocacy Center          | \$1,000.00                                                         | \$1,000.00       | 0.00%                                                                                                       |
| Jail Fees                      | \$5,000.00                                                         | \$7,000.00       | 40.00%                                                                                                      |
| PD Communication - Collin Cty  | \$66,000.00                                                        | \$66,000.00      | 0.00%                                                                                                       |
| Report Management Systems      | \$40,000.00                                                        | \$40,000.00      | 0.00%                                                                                                       |
| Shredding Service              | \$450.00                                                           | \$450.00         | 0.00%                                                                                                       |
| Janitorial Services            | -                                                                  | \$3,000.00       | -                                                                                                           |
| Employment Services            | \$1,500.00                                                         | \$1,500.00       | 0.00%                                                                                                       |
| Bonds/Employee                 | \$550.00                                                           | \$550.00         | 0.00%                                                                                                       |
| Insurance-Auto                 | \$8,450.00                                                         | \$14,000.00      | 65.68%                                                                                                      |
| Insurance-Law Enforce Liabilty | \$7,800.00                                                         | \$7,800.00       | 0.00%                                                                                                       |
| Insurance-Mobile Equipment     | \$600.00                                                           | \$600.00         | 0.00%                                                                                                       |
| Insurance-Property             | \$1,500.00                                                         | \$5,000.00       | 233.33%                                                                                                     |
| Insurance-Taser Assurance      | \$9,375.00                                                         | \$9,375.00       | 0.00%                                                                                                       |
| Insurance-Workers Comp         | \$36,000.00                                                        | \$20,000.00      | -44.44%                                                                                                     |
| Equipment Purchases - Other    | \$2,500.00                                                         | \$6,000.00       | 140.00%                                                                                                     |
| Equipment Computer Purchases   | -                                                                  | \$5,000.00       | -                                                                                                           |
| Ammunition                     | \$6,000.00                                                         | \$7,000.00       | 16.67%                                                                                                      |
| Small Equipment Purchases      | -                                                                  | \$22,000.00      | -                                                                                                           |
| Training Equip/Less Lethal     | \$6,000.00                                                         | \$6,000.00       | 0.00%                                                                                                       |
| Equipment Rentals              | \$1,900.00                                                         | \$1,900.00       | 0.00%                                                                                                       |
| Copier Rental                  | \$1,200.00                                                         | \$1,200.00       | 0.00%                                                                                                       |
| Janitorial Supplies            | \$100.00                                                           | \$100.00         | 0.00%                                                                                                       |

| Category                      | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted      | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|-------------------------------|--------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------|
| Supplies                      | \$850.00                                                           | \$850.00              | 0.00%                                                                                                       |
| Supplies Testing              | \$500.00                                                           | \$500.00              | 0.00%                                                                                                       |
| Repairs & Maint - Buildings   | \$1,000.00                                                         | \$1,000.00            | 0.00%                                                                                                       |
| Repairs & Maint - Equipment   | \$500.00                                                           | \$500.00              | 0.00%                                                                                                       |
| Repairs & Maint - Systems     | \$500.00                                                           | \$500.00              | 0.00%                                                                                                       |
| Repairs & Maint - Vehicle     | \$26,105.00                                                        | \$30,000.00           | 14.92%                                                                                                      |
| Utilities-Electric            | \$1,000.00                                                         | \$6,000.00            | 500.00%                                                                                                     |
| Utilities-Mobile Phones       | \$7,600.00                                                         | \$10,000.00           | 31.58%                                                                                                      |
| Utilities-Natural Gas         | \$325.00                                                           | \$325.00              | 0.00%                                                                                                       |
| Utilities-Telephone           | \$3,500.00                                                         | \$9,000.00            | 157.14%                                                                                                     |
| Capital Outlay                | \$9,004,166.00                                                     | \$250,000.00          | -97.22%                                                                                                     |
| Capital Outlay-Fixtures/Equip | \$137,854.00                                                       | \$63,480.00           | -53.95%                                                                                                     |
| Summer In The Park            | \$2,500.00                                                         | \$2,500.00            | 0.00%                                                                                                       |
| Community Projects            | \$4,500.00                                                         | \$4,500.00            | 0.00%                                                                                                       |
| Flowers/Gifts                 | \$500.00                                                           | \$500.00              | 0.00%                                                                                                       |
| Miscellaneous                 | \$500.00                                                           | \$500.00              | 0.00%                                                                                                       |
| <b>Total Expenditures</b>     | <b>\$11,777,469.00</b>                                             | <b>\$2,893,088.13</b> | <b>-75.44%</b>                                                                                              |

## Revenue Summary

Revenue projections are based on historical trend analysis and established contractual commitments.

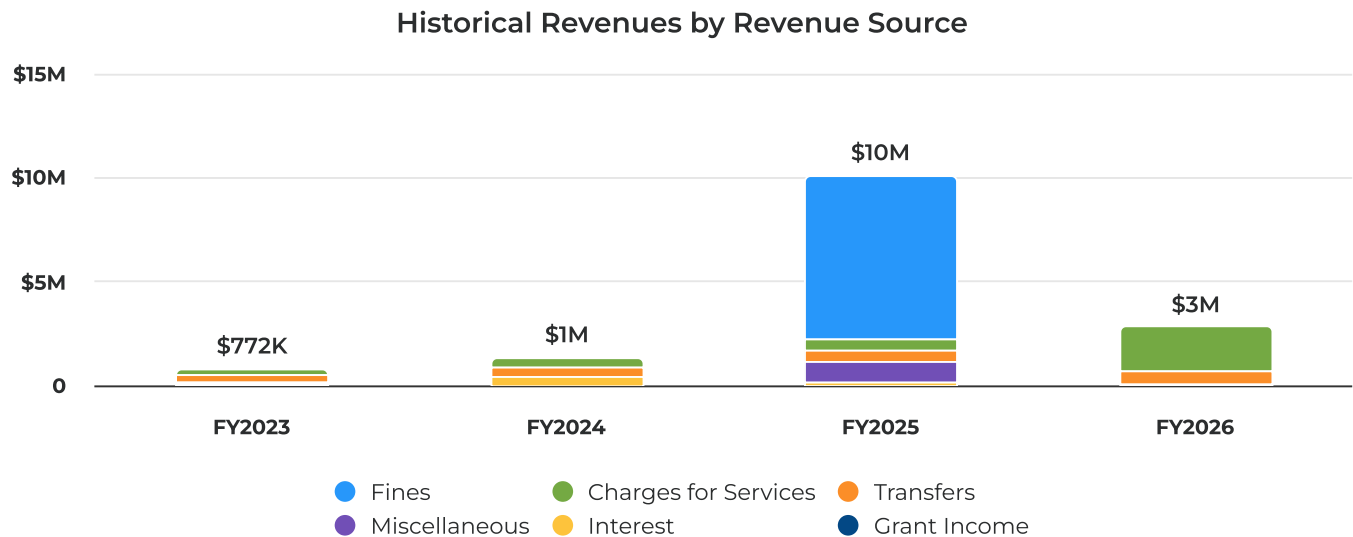
### Historical Revenues Across Department



In FY2025, the Police department's revenue budget is set at \$10.1 million, representing a significant increase of 1,077.93% from the prior period. This marks a substantial rise in budgeted revenue compared to the previous year.

For FY2026, the revenue budget decreases sharply to \$2.8 million, which is a 72.23% reduction from the FY2025 budget. This notable decline follows the large increase seen in the previous year.

## Revenues by Revenue Source



In FY2026, the total revenue for the Police department decreased significantly to \$2.8 million, representing a 72.23% decline from the previous year's total of \$10.1 million in FY2025.

The largest revenue source in FY2026 shifted to Charges for Services, which accounted for 74.93% of the total revenue at \$2.1 million. This category increased by \$1.5 million, or 250%, compared to FY2025.

Transfers also saw an increase, rising by \$200,000 or 40% to \$700,000, making up 24.98% of the total revenue in FY2026.

Conversely, there were substantial decreases in several categories. Fines, which were the largest revenue source in FY2025 at \$7.9 million and 77.83% of the total, dropped dramatically by \$7.9 million or 99.99% to just \$500 in FY2026, representing only 0.02% of the total revenue.

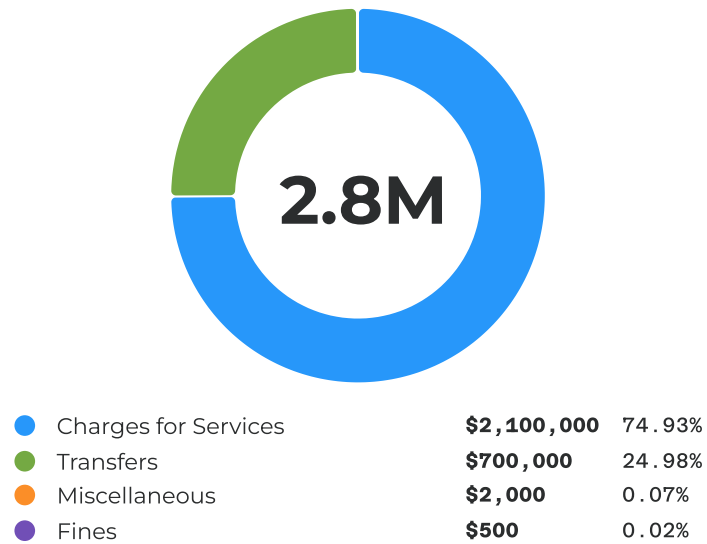
Miscellaneous revenue fell sharply by \$998,916 or 99.8% to \$2,000, constituting 0.07% of the total in FY2026.

Interest income also declined from \$136,000 in FY2025 to \$0 in FY2026, a 100% decrease.

Grant Income remained at \$0 in both years.



## FY26 Revenues by Revenue Source

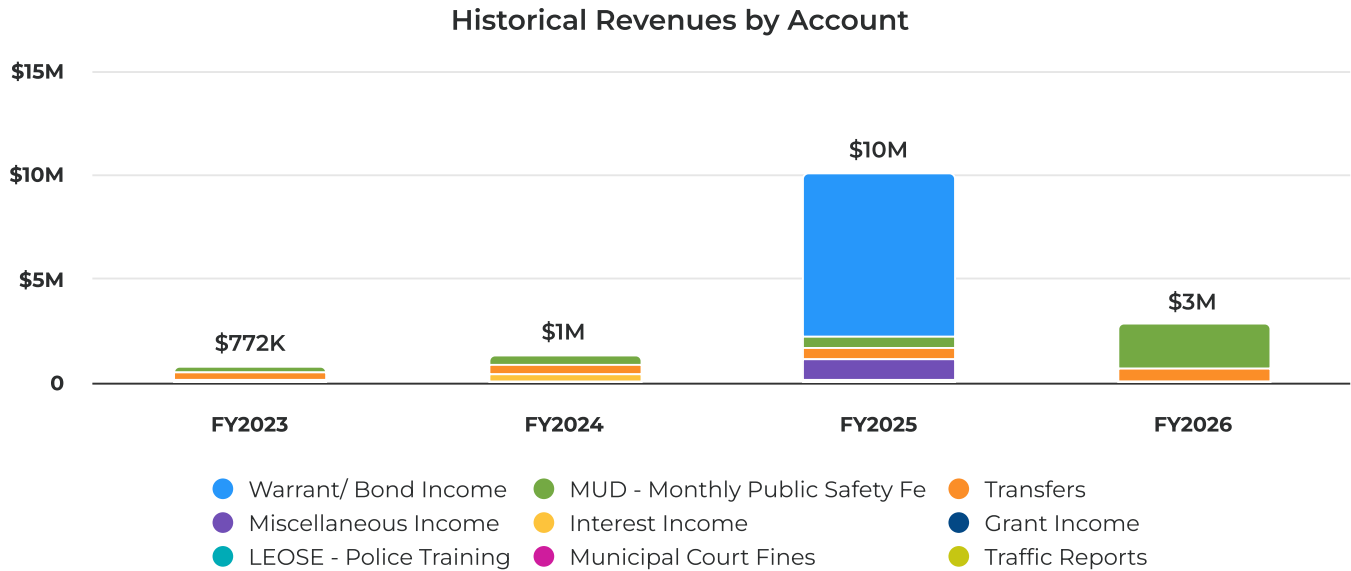


The Police department's Fiscal Year Revenue by Revenue Source includes Charges for Services at \$2.1 million, which accounts for 74.93% of the total revenue. Transfers contribute \$700,000, representing 24.98%. Miscellaneous revenue amounts to \$2,000, making up 0.07%, and Fines provide \$500, which is 0.02% of the total revenue.

## Revenues by Revenue Source

| Category              | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted      | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|-----------------------|--------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------|
| Charges for Services  | \$600,000.00                                                       | \$2,100,000.00        | 250.00%                                                                                                     |
| Fines                 | \$7,855,000.00                                                     | \$500.00              | -99.99%                                                                                                     |
| Miscellaneous         | \$1,000,916.00                                                     | \$2,000.00            | -99.80%                                                                                                     |
| Interest              | \$136,000.00                                                       | -                     | -100.00%                                                                                                    |
| Transfers             | \$500,000.00                                                       | \$700,000.00          | 40.00%                                                                                                      |
| <b>Total Revenues</b> | <b>\$10,091,916.00</b>                                             | <b>\$2,802,500.00</b> | <b>-72.23%</b>                                                                                              |

## Revenues by Account



The total historical revenue for the Police department in FY2026 is \$2.8 million, representing a significant decrease of 72.23% compared to the previous year's total of \$10.1 million in FY2025.

The largest revenue category in FY2026 is the MUD - Monthly Public Safety Fee, which accounts for \$2.1 million or 74.93% of the total revenue. This category increased by \$1.5 million, a 250% rise from FY2025's \$600,000, marking a substantial growth in this revenue source.

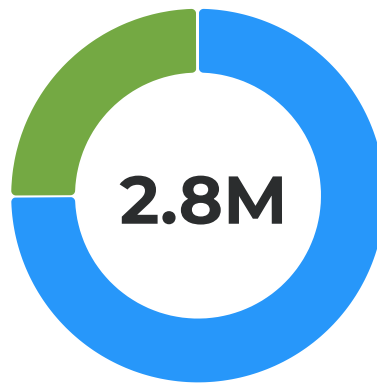
Transfers are the second-largest category in FY2026, contributing \$700,000 or 24.98% of total revenue. This amount increased by \$200,000, a 40% increase from the previous year's \$500,000.

LEOSE - Police Training revenue also saw an increase to \$2,000 in FY2026, up by \$1,250 or 166.67% from \$750 in FY2025, though it remains a very small portion of the total revenue at 0.07%.

In contrast, Warrant/Bond Income, which was the largest revenue source in FY2025 at \$7.9 million (77.82% of total), dramatically decreased to \$500 in FY2026, a 99.99% decline. Similarly, Miscellaneous Income, previously \$1 million (9.91% of total), dropped to zero, a 100% decrease.

Other categories such as Interest Income and Municipal Court Fines also fell to zero in FY2026, representing 100% decreases from their FY2025 values of \$136,000 and \$1,000 respectively. Traffic Reports remained at zero in both years.

## FY26 Revenues by Account



|                                  |                    |               |
|----------------------------------|--------------------|---------------|
| ● MUD - Monthly Public Safety Fe | <b>\$2,100,000</b> | <b>74.93%</b> |
| ● Transfers                      | <b>\$700,000</b>   | <b>24.98%</b> |
| ● LEOSE - Police Training        | <b>\$2,000</b>     | <b>0.07%</b>  |
| ● Warrant/ Bond Income           | <b>\$500</b>       | <b>0.02%</b>  |

The Police Fiscal Year Revenue by Account is primarily composed of MUD - Monthly Public Safety Fe, which accounts for \$2.1 million or 74.93% of the total revenue. Transfers contribute \$700,000, representing 24.98%. Smaller portions include LEOSE - Police Training at \$2,000 or 0.07%, and Warrant/ Bond Income at \$500 or 0.02%.

## Revenues by Account

| Category                       | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted      | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|--------------------------------|--------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------|
| MUD - Monthly Public Safety Fe | \$600,000.00                                                       | \$2,100,000.00        | 250.00%                                                                                                     |
| Municipal Court Fines          | \$1,000.00                                                         | -                     | -100.00%                                                                                                    |
| Warrant/ Bond Income           | \$7,854,000.00                                                     | \$500.00              | -99.99%                                                                                                     |
| Interest Income                | \$136,000.00                                                       | -                     | -100.00%                                                                                                    |
| LEOSE - Police Training        | \$750.00                                                           | \$2,000.00            | 166.67%                                                                                                     |
| Miscellaneous Income           | \$1,000,166.00                                                     | -                     | -100.00%                                                                                                    |
| Transfers                      | \$500,000.00                                                       | \$700,000.00          | 40.00%                                                                                                      |
| <b>Total Revenues</b>          | <b>\$10,091,916.00</b>                                             | <b>\$2,802,500.00</b> | <b>-72.23%</b>                                                                                              |

# Josephine Fire & Emergency Services



# MEET OUR NEW FIRE CHIEF

## CHIEF JOSEPH FLORENTINO

**Biography:** Chief Joe Florentino, originally from Long Island, New York, began his fire service career in 1989 as a volunteer firefighter in Greenlawn, NY. After moving to Texas in 1992, he joined the Highland Village Fire Department, advancing to Assistant Chief. He later served with the Denton County Fire Marshal's Office, rising to Assistant Fire Marshal, before being appointed Fire Chief for the Town of Little Elm in 2005. In 2015, he was promoted to Director of Public Safety, overseeing police, fire, and emergency management operations.

Chief Florentino has held leadership roles with the International Association of Fire Chiefs, Texas Fire Chiefs Association, and Denton County Fire Chiefs Association, and served as Texas State Coordinator for the Texas Intrastate Mutual Aid System (TIFMAS). His certifications include Firefighter, Arson Investigator, Fire Inspector, Fire Service Instructor, HAZMAT Technician, and Peace Officer. He is also a Certified Public Manager, Fire Service Chief Executive Officer (TEEX), and Certified Fire Executive (TFCA).

He earned his Bachelor's degree in Communications from the State University of New York at New Paltz and is a former K-9 Arson Investigator, serving North Texas alongside his partner, Dallas, from 2000–2007. Married for 30 years, Chief Florentino and his wife have a son and daughter in college.



The City of  
**Josephine**  
TEXAS







## **A PROUD MILESTONE: MEET JOSEPHINE'S FIRST MUNICIPAL FIRE DEPARTMENT CHIEF!**

We're beyond excited to unveil a monumental chapter in Josephine's firefighting history: the hiring of our very first

### **City Fire Department Chief!**

This moment embodies our City Council's visionary step—through the February 2025 ordinance—to transition from a volunteer-run structure into a fully operational municipal fire department, enhancing our emergency response with certified leadership and robust infrastructure.

### **Why This Moment Means So Much**

This milestone doesn't replace the incredible legacy of volunteer leadership—especially the outgoing Volunteer Fire Chief who has faithfully served our community with outstanding dedication. Instead, it builds upon that foundation by adding professional structure alongside the heart and spirit of volunteer tradition.

- It marks the formal establishment of a City-run department, aligned with Texas Commission on Fire Protection standards.
- It represents a historic enhancement of how we deliver fire suppression, prevention, and emergency services—a story still written on the same page of community strength.

### **What's Next: Building Our Fire Department Together**

Our new Fire Chief will begin on October 6, 2025, and while our fire station remains under construction, we will continue to rely on the unwavering dedication of our Volunteer Fire Department. Their ongoing commitment during this critical transition plays a vital role in keeping our community safe every day.

# Josephine Fire Department

## Goals for Development of a Fire Department

Hiring a Chief of Fire and Emergency Services marks an essential step in enhancing public safety and emergency management capabilities. Here's a breakdown of the key aspects and potential considerations involved in this transition:

### 1. Role and Responsibilities of the Chief

- **Fire Chief Duties:** The new Chief will oversee all firefighting operations, ensuring that the city's fire department is well-prepared, equipped, and trained to handle emergencies. This includes developing fire response strategies, managing personnel, and maintaining equipment.
- **Fire Marshal Responsibilities:** In addition to managing fire response, the Chief will serve as the Fire Marshal, responsible for enforcing fire safety codes, conducting inspections, and investigating fire incidents to determine causes.
- **Emergency Management Coordination:** The Chief will also coordinate emergency management efforts across various levels of government (local, county, state, and federal), ensuring that the city's emergency response is integrated and effective.

### 2. Transition of the Josephine Volunteer Fire Department

- **Integration into City Operations:** The transition from an independent volunteer fire department to a city-operated department will be a significant change. The Chief will play a crucial role in this integration, ensuring that all operational, administrative, and personnel aspects are smoothly transitioned.
- **Maintaining Volunteer Engagement:** As the department shifts to city control, it will be important to maintain the engagement and morale of existing volunteers. The Chief will likely need to navigate this cultural shift carefully, balancing the professionalism of a city department with the community spirit of volunteerism.
- **Resource Allocation:** The Chief will be responsible for assessing current resources and determining what additional support, training, and equipment will be necessary to meet city standards.

### 3. Collaboration with External Agencies

- **Local and County Coordination:** The Chief will work closely with local and county emergency services to ensure coordinated response efforts, particularly in emergencies that require multi-agency collaboration.
- **State and Federal Agency Liaison:** The Chief will also serve as the city's point of contact with state and federal emergency management agencies, facilitating the flow of information and resources during large-scale emergencies.

### 4. Budgetary and Strategic Planning

- **Budget Management:** The Chief will need to develop and manage the fire department's budget, including securing funding for the transition, equipment upgrades, and ongoing operations. They will also need to work within the constraints of the city's broader fiscal plan.
- **Strategic Development:** A key part of the Chief's role will be to develop a long-term strategy for the fire department, which might include expanding services, improving response times, and enhancing community outreach and fire prevention programs.

### 5. Community Engagement and Public Safety

- **Public Communication:** The new Chief will likely be the face of the fire department, responsible for communicating with the public about fire safety, emergency preparedness, and the department's role in the community.
- **Building Trust:** Establishing trust with the community will be essential, particularly as the department transitions from volunteer to city-run. The Chief will need to demonstrate a commitment to maintaining the high level of service the community expects.

### 6. Challenges and Considerations

- **Change Management:** Transitioning an independent volunteer department into a city department may present challenges in terms of culture, operational procedures, and community perception. The Chief will need to manage these changes carefully to ensure a smooth transition.

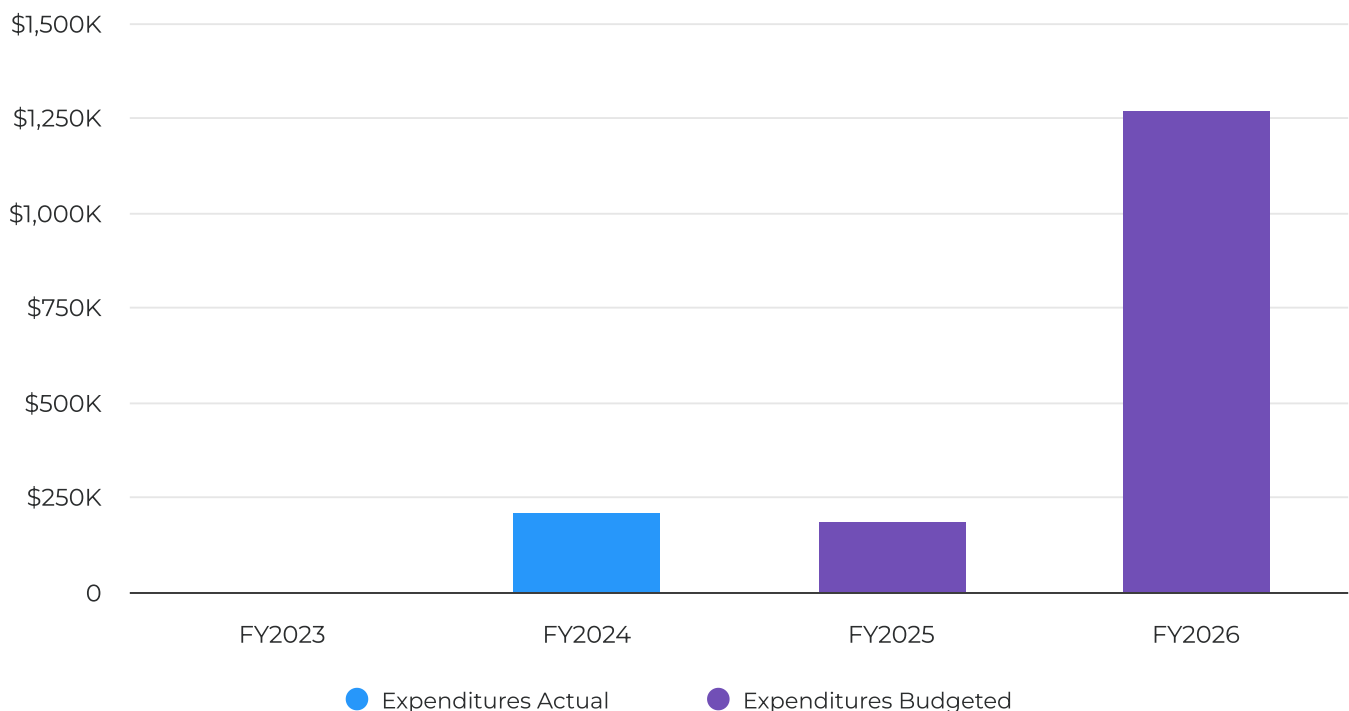


- **Recruitment and Retention:** Retaining experienced volunteers and recruiting new personnel under the new city structure will be crucial. The Chief will need to implement strategies to attract and retain skilled firefighters and emergency personnel.
- **Training and Certification:** Ensuring that all personnel meet city and state certification requirements will be a priority. The Chief will oversee the training programs necessary to bring all staff up to standard.

## Expenditure Summary

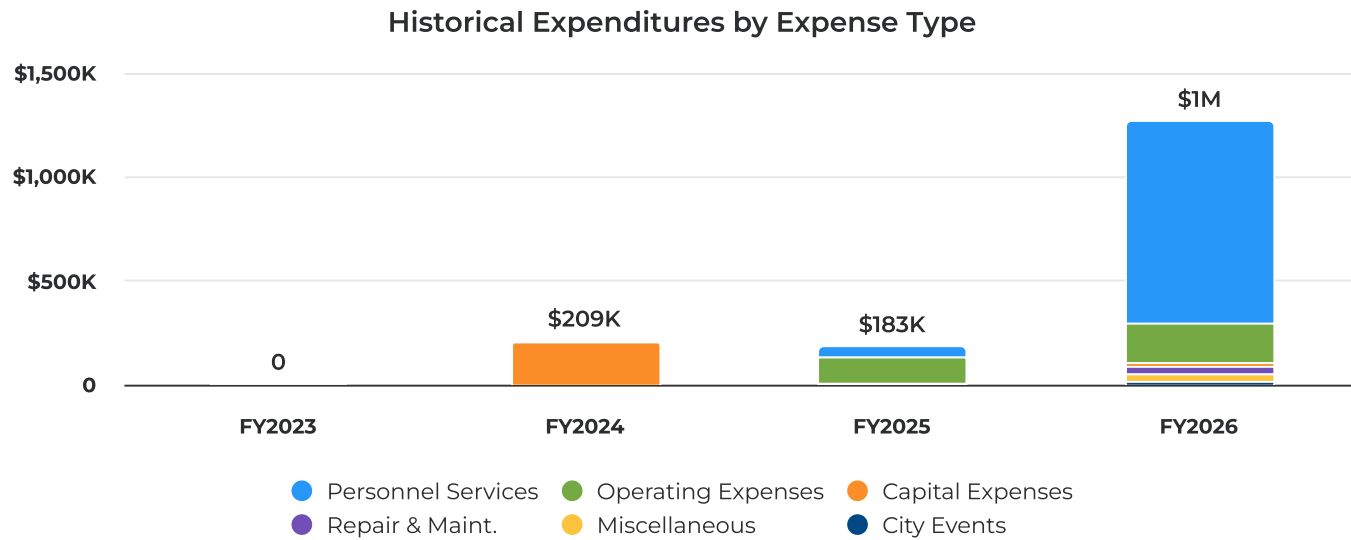
The development of a municipal Fire Department has been under consideration for several years. The transition from a volunteer-based model to a city-operated department will require extensive planning, time, organization, and negotiation, making it a gradual process over the coming years. Establishing a city Fire Department involves a significant financial commitment, which necessitates careful deliberation and cannot be achieved overnight. Funds have been allocated for this purpose, and contracts with Municipal Utility Districts (MUDs) are subject to change in response to evolving service requirements.

### Historical Expenditures Across Department



The Fire department's expenditures budgeted for FY2026 are \$1.3 million, representing a significant increase of 591.6% compared to the previous year's budgeted amount of \$183,400. This substantial rise highlights a major expansion in the department's planned spending. The previous year's actual expenditures were \$0, indicating that the FY2026 budget marks a notable shift in financial allocation for the Fire department.

# Expenditures by Expense Type

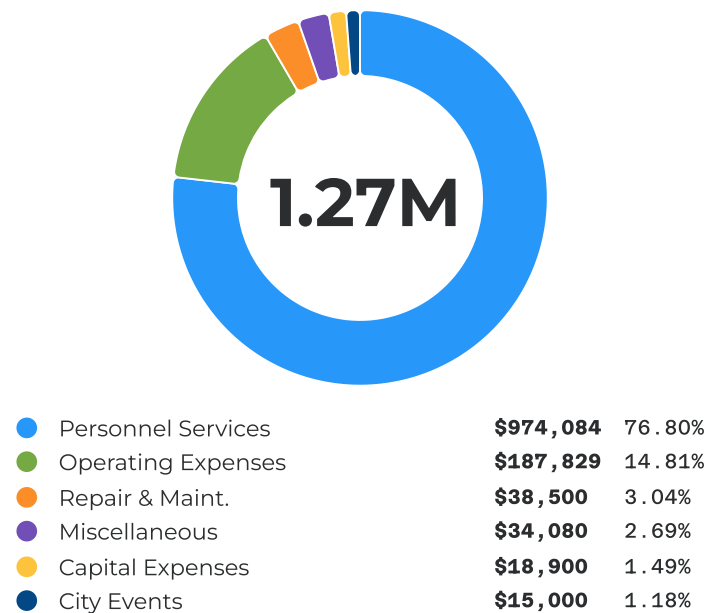


The total budget for the Fire department in FY2026 is \$1.3 million, representing a significant increase of 591.6% compared to the previous year's total of \$183,400. Personnel Services is now the largest expense category, accounting for 76.8% of the total budget at \$974,084, which is an increase of \$922,784 or 1,798.8% from the prior year.

Operating Expenses, previously the largest category at 70.45% of the total in FY2025, have increased by \$58,629 or 45.38% to \$187,829 in FY2026, now representing 14.81% of the total budget. This marks a notable shift in the distribution of expenses.

Capital Expenses, which had a substantial decrease in the previous year, have increased by \$16,000 or 551.72% to \$18,900, making up 1.49% of the FY2026 budget. Additionally, Repair & Maintenance and Miscellaneous expenses appear in the FY2026 budget at \$38,500 (3.04%) and \$34,080 (2.69%) respectively, while City Events are budgeted at \$15,000 (1.18%).

## FY26 Expenditures by Expense Type



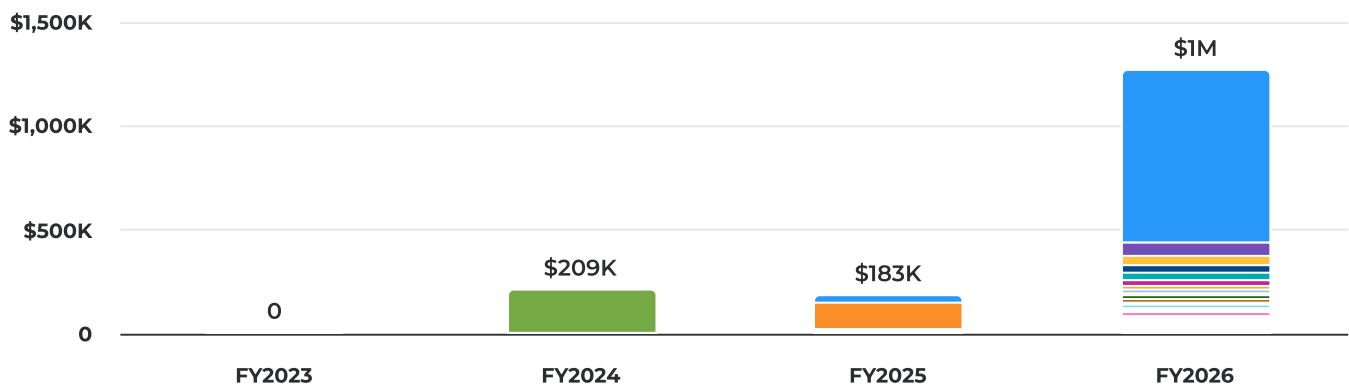
For the Fire fiscal year expenditures by expense type, Personnel Services account for \$974,084, representing 76.8% of the total. Operating Expenses follow with \$187,829, or 14.81%. Repair & Maint. expenses total \$38,500, making up 3.04%. Miscellaneous costs are \$34,080, which is 2.69%. Capital Expenses amount to \$18,900, or 1.49%, and City Events expenses are \$15,000, comprising 1.18% of the total expenditures.

### Expenditures by Expense Type

| Category                  | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted      | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|---------------------------|-----------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------|
| Personnel Services        | \$51,300.00                                                           | \$974,084.22          | 1,798.80%                                                                                                   |
| Operating Expenses        | \$129,200.00                                                          | \$187,828.89          | 45.38%                                                                                                      |
| Repair & Maint.           | -                                                                     | \$38,500.00           | -                                                                                                           |
| Capital Expenses          | \$2,900.00                                                            | \$18,900.00           | 551.72%                                                                                                     |
| City Events               | -                                                                     | \$15,000.00           | -                                                                                                           |
| Miscellaneous             | -                                                                     | \$34,080.00           | -                                                                                                           |
| <b>Total Expenditures</b> | <b>\$183,400.00</b>                                                   | <b>\$1,268,393.11</b> | <b>591.60%</b>                                                                                              |

### Expenditures by Account

#### Historical Expenditures by Account



- Salaries
- Travel & Training
- Miscellaneous
- Repairs & Maint - Equipment
- Repairs & Maint - Other
- Supplies
- Utilities-Electric
- Computers - Software/Licenses
- Repairs & Maint - Vehicle
- Freshbennies
- Debt Retirement
- Office Supplies
- LT Disability
- ST Disability
- Group Life
- Capital Outlay-Fixtures/Equip
- FICA Matching
- TMRS Matching Expense
- Uniforms
- Computers - Support
- Insurance-Auto
- Insurance-Workers Comp
- Meals
- Insurance-Property
- Utilities-Telephone
- Utilities-Natural Gas
- Dental
- Pest Control
- Vision
- Engnr/Consulting Fees
- Insurance - Health
- Capital Outlay
- Community Projects
- Insurance - Other
- Medicare Matching
- Vehicle - Fuel
- Texas Workforce Commission
- Dues & Subscriptions
- Janitorial Services
- Office Equip/Furniture
- Utilities-Mobile Phones
- Drug Testing
- Flowers/Gifts

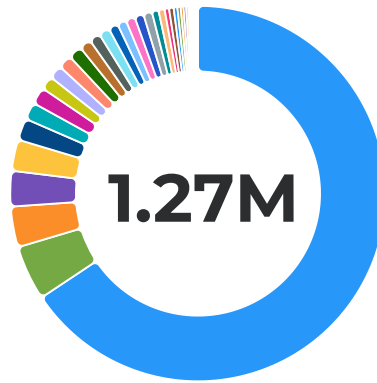
The FY2026 Fire budget shows a total expenditure of \$1.3 million, marking a significant increase of 591.6% from the previous year's \$183,400. The largest expenditure category shifted from Engr/Consulting Fees, which dropped to \$0 from \$125,000, to Salaries, which rose dramatically to \$832,857, representing 65.66% of the total and an increase of \$796,310 or 2,178.86% compared to the prior year.

Travel & Training expenses also saw a substantial rise to \$60,000, accounting for 4.73% of the total budget and increasing by \$58,800 or 4,900%. FICA Matching increased to \$44,305, making up 3.49% of the budget and growing by \$42,039 or 1,855.27%. Insurance - Health expenses rose to \$38,818, 3.06% of the total, up by \$32,295 or 495.11%. TMRS Matching Expense increased to \$23,974, 1.89% of the budget, with a \$19,402 or 424.35% increase.

Capital Outlay expenditures increased to \$18,900, representing 1.49% of the total and rising by \$16,000 or 551.72%. Repairs & Maintenance for Equipment appeared as a new category at \$18,500 (1.46%), and Computers - Support also emerged at \$15,000 (1.18%). Uniforms increased to \$15,000, 1.18% of the budget, up by \$14,000 or 1,400%. Miscellaneous expenses were recorded at \$34,080, contributing 2.69% to the total.

Overall, the FY2026 budget reflects a major reallocation of funds, with the elimination of Engr/Consulting Fees and significant increases across Salaries and several other categories, driving the total budget to over six times the previous year's amount.

## FY26 Expenditures by Account

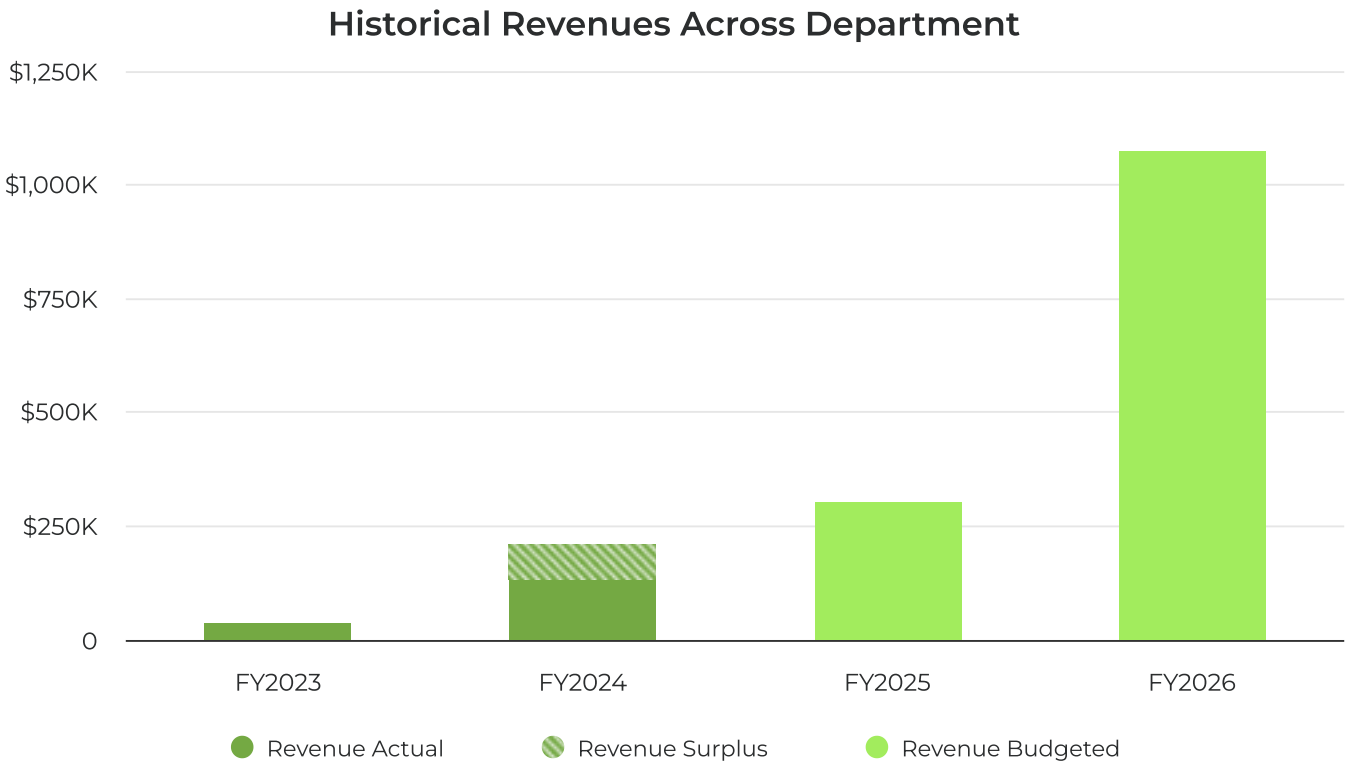


|                               |           |        |
|-------------------------------|-----------|--------|
| Salaries                      | \$832,857 | 65.66% |
| Travel & Training             | \$60,000  | 4.73%  |
| FICA Matching                 | \$44,305  | 3.49%  |
| Insurance - Health            | \$38,818  | 3.06%  |
| Miscellaneous                 | \$34,080  | 2.69%  |
| TMRS Matching Expense         | \$23,974  | 1.89%  |
| Capital Outlay                | \$18,900  | 1.49%  |
| Repairs & Maint - Equipment   | \$18,500  | 1.46%  |
| Community Projects            | \$15,000  | 1.18%  |
| Repairs & Maint - Other       | \$15,000  | 1.18%  |
| Uniforms                      | \$15,000  | 1.18%  |
| Computers - Support           | \$15,000  | 1.18%  |
| Insurance - Other             | \$13,000  | 1.02%  |
| Supplies                      | \$12,000  | 0.95%  |
| Insurance-Auto                | \$12,000  | 0.95%  |
| Medicare Matching             | \$10,362  | 0.82%  |
| Utilities-Electric            | \$10,000  | 0.79%  |
| Insurance-Workers Comp        | \$10,000  | 0.79%  |
| Computers - Software/Licenses | \$10,000  | 0.79%  |
| Vehicle - Fuel                | \$9,500   | 0.75%  |
| Meals                         | \$7,200   | 0.57%  |
| Texas Workforce Commission    | \$6,625   | 0.52%  |
| Repairs & Maint - Vehicle     | \$5,000   | 0.39%  |
| Insurance-Property            | \$5,000   | 0.39%  |
| Dues & Subscriptions          | \$3,900   | 0.31%  |
| Freshbennies                  | \$3,657   | 0.29%  |
| Utilities-Telephone           | \$3,000   | 0.24%  |
| Janitorial Services           | \$3,000   | 0.24%  |
| Debt Retirement               | \$2,629   | 0.21%  |
| Utilities-Natural Gas         | \$2,000   | 0.16%  |
| Office Supplies               | \$1,500   | 0.12%  |
| Dental                        | \$1,387   | 0.11%  |
| Utilities-Mobile Phones       | \$1,000   | 0.08%  |
| Office Equip/Furniture        | \$1,000   | 0.08%  |
| Pest Control                  | \$900     | 0.07%  |
| LT Disability                 | \$803     | 0.06%  |
| Drug Testing                  | \$500     | 0.04%  |
| ST Disability                 | \$396     | 0.03%  |
| Vision                        | \$267     | 0.02%  |

|                 |       |       |
|-----------------|-------|-------|
| ● Flowers/Gifts | \$200 | 0.02% |
| ● Group Life    | \$134 | 0.01% |

The fiscal year expenditures for Fire include Salaries at \$832,857, representing 65.66% of the total. Travel & Training accounts for \$60,000 or 4.73%. FICA Matching is \$44,305, making up 3.49%, while Insurance - Health is \$38,818 or 3.06%. Miscellaneous expenses total \$34,080, which is 2.69%. TMRS Matching Expense is \$23,974, comprising 1.89%. Capital Outlay amounts to \$18,900 or 1.49%, and Repairs & Maint - Equipment is \$18,500, representing 1.46%. Computers - Support and Uniforms each account for \$15,000, both at 1.18%. There are 31 smaller categories not listed here.

Revenue Summary

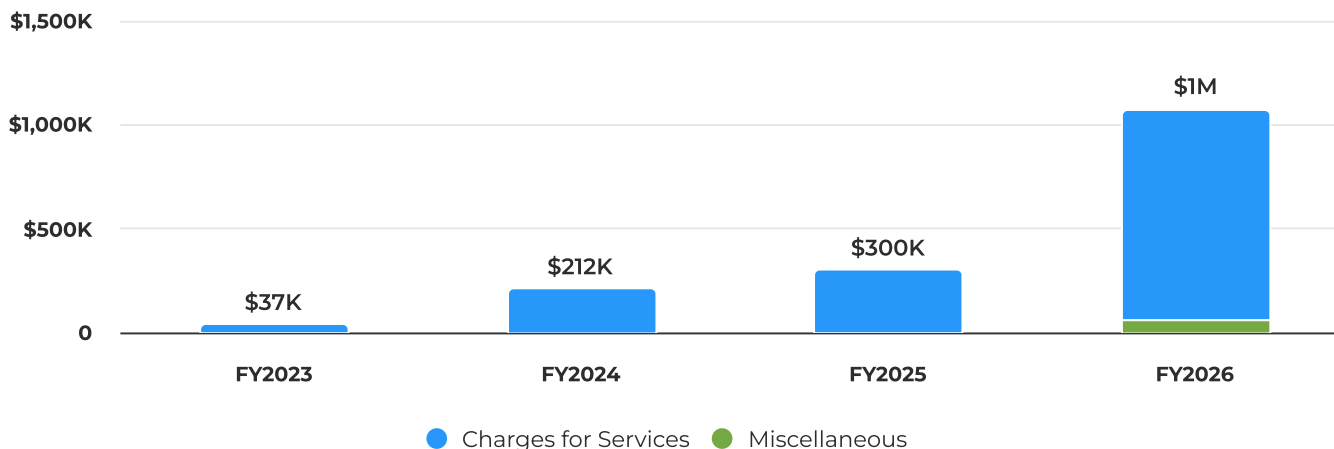


In the target budget year FY2026, the Fire department's revenue budget is set at \$1.1 million, representing a significant increase of 257.8% from the previous year's budgeted amount of \$300,000 in FY2025. This marks a substantial growth in the revenue budget compared to the prior period. Notably, the previous year's actual revenue was \$0, indicating that the FY2026 budgeted revenue reflects a major planned increase in expected revenue for the department.

Revenues by Revenue Source

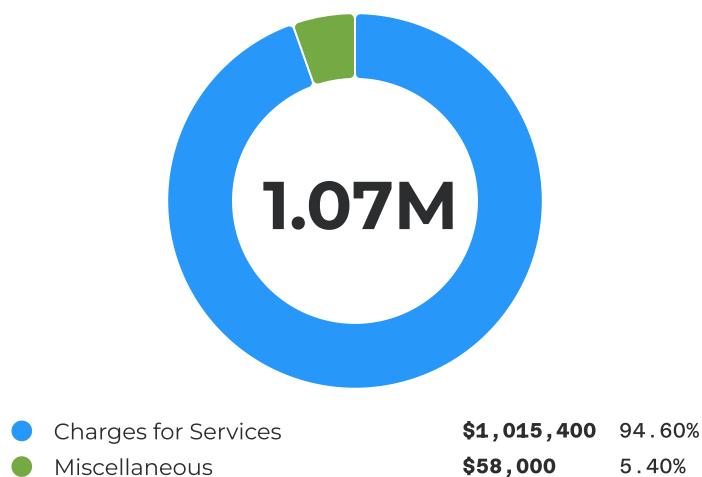
Revenue projections are based on prior Volunteer Department Budget Trend analysis and established contractual commitments.

### Historical Revenues by Revenue Source



In FY2026, the Fire department's total revenue increased significantly to \$1.1 million, representing a 257.8% rise from the previous year's total of \$300,000. The largest revenue source remained Charges for Services, which grew to \$1 million, accounting for 94.6% of the total revenue. This category saw a substantial increase of \$715,400, or 238.47%, compared to the prior year. Additionally, Miscellaneous revenue appeared as a new source, contributing \$58,000 or 5.4% of the total revenue in FY2026. These changes highlight a major growth in Charges for Services and the introduction of Miscellaneous revenue in the Fire department's budget.

### FY26 Revenues by Revenue Source



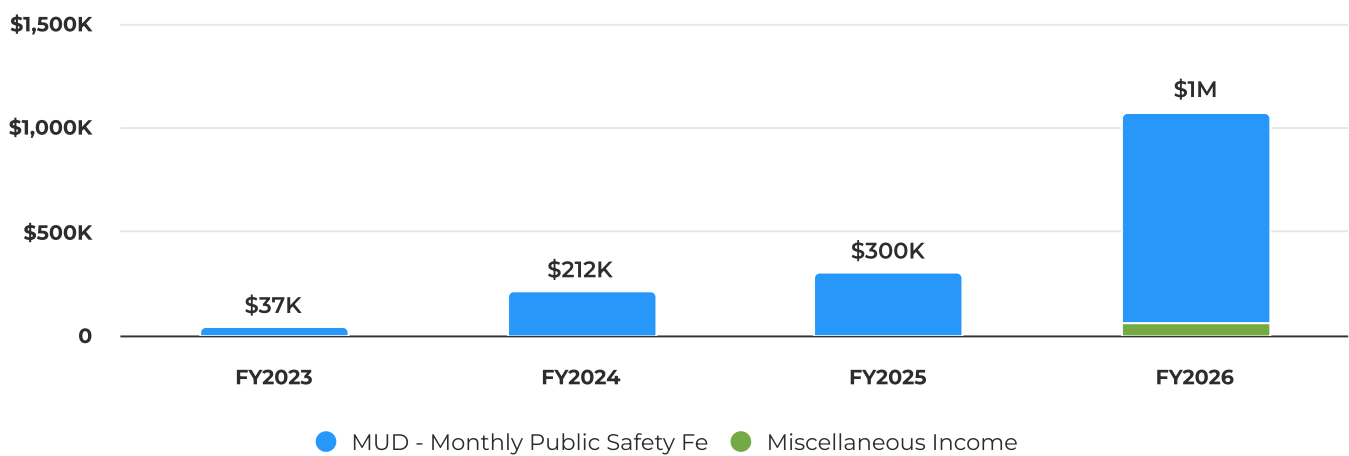
For the Fire department's fiscal year revenue by revenue source, Charges for Services account for \$1 million, representing 94.6% of the total revenue. Miscellaneous revenue contributes \$58,000, making up 5.4% of the total.

## Revenues by Revenue Source

| Category              | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted      | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|-----------------------|-----------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------|
| Charges for Services  | \$300,000.00                                                          | \$1,015,400.00        | 238.47%                                                                                                     |
| Miscellaneous         | -                                                                     | \$58,000.00           | -                                                                                                           |
| <b>Total Revenues</b> | <b>\$300,000.00</b>                                                   | <b>\$1,073,400.00</b> | <b>257.80%</b>                                                                                              |

## Revenues by Account

### Historical Revenues by Account



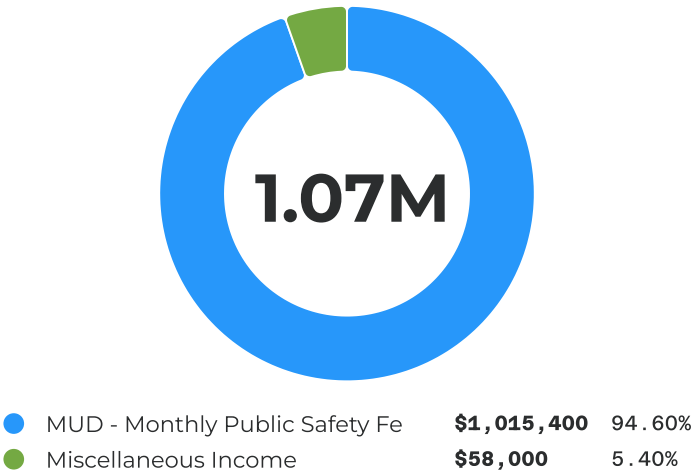
In FY2026, the total revenue for the Fire department increased significantly to \$1.1 million, representing a 257.8% rise from the previous year's total of \$300,000. The largest revenue source remained the MUD - Monthly Public Safety Fee, which grew to \$1 million, accounting for 94.6% of the total revenue. This category saw a substantial increase of \$715,400, or 238.47%, compared to the prior year.

Miscellaneous Income (Collin County Contract) appeared as a new revenue source in FY2026, contributing \$58,000 or 5.4% of the total revenue. This category was not present in the previous year's budget.

Overall, the Fire department's revenue growth was driven primarily by the significant increase in the MUD - Monthly Public Safety Fee, complemented by the introduction of Miscellaneous Income in the target budget year.



FY26 Revenues by Account



For the fiscal year, the Fire department's revenue by account includes \$1 million from MUD - Monthly Public Safety Fe, which constitutes 94.6% of the total revenue. Additionally, Miscellaneous Income contributes \$58,000, making up 5.4% of the revenue.

Revenues by Account

| Category                       | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|--------------------------------|-----------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------|
| MUD - Monthly Public Safety Fe | \$300,000.00                                                          | \$1,015,400.00   | 238.47%                                                                                                     |
| Miscellaneous Income           | -                                                                     | \$58,000.00      | -                                                                                                           |
| Total Revenues                 | \$300,000.00                                                          | \$1,073,400.00   | 257.80%                                                                                                     |

Personnel Summary

The City of Josephine proudly introduces its first Municipal Fire Department, marking a major milestone in public safety. Under the leadership of Fire Chief Florentino, the department will be developed with guidance from Volunteer Fire Chief McCarty and within the parameters of the approved budget.

The initial staffing plan includes hiring four full-time Fire Captains, who will work alongside a dedicated team of volunteer firefighters. This hybrid model ensures effective emergency response while maintaining fiscal responsibility. As Property Tax and Sales Tax revenues grow, the City plans to expand the department by adding additional full-time personnel to meet the community's evolving needs.

Summary of Goals

# Public Works

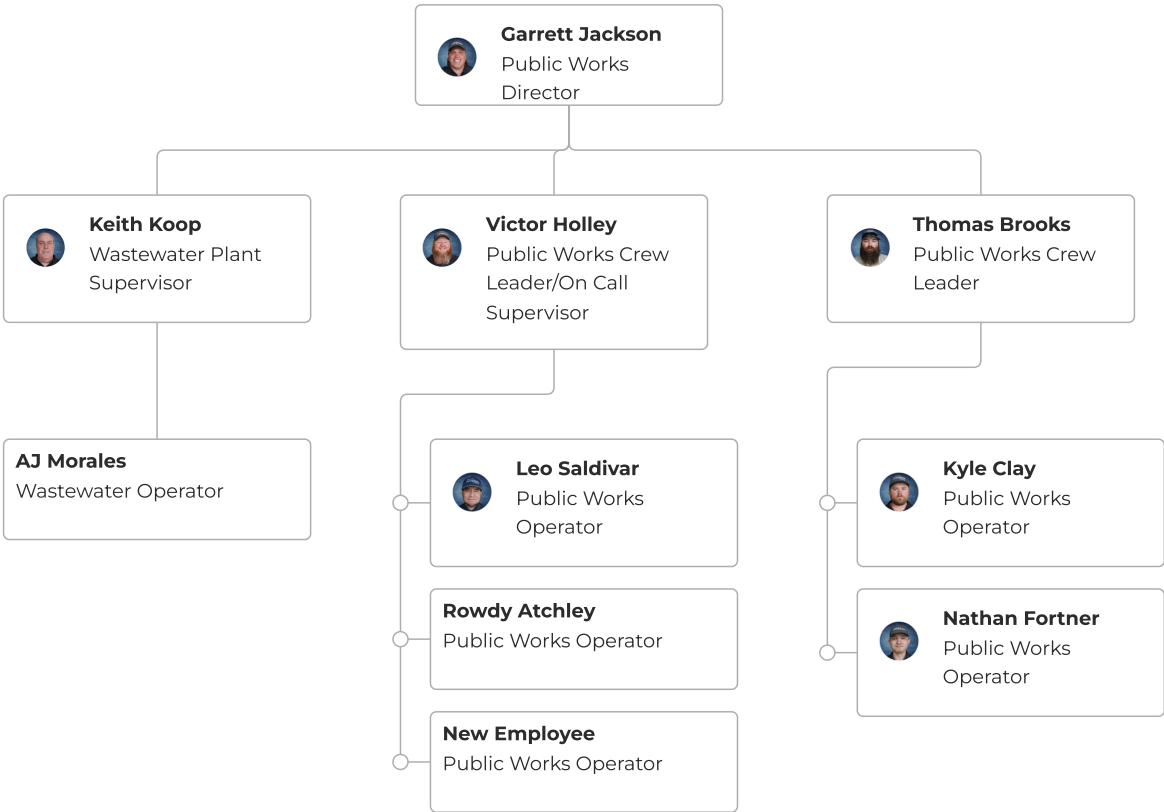
The Public Works Department's budget is entirely composed of expenditures for contracted services, including pest control, animal control, and property insurance. Our Public Works Director oversees a team of Crew Leaders and Operators who are assigned to various departments and funds, including Streets, Parks, Sewer, and Water. No direct personnel costs are allocated to the Public Works Department.

Public Works  
General Fund

WORKLOAD INDICATORS & PERFORMANCE MEASURES

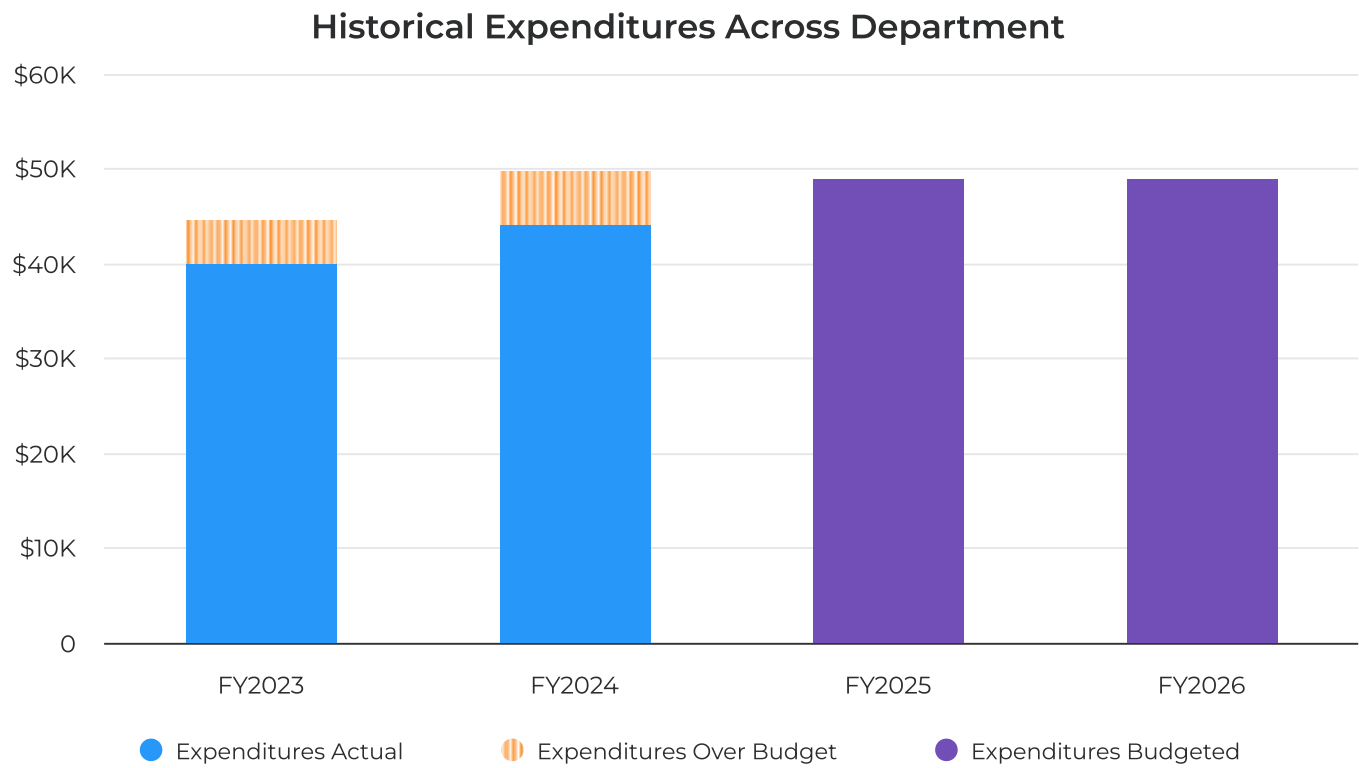
| Performance Measures             | 22-23<br>Actual | 23-24<br>Actual | 24-25<br>Actual | 25-26<br>Budget |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|
| Animal Control Call Volume       | 103             | 95              | 145             | 125             |
| Mosquito Fogging Completion Rate | 100%            | 100%            | 100%            | 100%            |

## Public Works Department



# Expenditure Summary

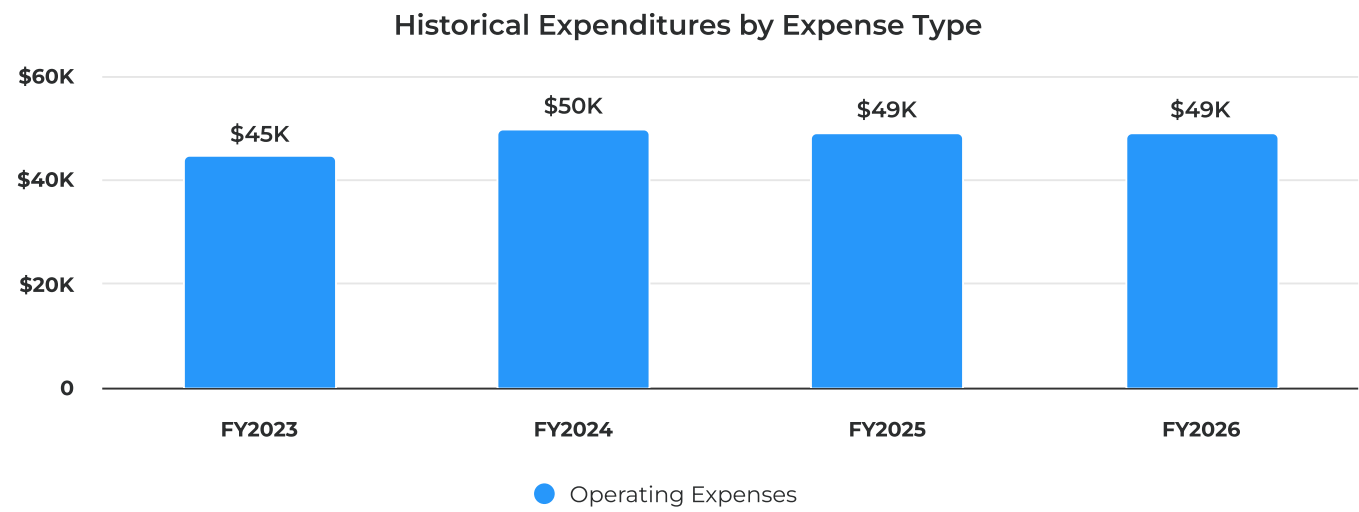
Expenditure estimates are derived from trend analysis and current contractual agreements.



For FY2025, the Public Works budgeted expenditures amount to \$49,000, reflecting an 11.11% increase from the prior period. This marks a notable rise in the overall budget allocation compared to the previous year.

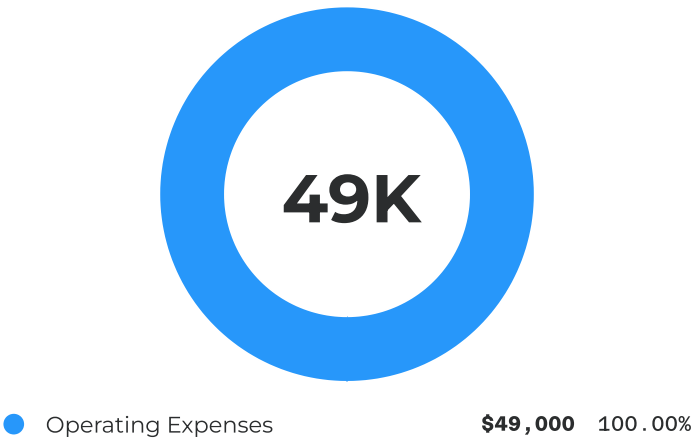
In FY2026, the budgeted expenditures remain steady at \$49,000, showing no change from FY2025. This indicates a stabilization in the budget following the prior year's increase.

# Expenditures by Expense Type



In FY2026, the total expenditures for Public Works remained steady at \$49,000, showing no change from the previous year. Operating Expenses continued to represent the entire budget at 100% of total expenditures, maintaining the same amount of \$49,000 as in FY2025. There were no increases or decreases in any expense categories, with Operating Expenses holding steady at \$49,000, reflecting a 0% change from the prior period.

FY26 Expenditures by Expense Type



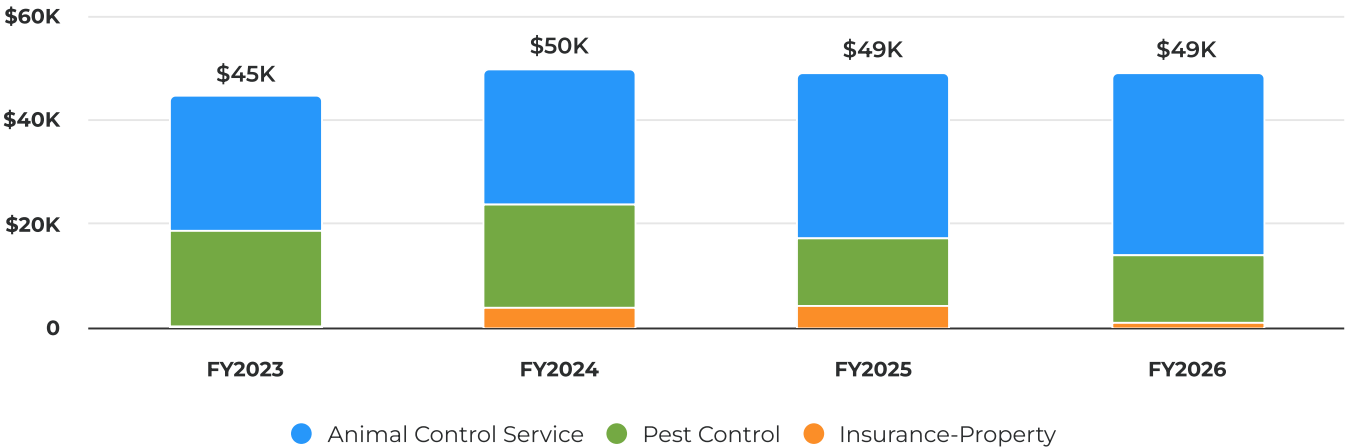
For the fiscal year, the Public Works department's expenditures by expense type consist entirely of Operating Expenses, totaling \$49,000, which represents 100% of the expenditures.

Expenditures by Expense Type

| Category           | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING Copy<br>of FY2025 per Mtg<br>8/5/24 vs. FY 2026<br>Budgeted (% Change) |
|--------------------|-----------------------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------------------|
| Operating Expenses | \$49,000.00                                                           | \$49,000.00      | 0.00%                                                                                                    |
| Total Expenditures | \$49,000.00                                                           | \$49,000.00      | 0.00%                                                                                                    |

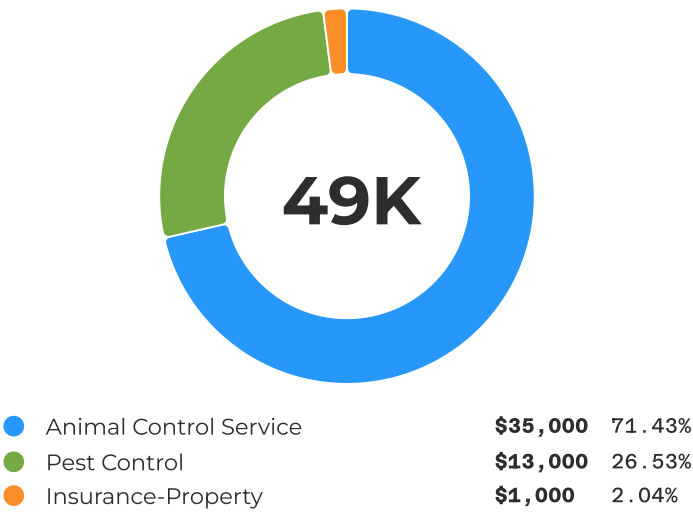
Expenditures by Account

Historical Expenditures by Account



The total budget for Public Works in FY2026 remains steady at \$49,000, showing no change from FY2025. Within this total, Animal Control Service continues to be the largest expenditure, increasing by \$3,000 or 9.38% to \$35,000, which now represents 71.43% of the total budget, up from 65.31% in the previous year. Pest Control maintains its budget at \$13,000, accounting for 26.53% of the total, with no change from FY2025. Insurance-Property experiences a significant decrease, dropping by \$3,000 or 75% to \$1,000, reducing its share of the total budget from 8.16% to 2.04%. These shifts highlight a continued emphasis on Animal Control Service, stable funding for Pest Control, and a marked reduction in Insurance-Property expenditures within the Public Works budget for FY2026.

FY26 Expenditures by Account



For the fiscal year expenditures by account in Public Works, Animal Control Service accounts for \$35,000, representing 71.43% of the total. Pest Control follows with \$13,000, which is 26.53%. Insurance-Property comprises \$1,000, making up 2.04% of the expenditures.

Expenditures by Account

| Category               | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING Copy<br>of FY2025 per Mtg<br>8/5/24 vs. FY 2026<br>Budgeted (% Change) |
|------------------------|-----------------------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------------------|
| Animal Control Service | \$32,000.00                                                           | \$35,000.00      | 9.38%                                                                                                    |
| Pest Control           | \$13,000.00                                                           | \$13,000.00      | 0.00%                                                                                                    |
| Insurance-Property     | \$4,000.00                                                            | \$1,000.00       | -75.00%                                                                                                  |
| Total Expenditures     | \$49,000.00                                                           | \$49,000.00      | 0.00%                                                                                                    |

# Parks

The Parks Department is dedicated to enhancing the quality of life within the community by developing, maintaining, and managing public recreational spaces and facilities. This department plays a pivotal role in providing residents with safe, accessible, and enjoyable outdoor environments. Key aspects of the Parks Department's responsibilities include:

- 1. **Facility Management:** The department oversees the upkeep and operation of city parks, playgrounds, sports fields, and recreational facilities. This includes regular maintenance, repairs, and upgrades to ensure that these spaces are clean, functional, and welcoming.
- 2. **Landscaping and Beautification:** The department is responsible for the landscaping of park areas, including planting and maintaining trees, flowers, and green spaces. These efforts contribute to the aesthetic appeal of public areas and support environmental sustainability.
- 3. **Safety and Compliance:** Ensuring the safety of park users is a top priority. The department conducts regular inspections to identify and address potential hazards, ensures compliance with safety standards, and maintains equipment and facilities to prevent accidents and injuries.
- 4. **Capital Improvement Projects:** The department manages and executes capital improvement projects aimed at enhancing park facilities and expanding recreational opportunities. This includes planning and overseeing new construction, renovations, and upgrades to park infrastructure.
- 5. **Budget Management:** The Parks Department is responsible for managing its budget efficiently, ensuring that funds are allocated effectively for maintenance, program development, and capital projects. This involves careful planning and prioritization to balance operational needs with long-term goals.

| Parks<br>General Fund<br>WORKLOAD INDICATORS & PERFORMANCE MEASURES |                 |                 |
|---------------------------------------------------------------------|-----------------|-----------------|
| Performance Measures                                                | FY 24-25 Actual | FY 25-26 Budget |
| Maintain Community Park                                             | 100%            | 100%            |
| Testing and Maintenance of Park Splash Pad                          | 100%            | 100%            |

## Achievements and Initiatives

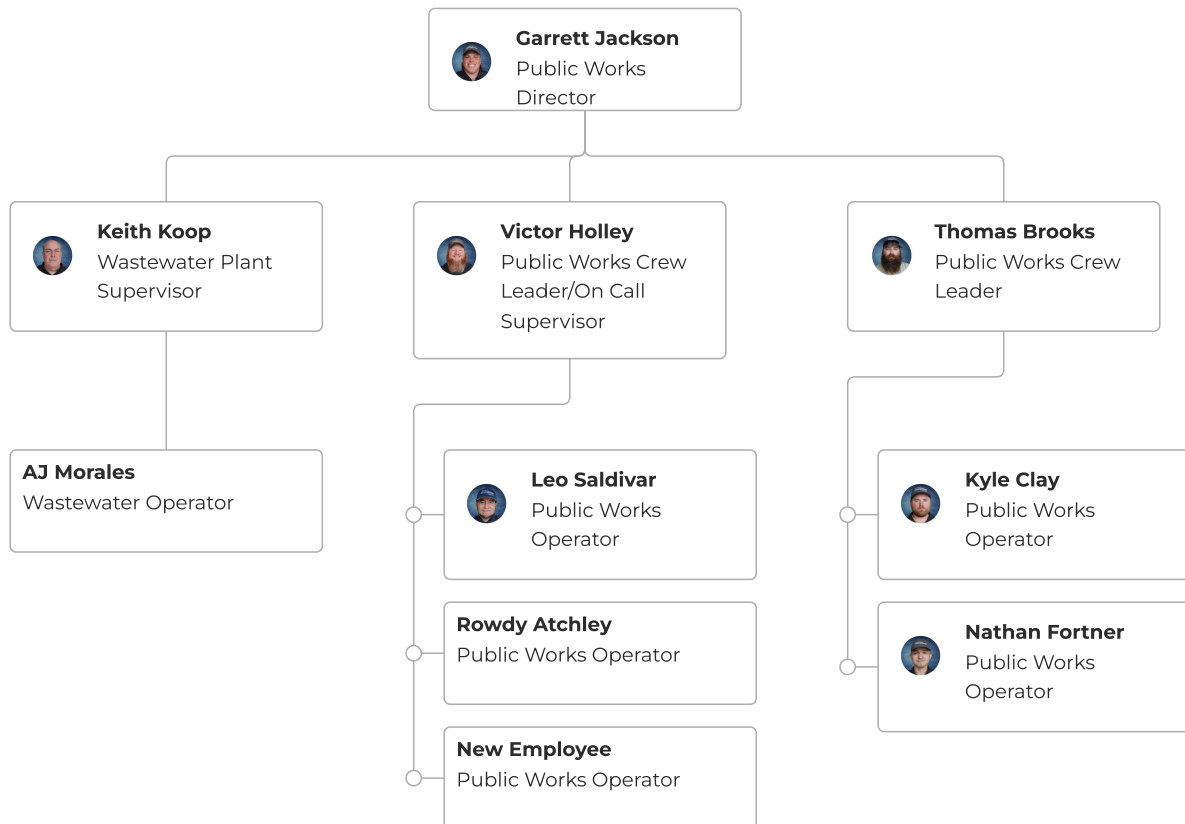


## Organizational Chart & Personnel Summary

The Parks Department plays a vital role in maintaining and enhancing the City's green spaces, trails, and recreational amenities. As Josephine continues to grow, the demand for well-maintained parks and trails has increased significantly.

To meet this need, negotiations with the developer of the Riverfield Development are ongoing to secure funding for two new positions dedicated to maintaining parks and trails within the development, as outlined in the Development Agreement. These positions will strengthen the department's capacity to provide high-quality outdoor spaces for residents while ensuring compliance with development commitments and supporting the City's vision for a vibrant, connected community.

## Public Works Department

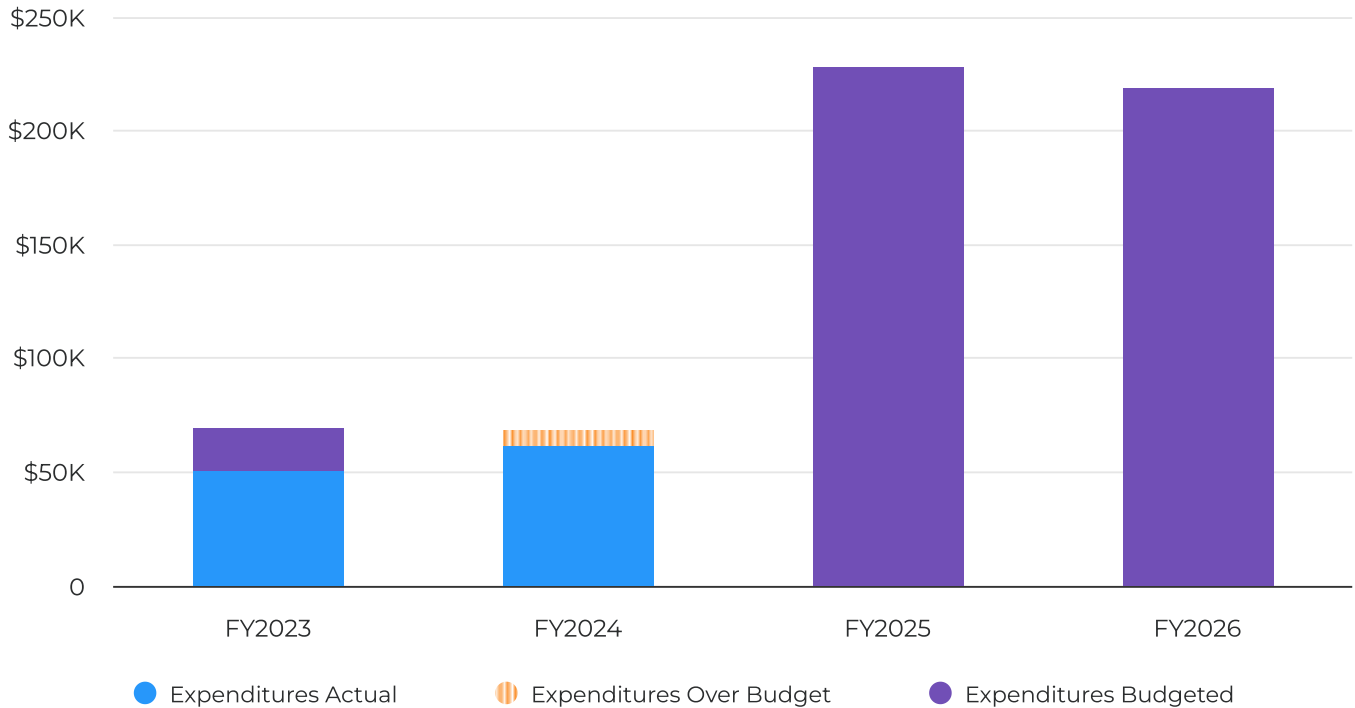


## Expenditure Summary

Expenditure estimates are derived from trend analysis and current contractual agreements.



## Historical Expenditures Across Department

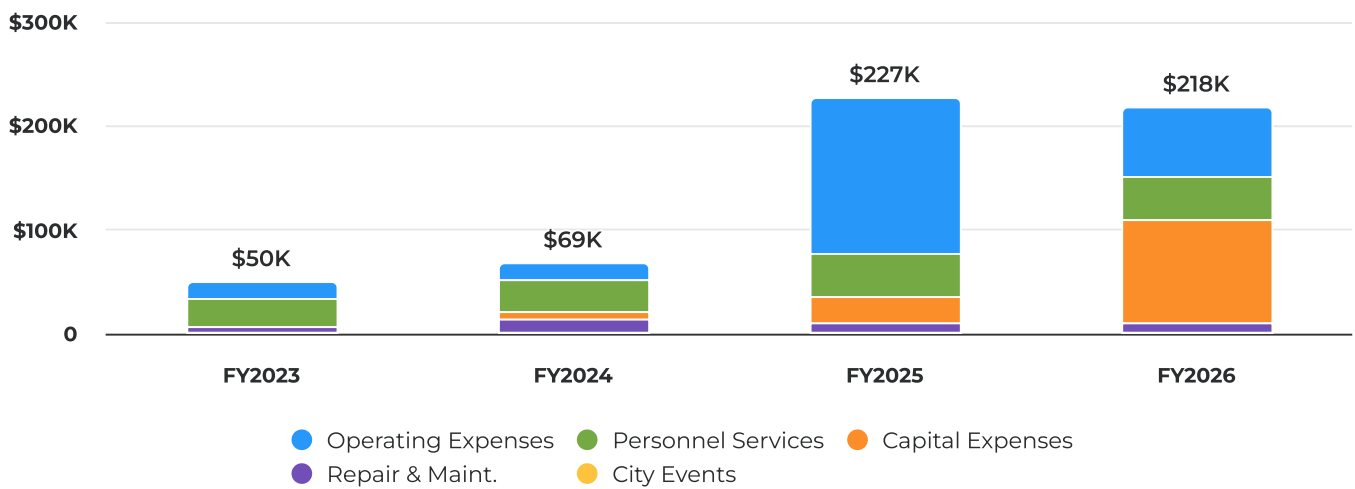


In FY2025, the Parks expenditure budget is set at \$227,355, representing a significant increase of 269.38% from the prior period. This marks a substantial rise in budget allocation compared to previous years.

For FY2026, the Parks expenditure budget decreases slightly to \$218,318, which is a 3.97% reduction from the FY2025 budget. Despite this decrease, the FY2026 budget remains considerably higher than the levels before FY2025.

## Expenditures by Expense Type

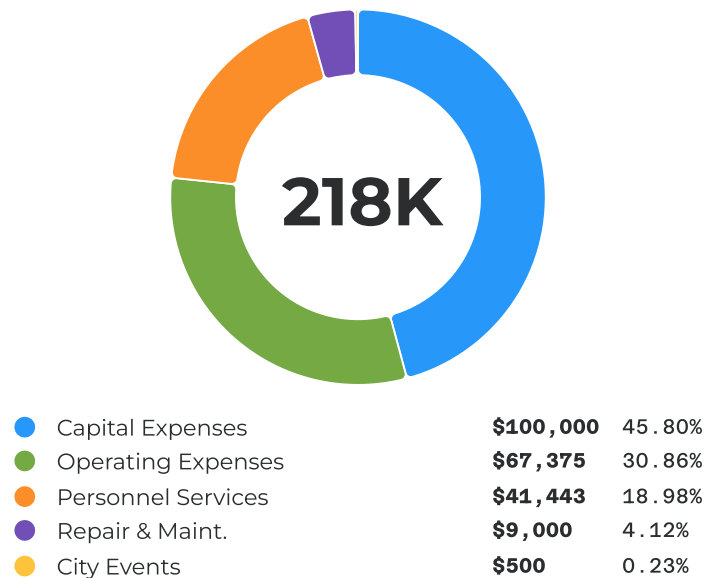
### Historical Expenditures by Expense Type



In FY2026, the total expenditures for Parks decreased by 3.97% to \$218,318 compared to FY2025. Capital Expenses became the largest category, increasing by \$75,000 or 300% to \$100,000, representing 45.8% of the total budget. Operating

Expenses saw a significant decrease of \$83,550 or 55.36%, falling to \$67,375 and accounting for 30.86% of the total. Personnel Services slightly decreased by \$487 or 1.16% to \$41,443, making up 18.98% of the budget. Repair & Maintenance remained steady at \$9,000, representing 4.12% of the total, and City Events also remained unchanged at \$500, which is 0.23% of the budget.

### FY26 Expenditures by Expense Type

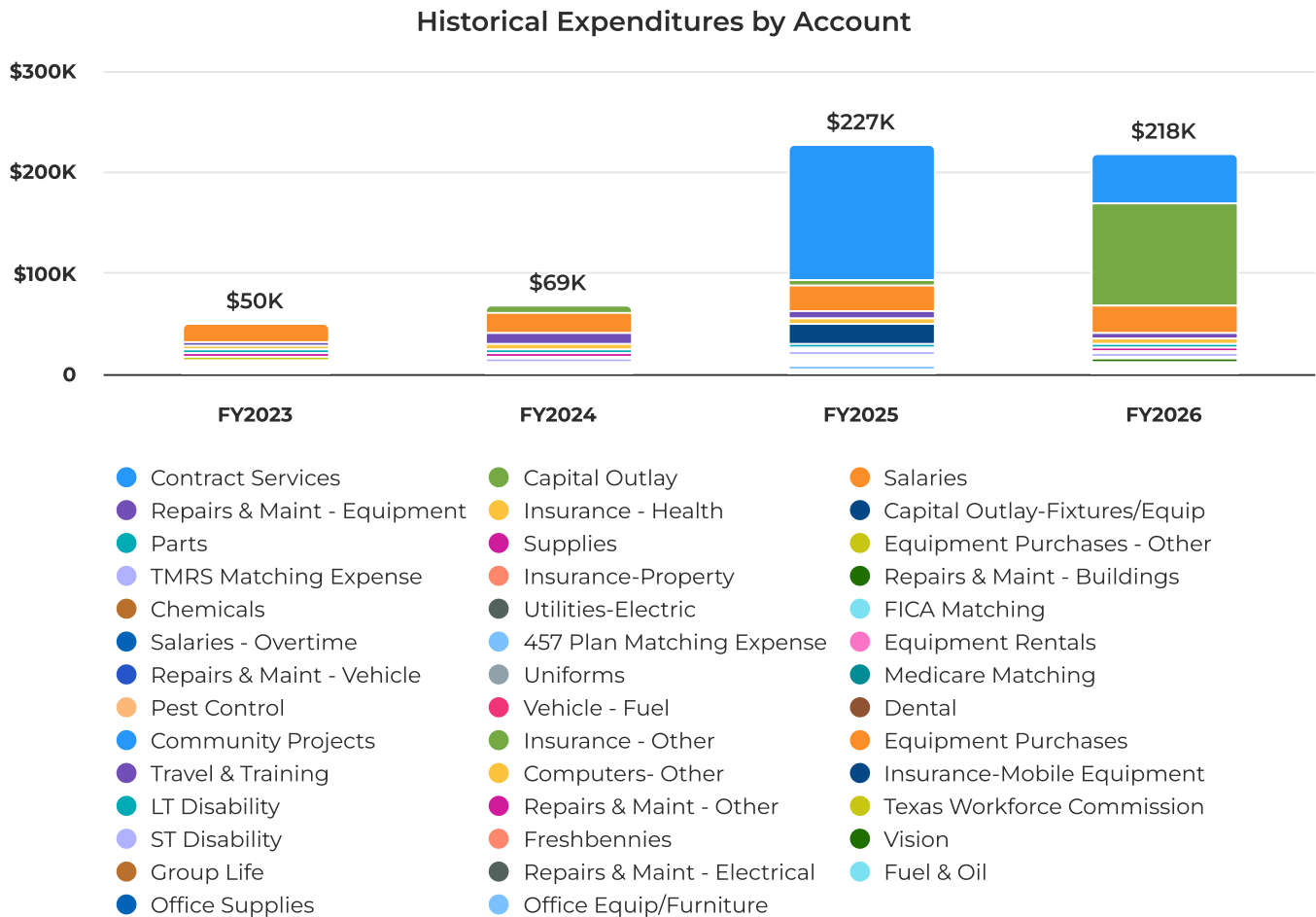


For the Parks fiscal year expenditures by expense type, Capital Expenses account for \$100,000, representing 45.8% of the total. Operating Expenses follow with \$67,375, which is 30.86%. Personnel Services make up \$41,443 or 18.98%. Repair & Maint. expenses are \$9,000, comprising 4.12%, and City Events have the smallest allocation at \$500, or 0.23% of the total expenditures.

### Expenditures by Expense Type

| Category                  | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted    | FY 2025 Option 2<br>FINAL WORKING Copy<br>of FY2025 per Mtg<br>8/5/24 vs. FY 2026<br>Budgeted (% Change) |
|---------------------------|-----------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------|
| Personnel Services        | \$41,929.57                                                           | \$41,442.85         | -1.16%                                                                                                   |
| Operating Expenses        | \$150,925.00                                                          | \$67,375.00         | -55.36%                                                                                                  |
| Repair & Maint.           | \$9,000.00                                                            | \$9,000.00          | 0.00%                                                                                                    |
| Capital Expenses          | \$25,000.00                                                           | \$100,000.00        | 300.00%                                                                                                  |
| City Events               | \$500.00                                                              | \$500.00            | 0.00%                                                                                                    |
| <b>Total Expenditures</b> | <b>\$227,354.57</b>                                                   | <b>\$218,317.85</b> | <b>-3.97%</b>                                                                                            |

## Expenditures by Account



In FY2026, the total expenditures for Parks decreased by 3.97% to \$218,318 compared to FY2025. The most significant change was in the Capital Outlay category, which rose dramatically by \$95,000 or 1,900%, becoming the largest expenditure at \$100,000 and representing 45.8% of the total budget. This contrasts with FY2025, where Capital Outlay was \$5,000 or 2.2% of the total.

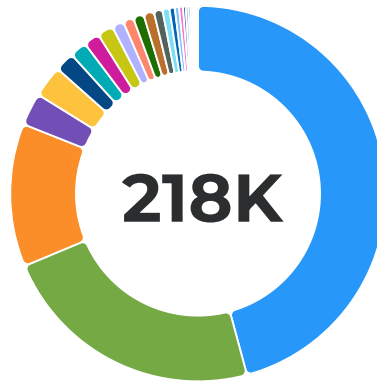
Contract Services, previously the largest category at \$134,000 and 58.94% of the total in FY2025, decreased substantially by \$84,000 or 62.69% to \$50,000, now accounting for 22.9% of the FY2026 budget. Salaries saw a modest increase of \$394 or 1.49%, reaching \$26,894 and making up 12.32% of the total, slightly higher than the 11.66% share in FY2025.

Insurance - Health expenditures increased by \$535 or 9.62% to \$6,101, representing 2.79% of the total budget. Repairs & Maintenance - Equipment remained steady at \$6,000, maintaining a similar share of 2.75%. TMRS Matching Expense rose by \$918 or 33.6% to \$3,651, increasing its portion to 1.67% of the total.

Parts and Supplies held steady at \$3,200 and \$3,000 respectively, each comprising around 1.4% of the budget. Insurance-Property increased by \$500 or 20% to \$3,000, now 1.37% of the total. Chemicals remained unchanged at \$2,200, about 1.01% of the budget.

Notable decreases included the complete elimination of Capital Outlay-Fixtures/Equip, which dropped \$20,000 or 100%, and the 457 Plan Matching Expense, which also fell to zero from \$3,200. Computers-Other expenses were removed entirely, decreasing by \$500 or 100%. Insurance - Other was halved, decreasing by \$200 or 50% to \$200.

## FY26 Expenditures by Account



|                             |           |        |
|-----------------------------|-----------|--------|
| Capital Outlay              | \$100,000 | 45.80% |
| Contract Services           | \$50,000  | 22.90% |
| Salaries                    | \$26,894  | 12.32% |
| Insurance - Health          | \$6,101   | 2.79%  |
| Repairs & Maint - Equipment | \$6,000   | 2.75%  |
| TMRS Matching Expense       | \$3,651   | 1.67%  |
| Parts                       | \$3,200   | 1.47%  |
| Supplies                    | \$3,000   | 1.37%  |
| Insurance-Property          | \$3,000   | 1.37%  |
| Chemicals                   | \$2,200   | 1.01%  |
| Utilities-Electric          | \$2,000   | 0.92%  |
| Repairs & Maint - Buildings | \$2,000   | 0.92%  |
| Equipment Purchases - Other | \$2,000   | 0.92%  |
| FICA Matching               | \$1,638   | 0.75%  |
| Salaries - Overtime         | \$1,300   | 0.60%  |
| Repairs & Maint - Vehicle   | \$1,000   | 0.46%  |
| Dental                      | \$804     | 0.37%  |
| Equipment Rentals           | \$750     | 0.34%  |
| Community Projects          | \$500     | 0.23%  |
| Uniforms                    | \$500     | 0.23%  |
| Pest Control                | \$400     | 0.18%  |
| Medicare Matching           | \$383     | 0.18%  |
| Travel & Training           | \$250     | 0.11%  |
| Insurance - Other           | \$200     | 0.09%  |
| Texas Workforce Commission  | \$125     | 0.06%  |
| LT Disability               | \$122     | 0.06%  |
| Insurance-Mobile Equipment  | \$75      | 0.03%  |
| Freshbennies                | \$75      | 0.03%  |
| ST Disability               | \$60      | 0.03%  |
| Vision                      | \$45      | 0.02%  |
| Group Life                  | \$45      | 0.02%  |

For the Parks fiscal year expenditures by account, Capital Outlay represents the largest portion at \$100,000, accounting for 45.8% of the total. Contract Services follows with \$50,000, making up 22.9%. Salaries amount to \$26,894, which is 12.32% of the expenditures. Insurance - Health is \$6,101 or 2.79%, and Repairs & Maintenance - Equipment is \$6,000, representing 2.75%. TMRS Matching Expense totals \$3,651 at 1.67%, while Parts account for \$3,200 or 1.47%. Insurance - Property and Supplies each contribute \$3,000, both at 1.37%. Chemicals make up \$2,200, which is 1.01% of the expenditures. There are an additional 21 smaller categories not listed here.

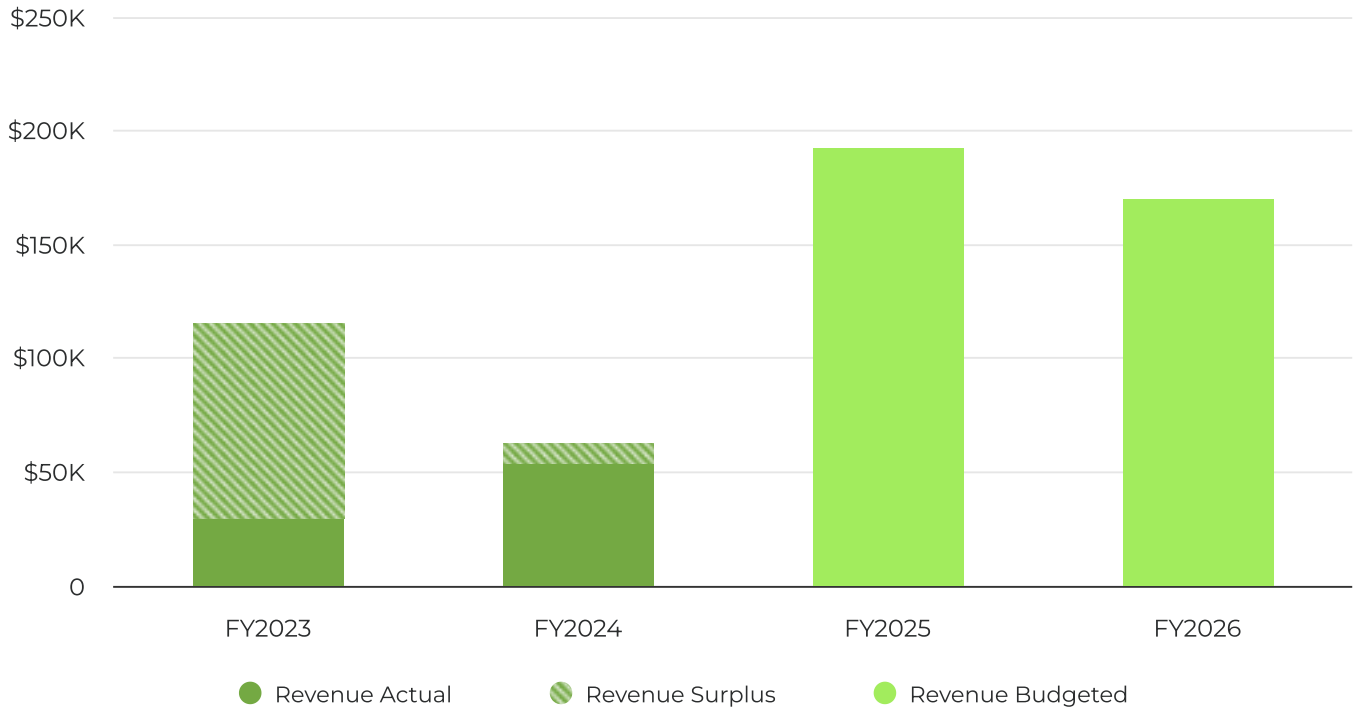
## Expenditures by Account

| Category                      | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted    | FY 2025 Option 2<br>FINAL WORKING Copy<br>of FY2025 per Mtg<br>8/5/24 vs. FY 2026<br>Budgeted (% Change) |
|-------------------------------|-----------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------|
| Salaries                      | \$26,500.00                                                           | \$26,894.22         | 1.49%                                                                                                    |
| Salaries - Overtime           | \$1,300.00                                                            | \$1,300.00          | 0.00%                                                                                                    |
| FICA Matching                 | \$1,354.50                                                            | \$1,637.77          | 20.91%                                                                                                   |
| Medicare Matching             | \$316.78                                                              | \$383.03            | 20.91%                                                                                                   |
| Texas Workforce Commission    | \$100.00                                                              | \$125.00            | 25.00%                                                                                                   |
| Insurance - Health            | \$5,566.09                                                            | \$6,101.50          | 9.62%                                                                                                    |
| Insurance - Other             | \$400.00                                                              | \$200.00            | -50.00%                                                                                                  |
| Dental                        | \$200.38                                                              | \$804.34            | 301.40%                                                                                                  |
| Vision                        | \$38.46                                                               | \$45.03             | 17.08%                                                                                                   |
| LT Disability                 | \$79.79                                                               | \$121.51            | 52.28%                                                                                                   |
| ST Disability                 | \$49.59                                                               | \$59.96             | 20.91%                                                                                                   |
| Group Life                    | \$35.76                                                               | \$44.70             | 25.00%                                                                                                   |
| Freshbennies                  | \$55.20                                                               | \$74.52             | 35.00%                                                                                                   |
| TMRS Matching Expense         | \$2,733.02                                                            | \$3,651.27          | 33.60%                                                                                                   |
| 457 Plan Matching Expense     | \$3,200.00                                                            | -                   | -100.00%                                                                                                 |
| Computers- Other              | \$500.00                                                              | -                   | -100.00%                                                                                                 |
| Travel & Training             | \$250.00                                                              | \$250.00            | 0.00%                                                                                                    |
| Uniforms                      | \$250.00                                                              | \$500.00            | 100.00%                                                                                                  |
| Contract Services             | \$134,000.00                                                          | \$50,000.00         | -62.69%                                                                                                  |
| Pest Control                  | \$400.00                                                              | \$400.00            | 0.00%                                                                                                    |
| Insurance-Mobile Equipment    | \$75.00                                                               | \$75.00             | 0.00%                                                                                                    |
| Insurance-Property            | \$2,500.00                                                            | \$3,000.00          | 20.00%                                                                                                   |
| Equipment Purchases - Other   | \$2,000.00                                                            | \$2,000.00          | 0.00%                                                                                                    |
| Equipment Rentals             | \$750.00                                                              | \$750.00            | 0.00%                                                                                                    |
| Parts                         | \$3,200.00                                                            | \$3,200.00          | 0.00%                                                                                                    |
| Supplies                      | \$3,000.00                                                            | \$3,000.00          | 0.00%                                                                                                    |
| Chemicals                     | \$2,200.00                                                            | \$2,200.00          | 0.00%                                                                                                    |
| Repairs & Maint - Buildings   | \$2,000.00                                                            | \$2,000.00          | 0.00%                                                                                                    |
| Repairs & Maint - Equipment   | \$6,000.00                                                            | \$6,000.00          | 0.00%                                                                                                    |
| Repairs & Maint - Vehicle     | \$1,000.00                                                            | \$1,000.00          | 0.00%                                                                                                    |
| Utilities-Electric            | \$1,800.00                                                            | \$2,000.00          | 11.11%                                                                                                   |
| Capital Outlay                | \$5,000.00                                                            | \$100,000.00        | 1,900.00%                                                                                                |
| Capital Outlay-Fixtures/Equip | \$20,000.00                                                           | -                   | -100.00%                                                                                                 |
| Community Projects            | \$500.00                                                              | \$500.00            | 0.00%                                                                                                    |
| <b>Total Expenditures</b>     | <b>\$227,354.57</b>                                                   | <b>\$218,317.85</b> | <b>-3.97%</b>                                                                                            |

## Revenue Summary

Revenue projections are based on historical trend analysis and established contractual commitments.

### Historical Revenues Across Department

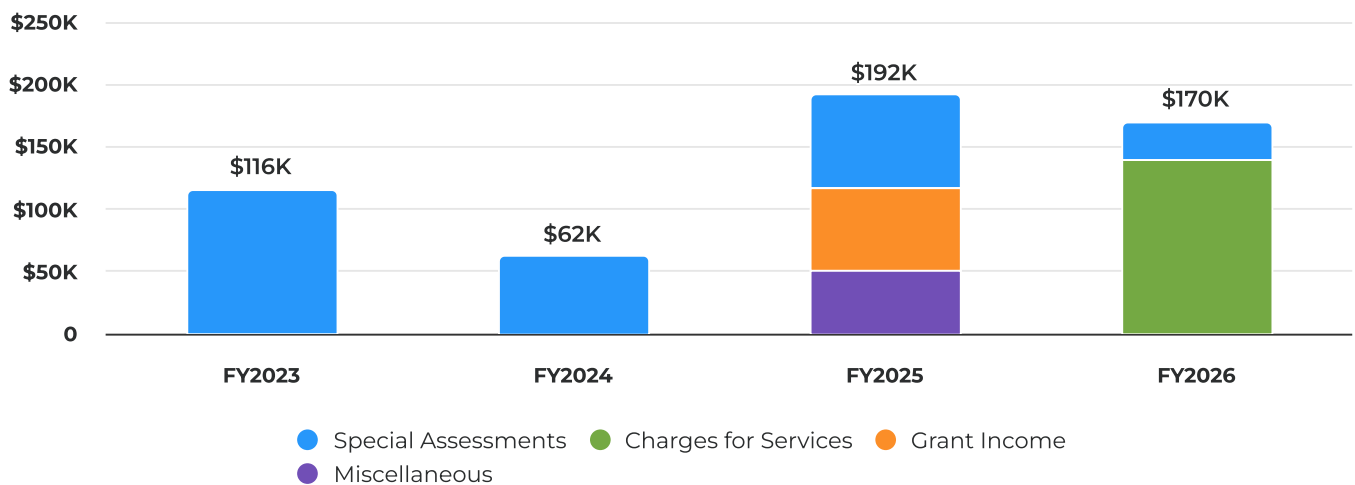


In FY2025, the Parks revenue budget is set at \$192,000, representing a significant increase of 255.56% from the prior period. This marks a substantial growth in budgeted revenue compared to the previous year.

For FY2026, the revenue budget decreases to \$170,000, which is an 11.46% reduction from the FY2025 budget. Despite this decrease, the FY2026 budget remains considerably higher than the period before FY2025.

### Revenues by Revenue Source

#### Historical Revenues by Revenue Source



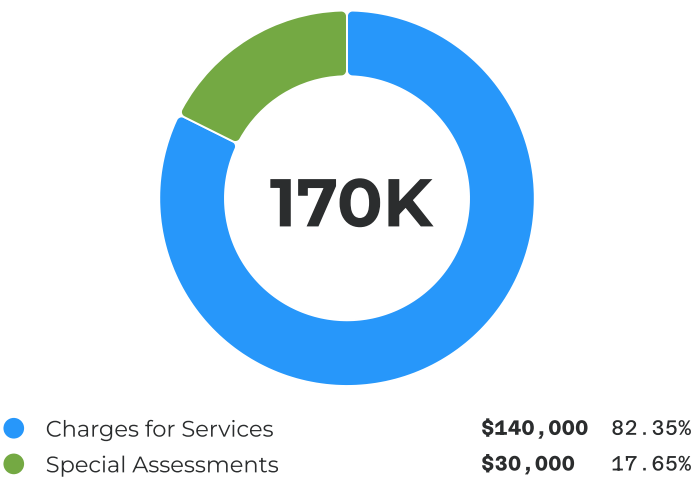
In FY2026, the total revenue for Parks is \$170,000, representing an 11.46% decrease from the FY2025 total of \$192,000. The largest revenue source in FY2026 is Charges for Services, which increased significantly to \$140,000, accounting for 82.35%

of the total revenue. This is a new revenue source compared to FY2025, where Charges for Services contributed \$0.

Special Assessments decreased by \$45,000, or 60%, falling to \$30,000 and making up 17.65% of the FY2026 total, down from \$75,000 and 39.06% in FY2025. Grant Income and Miscellaneous revenues both dropped to \$0 in FY2026, representing 100% decreases from their FY2025 values of \$67,000 (34.9% of total) and \$50,000 (26.04% of total), respectively.

Overall, the FY2026 revenue composition shifted markedly, with Charges for Services becoming the dominant source, while Special Assessments, Grant Income, and Miscellaneous revenues all declined substantially compared to FY2025.

FY26 Revenues by Revenue Source

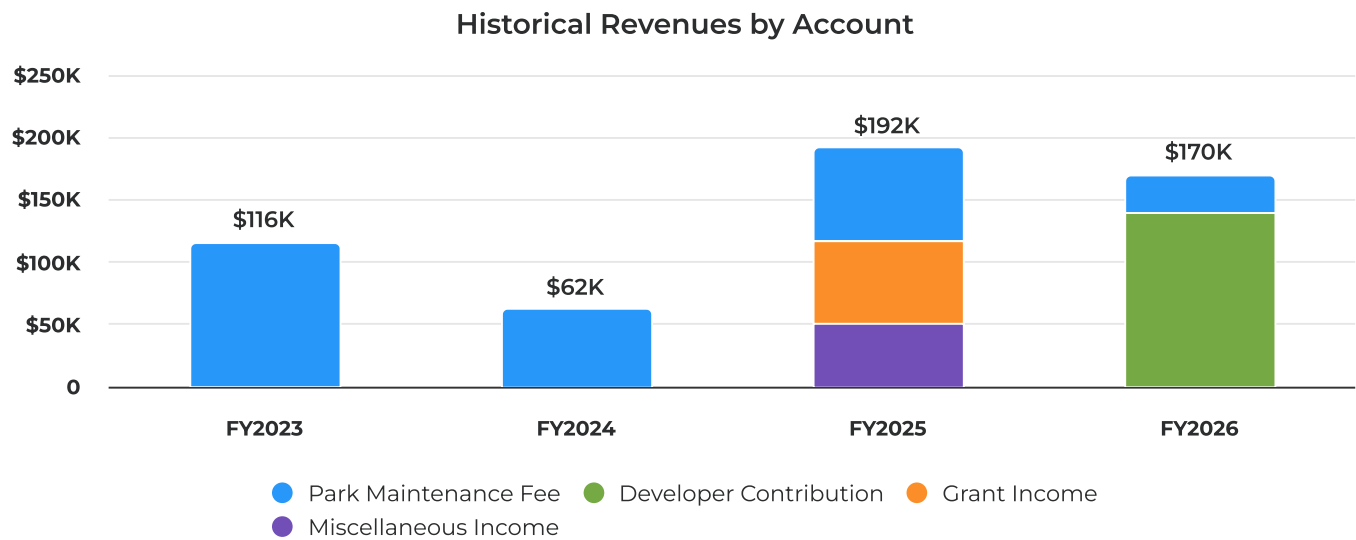


For the Parks fiscal year revenue by revenue source, Charges for Services account for \$140,000, representing 82.35% of the total revenue. Special Assessments contribute \$30,000, making up 17.65% of the revenue.

Revenues by Revenue Source

| Category             | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING Copy<br>of FY2025 per Mtg<br>8/5/24 vs. FY 2026<br>Budgeted (% Change) |
|----------------------|-----------------------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------------------|
| Charges for Services | -                                                                     | \$140,000.00     | -                                                                                                        |
| Special Assessments  | \$75,000.00                                                           | \$30,000.00      | -60.00%                                                                                                  |
| Grant Income         | \$67,000.00                                                           | -                | -100.00%                                                                                                 |
| Miscellaneous        | \$50,000.00                                                           | -                | -100.00%                                                                                                 |
| Total Revenues       | \$192,000.00                                                          | \$170,000.00     | -11.46%                                                                                                  |

## Revenues by Account

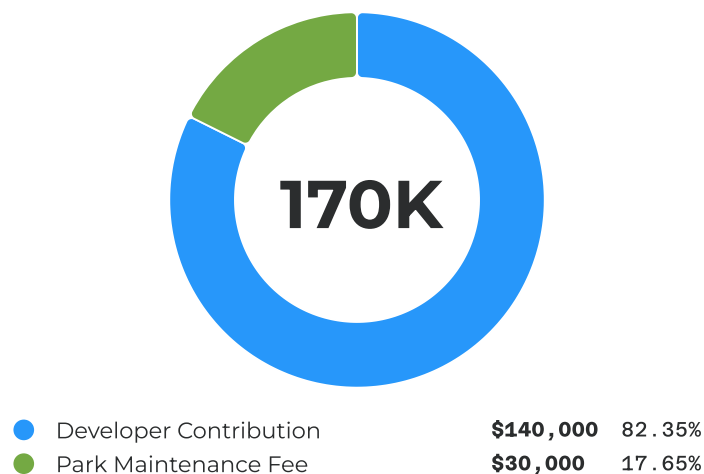


The total revenue for Parks in FY2026 is \$170,000, representing an 11.46% decrease from the FY2025 total of \$192,000. The largest revenue source in FY2026 is Developer Contribution, which accounts for 82.35% of the total at \$140,000, marking a significant increase from \$0 in FY2025.

Park Maintenance Fee revenue decreased by 60%, falling from \$75,000 in FY2025 to \$30,000 in FY2026, and now represents 17.65% of the total revenue. Grant Income and Miscellaneous Income, which together made up 60.94% of the FY2025 revenue at \$67,000 and \$50,000 respectively, are both absent in FY2026, each showing a 100% decrease to \$0.

Overall, the FY2026 budget reflects a major shift in revenue sources, with Developer Contribution becoming the dominant category, while Grant Income, Miscellaneous Income, and Park Maintenance Fee revenues have all declined substantially compared to FY2025.

### FY26 Revenues by Account



The Parks fiscal year revenue by account consists of Developer Contribution, which amounts to \$140,000 and represents 82.35% of the total revenue, and Park Maintenance Fee, totaling \$30,000 and accounting for 17.65% of the revenue.



**Revenues by Account**

| Category               | FY 2025 Option 2                                  | FY 2026 Budgeted    | FY 2025 Option 2                                                                     |
|------------------------|---------------------------------------------------|---------------------|--------------------------------------------------------------------------------------|
|                        | FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 |                     | FINAL WORKING Copy<br>of FY2025 per Mtg<br>8/5/24 vs. FY 2026<br>Budgeted (% Change) |
| Park Maintenance Fee   | \$75,000.00                                       | \$30,000.00         | -60.00%                                                                              |
| Grant Income           | \$67,000.00                                       | -                   | -100.00%                                                                             |
| Miscellaneous Income   | \$50,000.00                                       | -                   | -100.00%                                                                             |
| Developer Contribution | -                                                 | \$140,000.00        | -                                                                                    |
| <b>Total Revenues</b>  | <b>\$192,000.00</b>                               | <b>\$170,000.00</b> | <b>-11.46%</b>                                                                       |

# Streets

The Streets Department is responsible for maintaining and improving the infrastructure related to roadways and public thoroughfares within the municipality. This department plays a crucial role in ensuring the safety, functionality, and aesthetic quality of the city's street network. Key functions and responsibilities of the Streets Department include Road Maintenance, Street Construction, Sidewalk and Curb Maintenance, Stormwater Management, and Coordination and Planning.

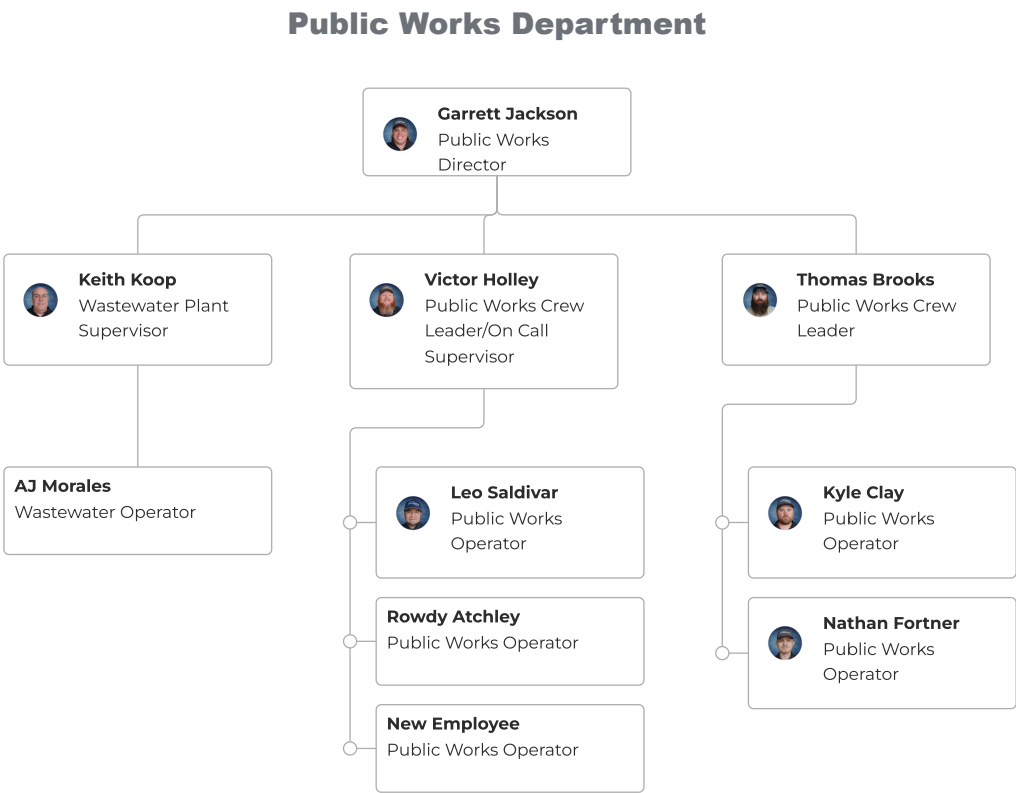
Overall, the Streets Department is essential for maintaining the integrity and functionality of the city's road infrastructure, supporting both daily transportation needs and long-term urban development goals.

Streets  
General Fund

| WORKLOAD INDICATORS & PERFORMANCE MEASURES           |                     |                     |                     |                     |
|------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Performance Measures                                 | 2022-2023<br>Actual | 2023-2024<br>Actual | 2024-2025<br>Actual | 2025-2026<br>Budget |
| Number of street overlay projects completed annually | 10                  | 16                  | 10                  | 10                  |

# Organizational Chart

A portion of the Public Works Personnel Expenses are allocated to the Streets Department based on a formula for the amount of time they support Street Projects.



# Achievements and Initiatives



The following is a summary of the city's progress and future plans regarding street infrastructure improvements:

## Recent Accomplishments in Street Infrastructure

### 1. Street Sign Installation

- Installed new street signs to improve navigation and road safety, ensuring all signage meets current visibility and regulatory standards.

### 2. Culvert Maintenance and Cleaning Program

- Culverts replaced and drainage improved on Jordan Street, Clark Street, Yeatts Drive, Maple Lane, Byron, Swanson Street, Caddo Street, Thelma Street, and CR 640.

### 3. Asphalt Patching

- Executed various large asphalt patches throughout the city to repair and maintain road surfaces, addressing wear and tear from traffic and weather conditions.

## Future Initiatives and Goals

### 1. Continued Enhancing Road Repair Efficiency

- Focus on improving the efficiency and speed of road repairs, reducing disruption to traffic and improving overall road conditions for the community.

### 2. Culvert Maintenance and Cleaning Program

- Continued comprehensive culvert maintenance and cleaning program to prevent flooding, improve water drainage, and extend the lifespan of roadways. Caddo Street, East Street, Swanson Street, and throughout the City.

### 3. Improving Overall Street Maintenance

- Continue to enhance the overall maintenance of streets, signage, and ditches, aiming to improve the standard of infrastructure and service provided to the community

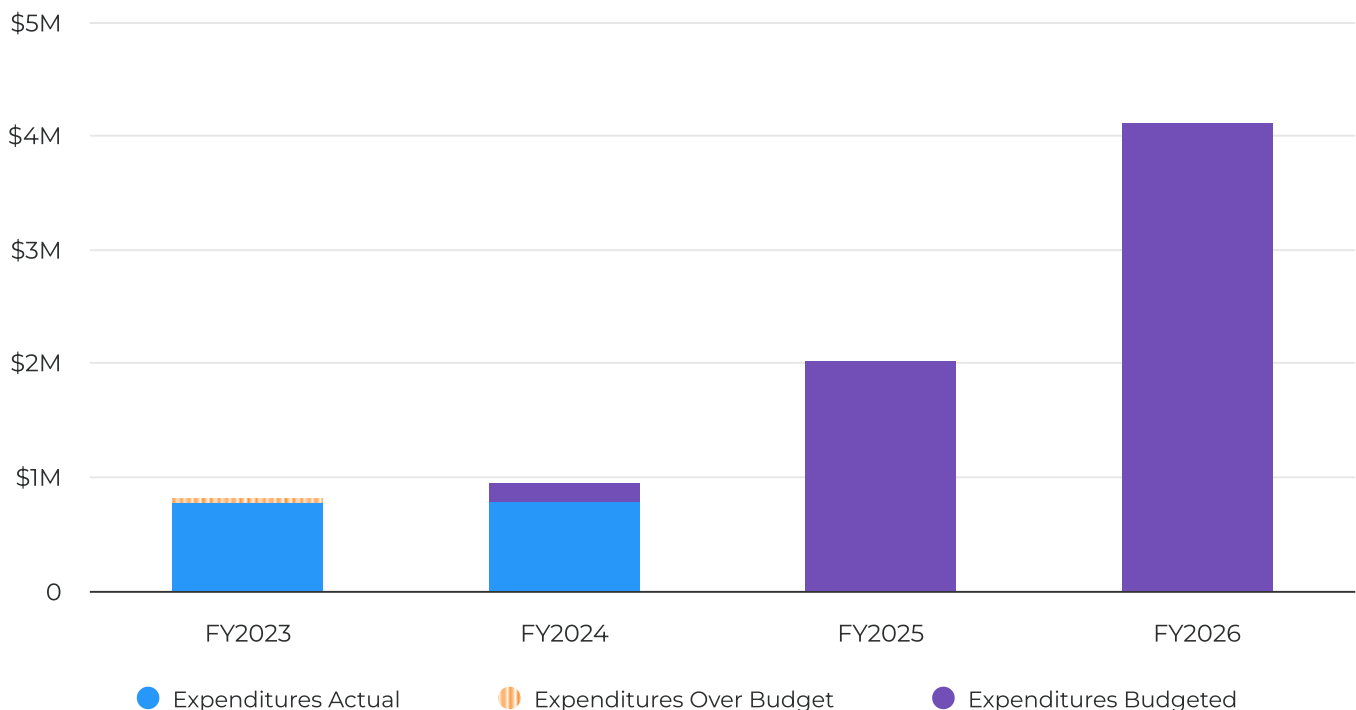
### 4. Greenville Ave Reconstruction Interlocal Agreement

- Construction to commence along Greenville Street as an Interlocal Agreement between the County, Community ISD, and the City of Josephine.

## Expenditure Summary

Expenditure estimates are derived from trend analysis and current contractual agreements.

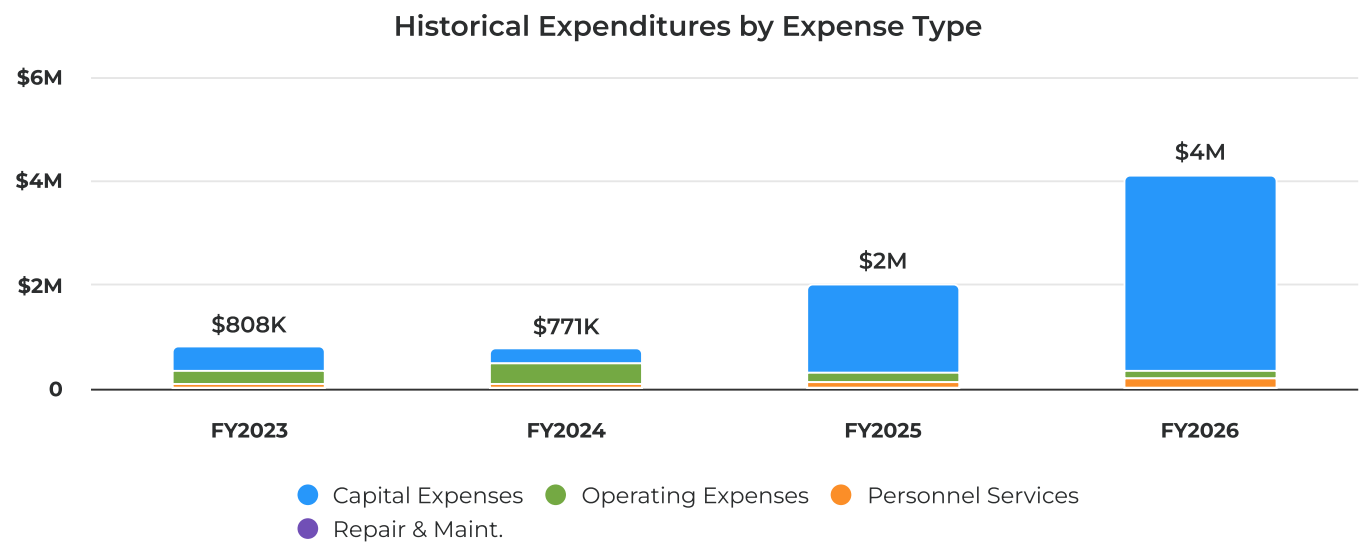
### Historical Expenditures Across Department



In FY2025, the Streets expenditure budget is set at \$2 million, representing a significant increase of 115.17% compared to the prior period. This marks a substantial rise in budget allocation for this category.

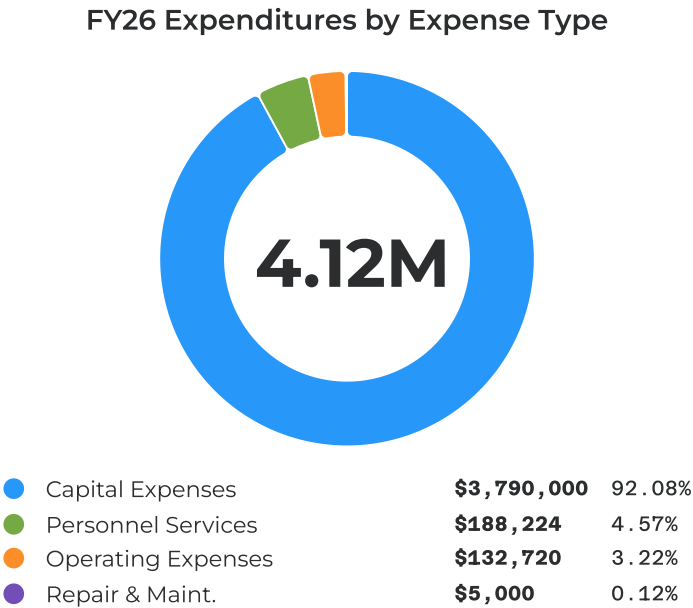
For FY2026, the Streets expenditure budget further increases to \$4.1 million, which is a 105.04% increase from FY2025. This continued growth highlights a strong upward trend in budgeted Capital expenditures for Streets over these two years.

# Expenditures by Expense Type



In FY2026, the total expenditures for Streets increased significantly to \$4.1 million, marking a 105.04% rise from FY2025's \$2 million total. Capital Expenses remained the largest category, growing to \$3.8 million, which is 92.08% of the total budget. This represents an increase of \$2.1 million or 125.02% compared to the previous year.

Personnel Services also saw a notable increase, rising by \$62,873 or 50.16% to \$188,224, although its share of the total budget decreased to 4.57%. Operating Expenses decreased by \$60,000 or 31.13%, falling to \$132,720 and comprising 3.22% of the total budget. Repair and Maintenance expenses remained steady at \$5,000, accounting for 0.12% of the total, with no change from the prior year.



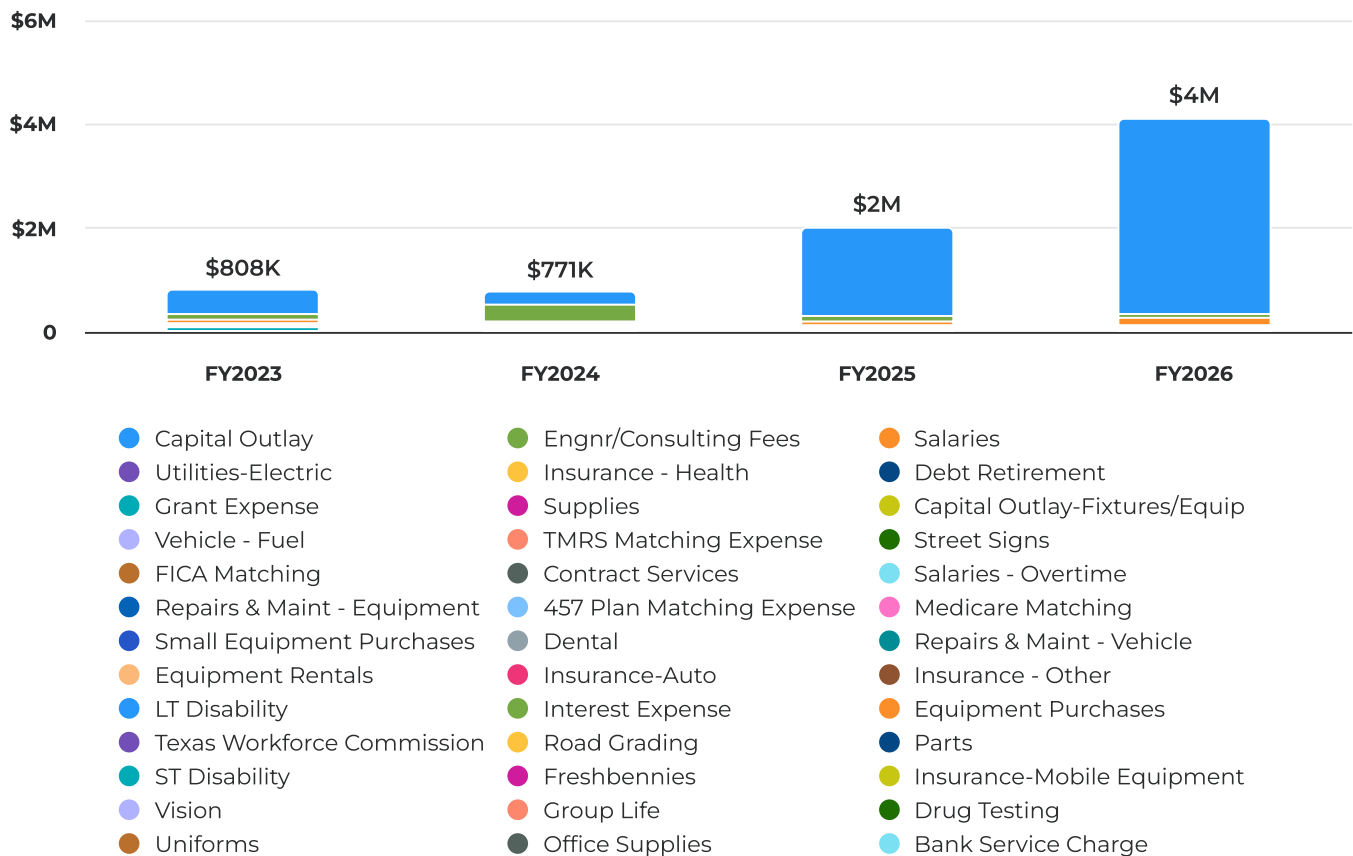
For the fiscal year, the Streets category's expenditures by expense type include Capital Expenses at \$3.8 million, representing 92.08% of the total. Personnel Services account for \$188,224, which is 4.57%. Operating Expenses are \$132,720, making up 3.22%, and Repair & Maint. expenses total \$5,000, comprising 0.12% of the expenditures.

## Expenditures by Expense Type

| Category                  | FY 2025 Option 2 FINAL WORKING Copy of FY2025 per Mtg 8/5/24 | FY 2026 Budgeted      | FY 2025 Option 2 FINAL WORKING Copy of FY2025 per Mtg 8/5/24 vs. FY 2026 Budgeted (% Change) |
|---------------------------|--------------------------------------------------------------|-----------------------|----------------------------------------------------------------------------------------------|
| Personnel Services        | \$125,350.81                                                 | \$188,223.90          | 50.16%                                                                                       |
| Operating Expenses        | \$192,720.00                                                 | \$132,720.00          | -31.13%                                                                                      |
| Repair & Maint.           | \$5,000.00                                                   | \$5,000.00            | 0.00%                                                                                        |
| Capital Expenses          | \$1,684,295.00                                               | \$3,790,000.00        | 125.02%                                                                                      |
| <b>Total Expenditures</b> | <b>\$2,007,365.81</b>                                        | <b>\$4,115,943.90</b> | <b>105.04%</b>                                                                               |

## Expenditures by Account

## Historical Expenditures by Account



The total budget for Streets in FY2026 is \$4.1 million, representing a 105.04% increase from the FY2025 total of \$2 million. Capital Outlay remains the largest expenditure category, increasing by \$2.1 million or 125.02% to \$3.8 million, and now accounts for 92.08% of the total budget, up from 83.91% in FY2025.

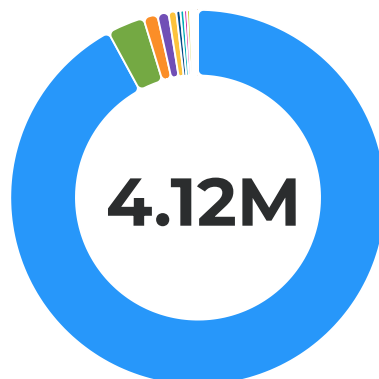
Salaries also saw a significant increase, rising by \$54,298 or 69.61% to \$132,298, which is 3.21% of the total budget compared to 3.89% previously. Insurance - Health expenditures increased by \$10,405 or 62.31% to \$27,103, while Utilities-Electric rose by \$10,000 or 33.33% to \$40,000.



TMRS Matching Expense increased by \$4,882 or 59.54% to \$13,081, and FICA Matching grew by \$1,904 or 46.85% to \$5,967. Dental expenses increased notably by \$2,126 or 353.72% to \$2,727. Medicare Matching and Texas Workforce Commission expenses also increased by 46.85% and 53.33%, respectively.

Engineering/Consulting Fees decreased by \$70,000 or 58.33% to \$50,000, and the 457 Plan Matching Expense was eliminated, dropping from \$11,200 to \$0. Insurance - Other decreased by \$600 or 75% to \$200. Supplies and Vehicle - Fuel remained steady at \$15,000 and \$10,000, respectively, with no change from the previous year.

### FY26 Expenditures by Account



|                             |             |        |
|-----------------------------|-------------|--------|
| Capital Outlay              | \$3,790,000 | 92.08% |
| Salaries                    | \$132,298   | 3.21%  |
| Engnr/Consulting Fees       | \$50,000    | 1.21%  |
| Utilities-Electric          | \$40,000    | 0.97%  |
| Insurance - Health          | \$27,103    | 0.66%  |
| Supplies                    | \$15,000    | 0.36%  |
| TMRS Matching Expense       | \$13,081    | 0.32%  |
| Street Signs                | \$10,000    | 0.24%  |
| Vehicle - Fuel              | \$10,000    | 0.24%  |
| FICA Matching               | \$5,967     | 0.14%  |
| Contract Services           | \$5,000     | 0.12%  |
| Repairs & Maint - Equipment | \$4,000     | 0.10%  |
| Salaries - Overtime         | \$3,600     | 0.09%  |
| Dental                      | \$2,727     | 0.07%  |
| Medicare Matching           | \$1,396     | 0.03%  |
| Small Equipment Purchases   | \$1,300     | 0.03%  |
| Repairs & Maint - Vehicle   | \$1,000     | 0.02%  |
| Insurance-Auto              | \$600       | 0.01%  |
| Equipment Purchases         | \$500       | 0.01%  |
| Texas Workforce Commission  | \$460       | 0.01%  |
| LT Disability               | \$443       | 0.01%  |
| Freshbennies                | \$270       | 0.01%  |
| Insurance-Mobile Equipment  | \$220       | 0.01%  |
| ST Disability               | \$218       | 0.01%  |
| Insurance - Other           | \$200       | 0.00%  |
| Vision                      | \$196       | 0.00%  |
| Group Life                  | \$164       | 0.00%  |
| Drug Testing                | \$100       | 0.00%  |
| Interest Expense            | \$100       | 0.00%  |

For the fiscal year, the Streets expenditures by account are led by Capital Outlay at \$3.8 million, representing 92.08% of the total. Salaries account for \$132,298 or 3.21%, followed by Engnr/Consulting Fees at \$50,000, which is 1.21%. Utilities-Electric expenses total \$40,000, making up 0.97%, and Insurance - Health is \$27,103 or 0.66%. Supplies cost \$15,000, representing 0.36%, while TMRS Matching Expense is \$13,081 or 0.32%. Vehicle - Fuel and Street Signs each account for \$10,000, both at 0.24%. Lastly, FICA Matching expenses are \$5,967, comprising 0.14% of the expenditures. There are 19 smaller categories not listed here.

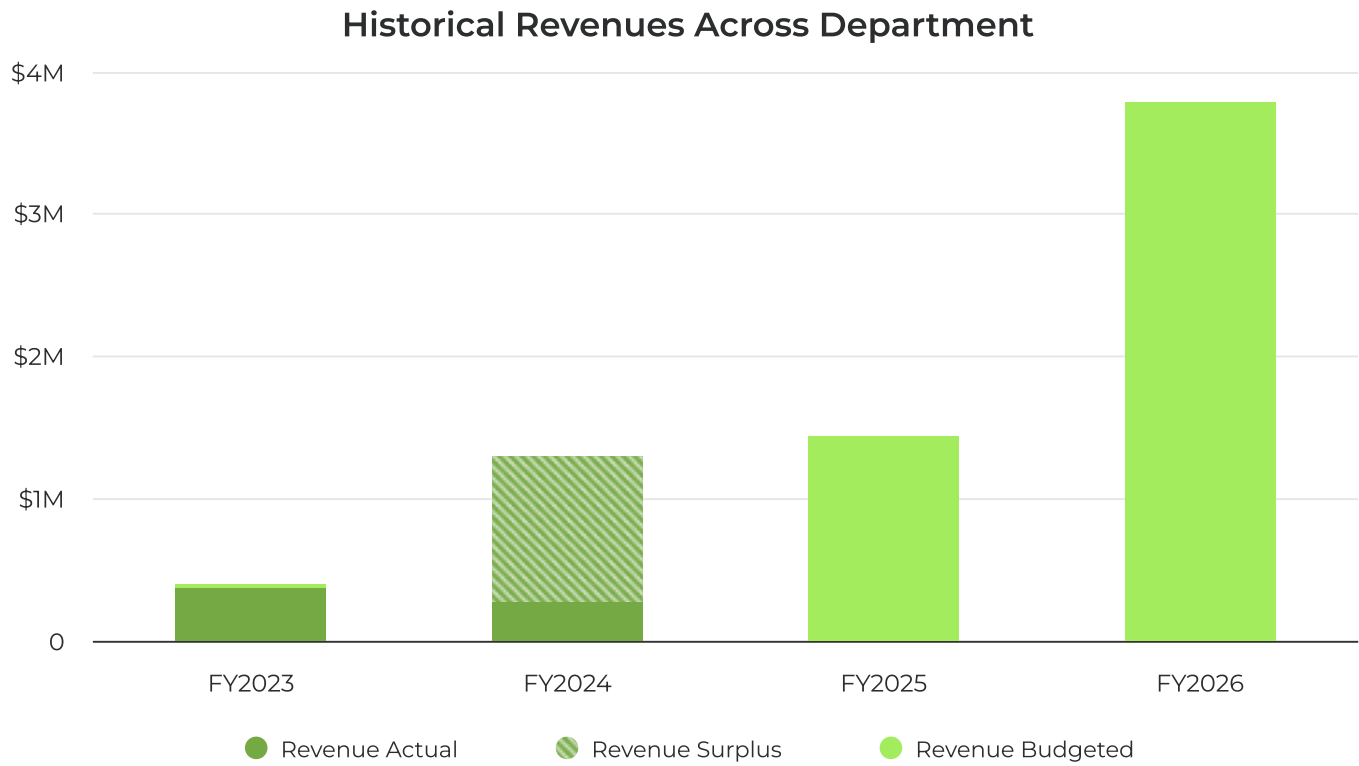
## Expenditures by Account

| Category                    | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted      | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|-----------------------------|--------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------|
| Salaries                    | \$78,000.00                                                        | \$132,297.93          | 69.61%                                                                                                      |
| Salaries - Overtime         | \$3,600.00                                                         | \$3,600.00            | 0.00%                                                                                                       |
| FICA Matching               | \$4,063.49                                                         | \$5,967.38            | 46.85%                                                                                                      |
| Medicare Matching           | \$950.33                                                           | \$1,395.60            | 46.85%                                                                                                      |
| Texas Workforce Commission  | \$300.00                                                           | \$460.00              | 53.33%                                                                                                      |
| Insurance - Health          | \$16,698.26                                                        | \$27,103.13           | 62.31%                                                                                                      |
| Insurance - Other           | \$800.00                                                           | \$200.00              | -75.00%                                                                                                     |
| Dental                      | \$601.15                                                           | \$2,727.50            | 353.72%                                                                                                     |
| Vision                      | \$115.38                                                           | \$195.51              | 69.45%                                                                                                      |
| LT Disability               | \$301.48                                                           | \$442.74              | 46.85%                                                                                                      |
| ST Disability               | \$148.78                                                           | \$218.48              | 46.85%                                                                                                      |
| Group Life                  | \$107.28                                                           | \$164.50              | 53.33%                                                                                                      |
| Freshbennies                | \$165.60                                                           | \$270.48              | 63.33%                                                                                                      |
| TMRS Matching Expense       | \$8,199.07                                                         | \$13,080.65           | 59.54%                                                                                                      |
| 457 Plan Matching Expense   | \$11,200.00                                                        | -                     | -100.00%                                                                                                    |
| Engnr/Consulting Fees       | \$120,000.00                                                       | \$50,000.00           | -58.33%                                                                                                     |
| Interest Expense            | \$100.00                                                           | \$100.00              | 0.00%                                                                                                       |
| Vehicle - Fuel              | \$10,000.00                                                        | \$10,000.00           | 0.00%                                                                                                       |
| Contract Services           | \$5,000.00                                                         | \$5,000.00            | 0.00%                                                                                                       |
| Insurance-Auto              | \$600.00                                                           | \$600.00              | 0.00%                                                                                                       |
| Insurance-Mobile Equipment  | \$220.00                                                           | \$220.00              | 0.00%                                                                                                       |
| Street Signs                | \$10,000.00                                                        | \$10,000.00           | 0.00%                                                                                                       |
| Equipment Purchases         | \$500.00                                                           | \$500.00              | 0.00%                                                                                                       |
| Small Equipment Purchases   | \$1,300.00                                                         | \$1,300.00            | 0.00%                                                                                                       |
| Supplies                    | \$15,000.00                                                        | \$15,000.00           | 0.00%                                                                                                       |
| Repairs & Maint - Equipment | \$4,000.00                                                         | \$4,000.00            | 0.00%                                                                                                       |
| Repairs & Maint - Vehicle   | \$1,000.00                                                         | \$1,000.00            | 0.00%                                                                                                       |
| Utilities-Electric          | \$30,000.00                                                        | \$40,000.00           | 33.33%                                                                                                      |
| Capital Outlay              | \$1,684,295.00                                                     | \$3,790,000.00        | 125.02%                                                                                                     |
| Drug Testing                | \$100.00                                                           | \$100.00              | 0.00%                                                                                                       |
| <b>Total Expenditures</b>   | <b>\$2,007,365.81</b>                                              | <b>\$4,115,943.90</b> | <b>105.04%</b>                                                                                              |



# Revenue Summary

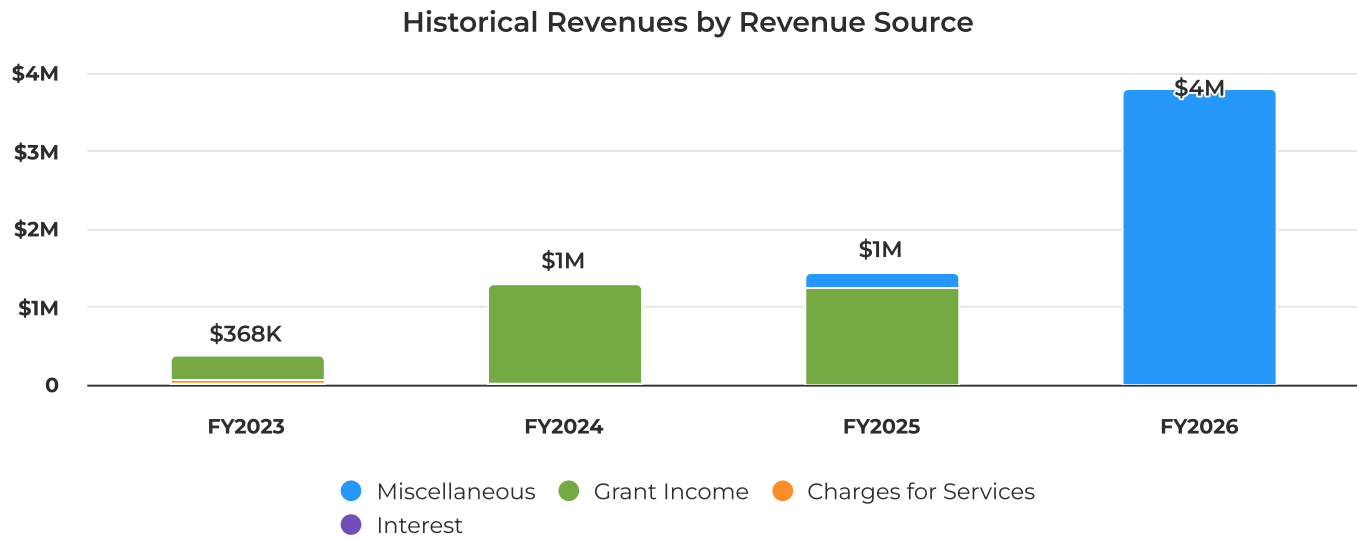
Revenue projections are based on historical trend analysis and established contractual commitments.



In FY2025, the Streets revenue budget is set at \$1.4 million, representing a significant increase of 422.42% from the prior period. This marks a substantial growth in the revenue budget compared to the previous year.

For FY2026, the revenue budget for Streets further increases to \$3.8 million, which is a 164.24% rise from the FY2025 budget. This increase is indicative of the Interlocal Agreement with Collin County and previously secured Bond Funds for Capital Drainage Projects.

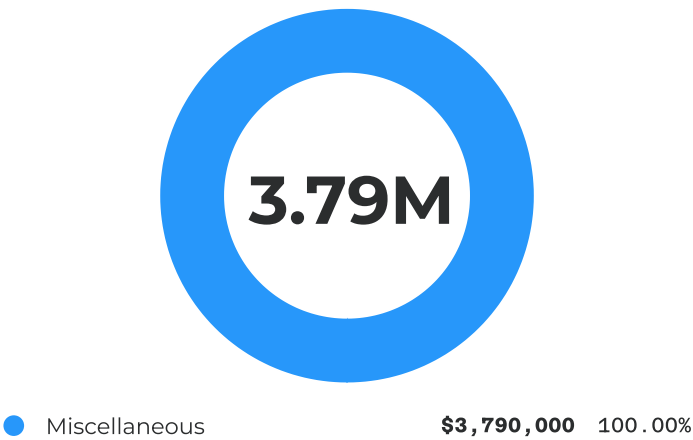
# Revenues by Revenue Source



In FY2026, the total revenue for Streets increased significantly to \$3.8 million, representing a 164.24% rise from the FY2025 total of \$1.4 million. The most notable change was in the Miscellaneous (previously secured Bond Funds) category, which grew from \$200,000 in FY2025 to \$3.8 million in FY2026, an increase of \$3.6 million or 1,795%. This category accounted for 100% of the total revenue in FY2026, up from 13.94% in the previous year.

Conversely, Grant Income (ILA with Collin County), which was the largest revenue source in FY2025 at \$1.2 million or 86.06% of the total, decreased by \$1.2 million or 100% to \$0 in FY2026. Interest revenue also dropped from \$0 in FY2025 to \$0 in FY2026, reflecting a 100% decrease from its previous value of \$4,277. Charges for Services remained at \$0 in both years.

## FY26 Revenues by Revenue Source

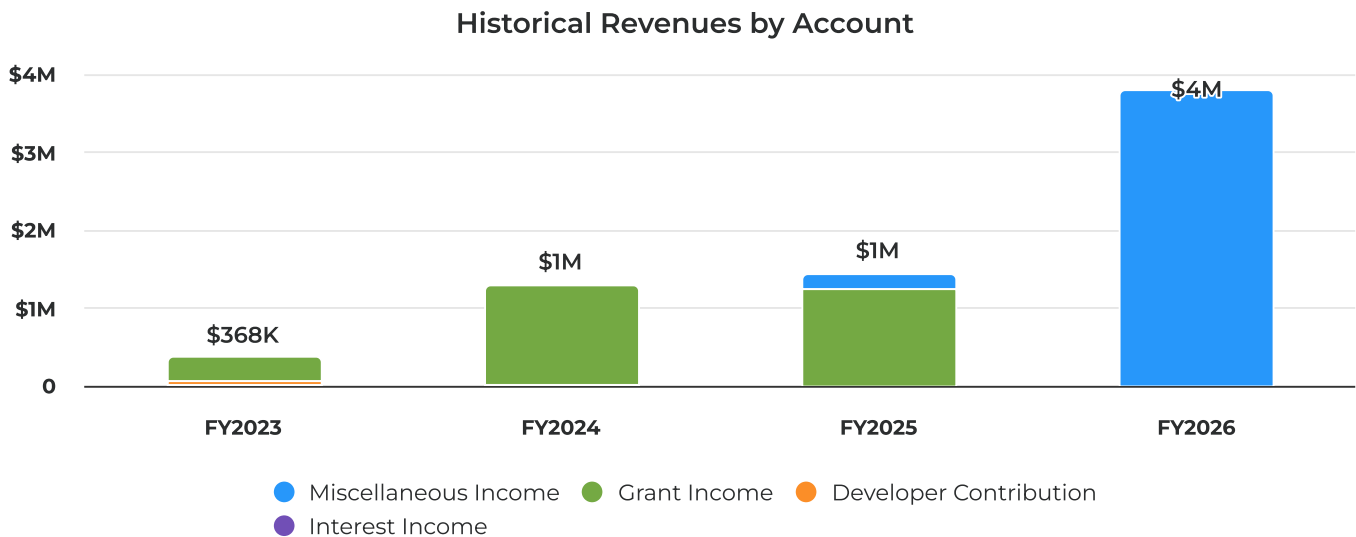


For the fiscal year, the Streets category's revenue by revenue source consists solely of Miscellaneous, which amounts to \$3.8 million, representing 100% of the total revenue.

## Revenues by Revenue Source

| Category              | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted      | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|-----------------------|--------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------|
| Grant Income          | \$1,234,295.00                                                     | -                     | -100.00%                                                                                                    |
| Miscellaneous         | \$200,000.00                                                       | \$3,790,000.00        | 1,795.00%                                                                                                   |
| <b>Total Revenues</b> | <b>\$1,434,295.00</b>                                              | <b>\$3,790,000.00</b> | <b>164.24%</b>                                                                                              |

## Revenues by Account

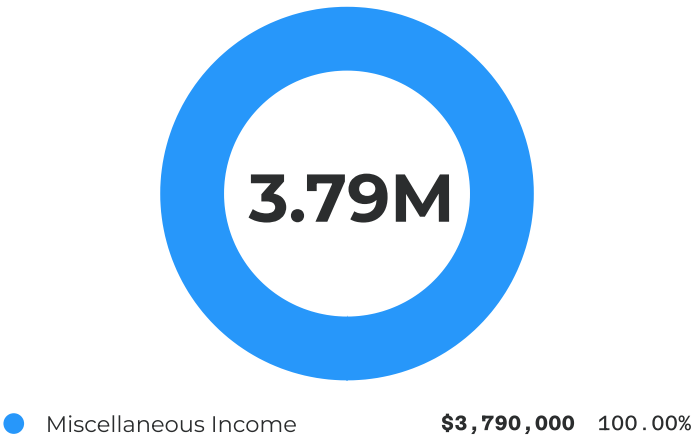


In FY2026, the total revenue for Streets increased significantly to \$3.8 million, representing a 164.24% rise from the previous year's total of \$1.4 million. This increase was driven entirely by Miscellaneous Income, which grew from \$200,000 in FY2025 to \$3.8 million in FY2026, marking a substantial increase of \$3.6 million or 1,795%.

Conversely, Grant Income, which was the largest revenue source in FY2025 at \$1.2 million and accounted for 86.06% of the total, dropped to \$0 in FY2026, a decrease of \$1.2 million or 100%. Interest Income remained at \$0 in both years, continuing its 100% decrease from the previous period.

Overall, the shift in revenue composition is notable, with Miscellaneous Income becoming the sole contributor to the total revenue in FY2026, comprising 100% of the \$3.8 million total, while Grant Income was completely eliminated from the budget.

FY26 Revenues by Account



For the fiscal year, the "Streets" category's revenue by account consists entirely of Miscellaneous Income, totaling \$3.8 million, which represents 100% of the revenue.

Revenues by Account

| Category             | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|----------------------|--------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------|
| Grant Income         | \$1,234,295.00                                                     | -                | -100.00%                                                                                                    |
| Miscellaneous Income | \$200,000.00                                                       | \$3,790,000.00   | 1,795.00%                                                                                                   |
| Total Revenues       | \$1,434,295.00                                                     | \$3,790,000.00   | 164.24%                                                                                                     |

# Sanitation

The City of Josephine contracts sanitation services through Republic Services. Service setup is managed by Josephine office personnel and a portion of their time is allocated to support this function.

Sanitation  
General Fund  
**WORKLOAD INDICATORS & PERFORMANCE MEASURES**

| Performance Measures          | FY22-23 Actual | FY23-24 Actual | FY 24-25 Actual | FY 25-26 Budget |
|-------------------------------|----------------|----------------|-----------------|-----------------|
| Number of Sanitation Accounts | 3029           | 3624           | 3799            | 4300            |

## Sanitation Initiatives

### FY25 Sanitation Initiatives & Achievements

This year, our commitment to serving the City with professionalism and courtesy through our contracted relationship with Republic Services, remains unwavering. In addition to maintaining our standard of excellent service, we enhanced our waste management efforts by introducing a monthly bulk and brush pickup service, offering four yards of pickup per month. We also continued our successful City Cleanups, conducting two events per year to further support community cleanliness and environmental stewardship. These achievements are designed to improve the overall quality of our service and contribute positively to the City's well-being.

### FY26 Sanitation Initiatives

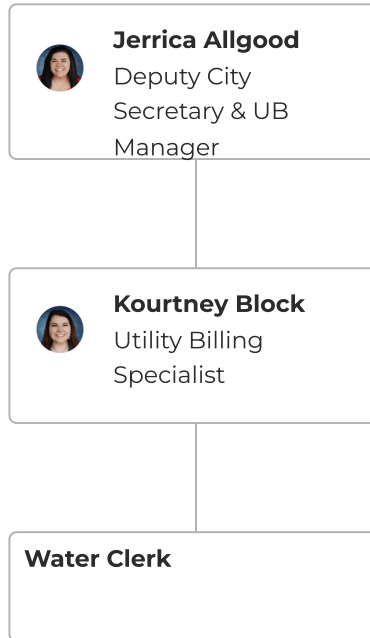
To ensure service quality and responsiveness, we will conduct an audit in different neighborhoods, gathering feedback from residents and addressing service gaps. This will help us continually improve collection schedules, route efficiency, and customer satisfaction. Additionally, we aim to decrease the wait time for new residents to receive their carts to under two weeks.



# Organizational Chart

Josephine's Utility Clerks are equipped to address any inquiries or concerns related to sanitation services.

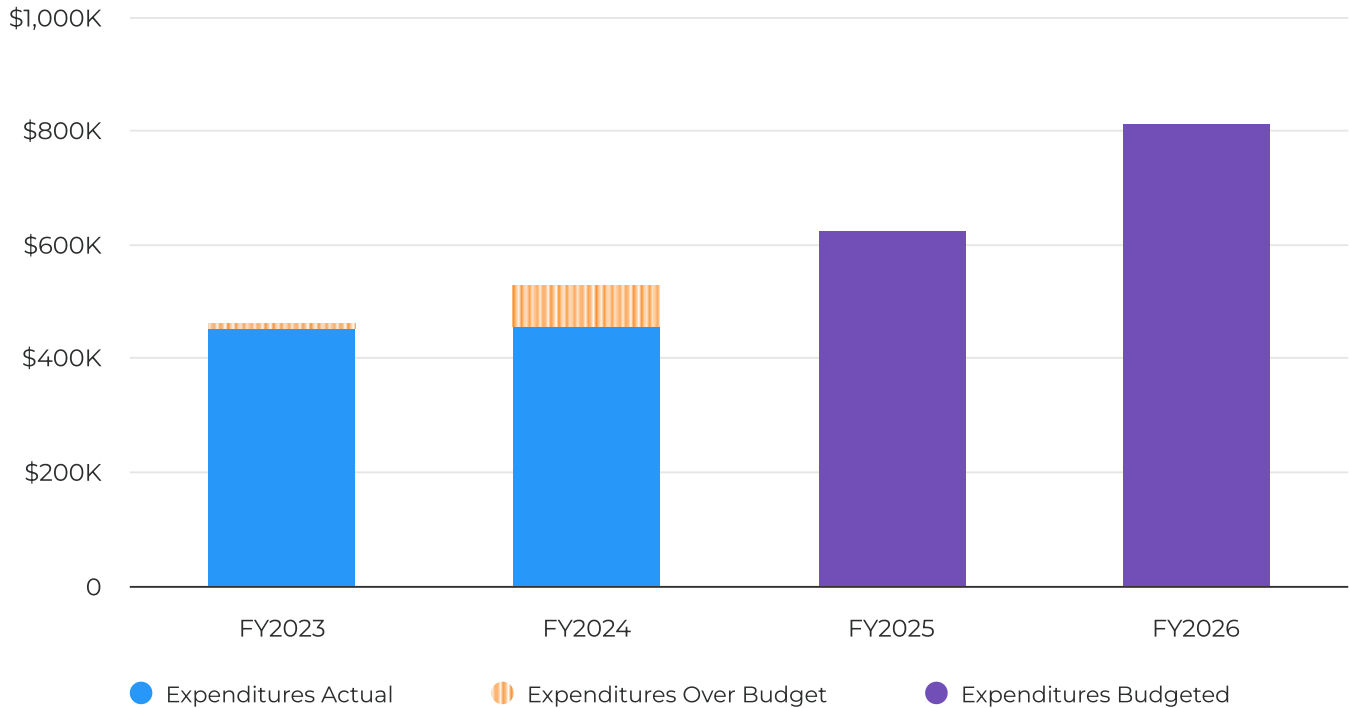
## Customer Service



## Expenditure Summary

Expenditure estimates are derived from trend analysis and current contractual agreements.

### Historical Expenditures Across Department

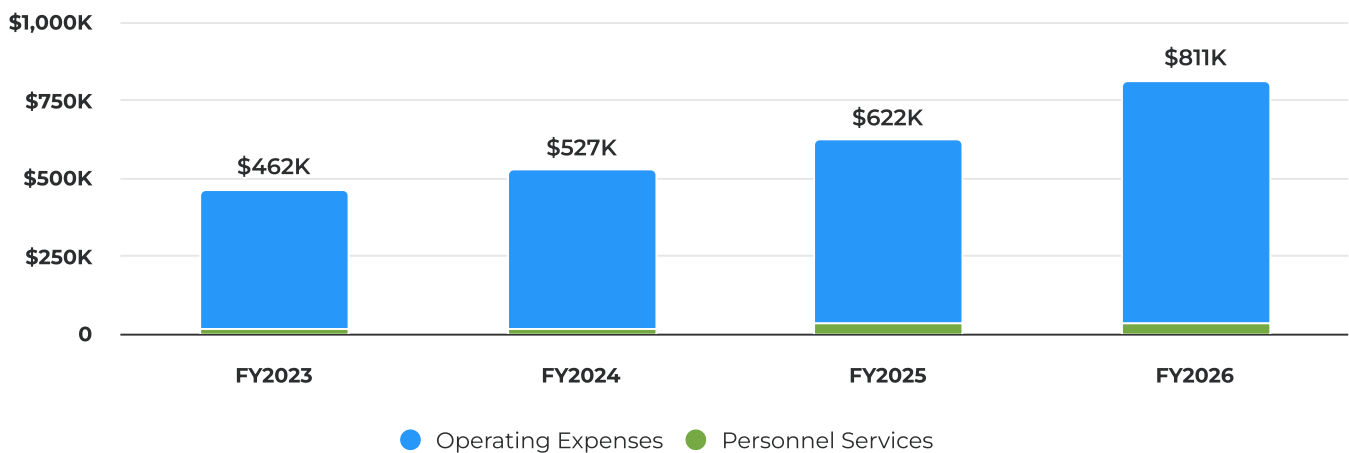


In FY2025, the Sanitation budgeted expenditures increased significantly to \$622,250, marking a 37.06% rise from the previous period. This represents a substantial growth in the budget allocation for sanitation services.

For FY2026, the budgeted expenditures further increased to \$810,874, which is a 30.31% increase from FY2025. This continued upward trend highlights a consistent expansion in the sanitation budget over these two years.

### Expenditures by Expense Type

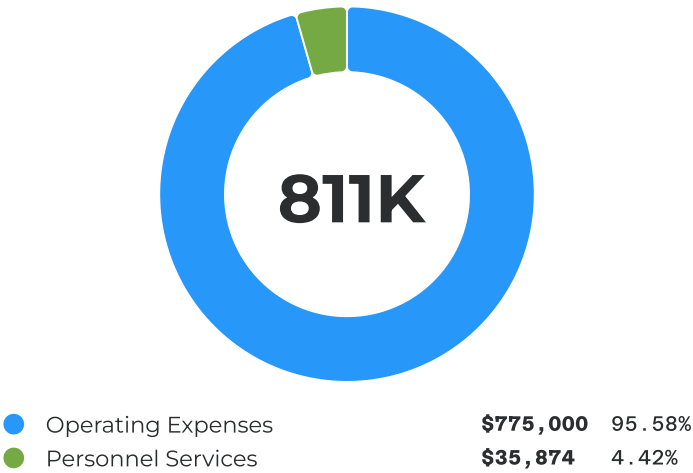
#### Historical Expenditures by Expense Type



The total budget for Sanitation in FY2026 is \$810,874, representing a 30.31% increase from the FY2025 total of \$622,250. Operating Expenses remain the largest category, increasing to \$775,000, which is 95.58% of the total budget. This is a \$185,000 increase or 31.36% growth compared to FY2025. Personnel Services also increased to \$35,874, accounting for

4.42% of the total, with a \$3,624 increase or 11.24% growth from the previous year. The share of Operating Expenses in the total budget slightly increased from 94.82% to 95.58%, while Personnel Services' share decreased from 5.18% to 4.42%. These changes highlight significant growth in Operating Expenses alongside a moderate increase in Personnel Services for FY2026.

FY26 Expenditures by Expense Type



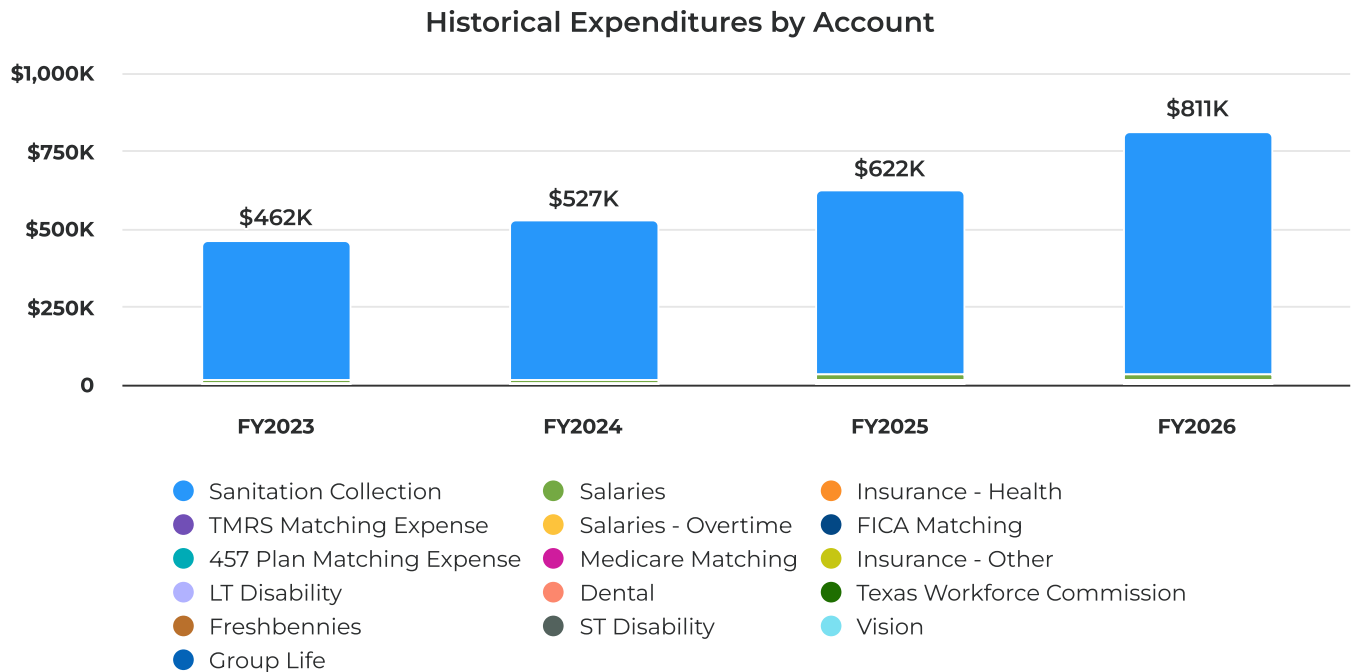
For the fiscal year, the Sanitation department's expenditures by expense type include Operating Expenses totaling \$775,000, which accounts for 95.58% of the total expenditures. Personnel Services amount to \$35,874, representing 4.42% of the total expenditures.

Expenditures by Expense Type

| Category           | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING Copy<br>of FY2025 per Mtg<br>8/5/24 vs. FY 2026<br>Budgeted (% Change) |
|--------------------|-----------------------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------------------|
| Personnel Services | \$32,249.85                                                           | \$35,873.59      | 11.24%                                                                                                   |
| Operating Expenses | \$590,000.00                                                          | \$775,000.00     | 31.36%                                                                                                   |
| Total Expenditures | \$622,249.85                                                          | \$810,873.59     | 30.31%                                                                                                   |



## Expenditures by Account



The total budget for Sanitation in FY2026 is \$810,874, representing a 30.31% increase from the FY2025 total of \$622,250. The largest expenditure remains Sanitation Collection, which increased by \$185,000 or 31.36%, now accounting for 95.58% of the total budget, up from 94.82% in FY2025.

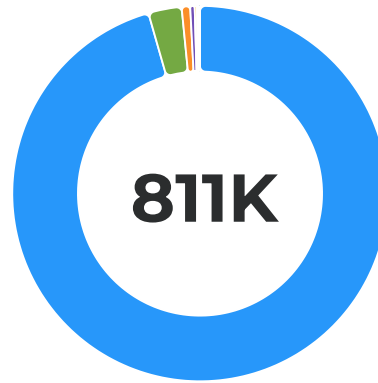
Salaries rose by \$3,848 or 19.89%, making up 2.86% of the total budget compared to 3.11% previously. Insurance - Health increased by \$763 or 14.81%, now 0.73% of the total, down slightly in proportion from 0.83%. TMRS Matching Expense grew by \$488 or 18.29%, representing 0.39% of the budget, a slight decrease in share from 0.43%.

FICA Matching saw a smaller increase of \$115 or 8.71%, now 0.18% of the total. Medicare Matching increased by \$27 or 8.71%, accounting for 0.04% of the budget. Texas Workforce Commission appeared as a new category with \$201, a 143.63% increase from zero, representing 0.02% of the total. Freshbennies also increased by \$42 or 54.82%, now 0.01% of the budget.

Among decreases, the 457 Plan Matching Expense was eliminated, dropping \$1,400 or 100%. Dental expenses decreased by \$102 or 54.98%, now 0.01% of the total. Salaries - Overtime declined by \$100 or 8.33%, making up 0.14% of the budget. Insurance - Other was reduced by \$100 or 50%, and LT Disability decreased by \$70 or 39.74%. Vision expenses fell by \$13 or 23.61%.

Overall, the budget shows significant growth in Sanitation Collection and moderate increases in several employee-related expenses, while some smaller categories were reduced or removed.

## FY26 Expenditures by Account



|                            |           |        |
|----------------------------|-----------|--------|
| Sanitation Collection      | \$775,000 | 95.58% |
| Salaries                   | \$23,190  | 2.86%  |
| Insurance - Health         | \$5,916   | 0.73%  |
| TMRS Matching Expense      | \$3,157   | 0.39%  |
| FICA Matching              | \$1,438   | 0.18%  |
| Salaries - Overtime        | \$1,100   | 0.14%  |
| Medicare Matching          | \$336     | 0.04%  |
| Texas Workforce Commission | \$201     | 0.02%  |
| Freshbennies               | \$120     | 0.01%  |
| LT Disability              | \$107     | 0.01%  |
| Insurance - Other          | \$100     | 0.01%  |
| Dental                     | \$84      | 0.01%  |
| ST Disability              | \$53      | 0.01%  |
| Vision                     | \$41      | 0.01%  |
| Group Life                 | \$32      | 0.00%  |

The Fiscal Year Expenditures by Account for Sanitation include Sanitation Collection at \$775,000, representing 95.58% of the total. Salaries account for \$23,190 or 2.86%. Insurance - Health is \$5,916, making up 0.73%. TMRS Matching Expense is \$3,157, which is 0.39%. FICA Matching totals \$1,438 or 0.18%. Salaries - Overtime are \$1,100, representing 0.14%. Medicare Matching is \$336, accounting for 0.04%. Texas Workforce Commission is \$201, or 0.02%. Freshbennies amount to \$120, which is 0.01%, and LT Disability is \$107, also 0.01% of the expenditures.

## Expenditures by Account

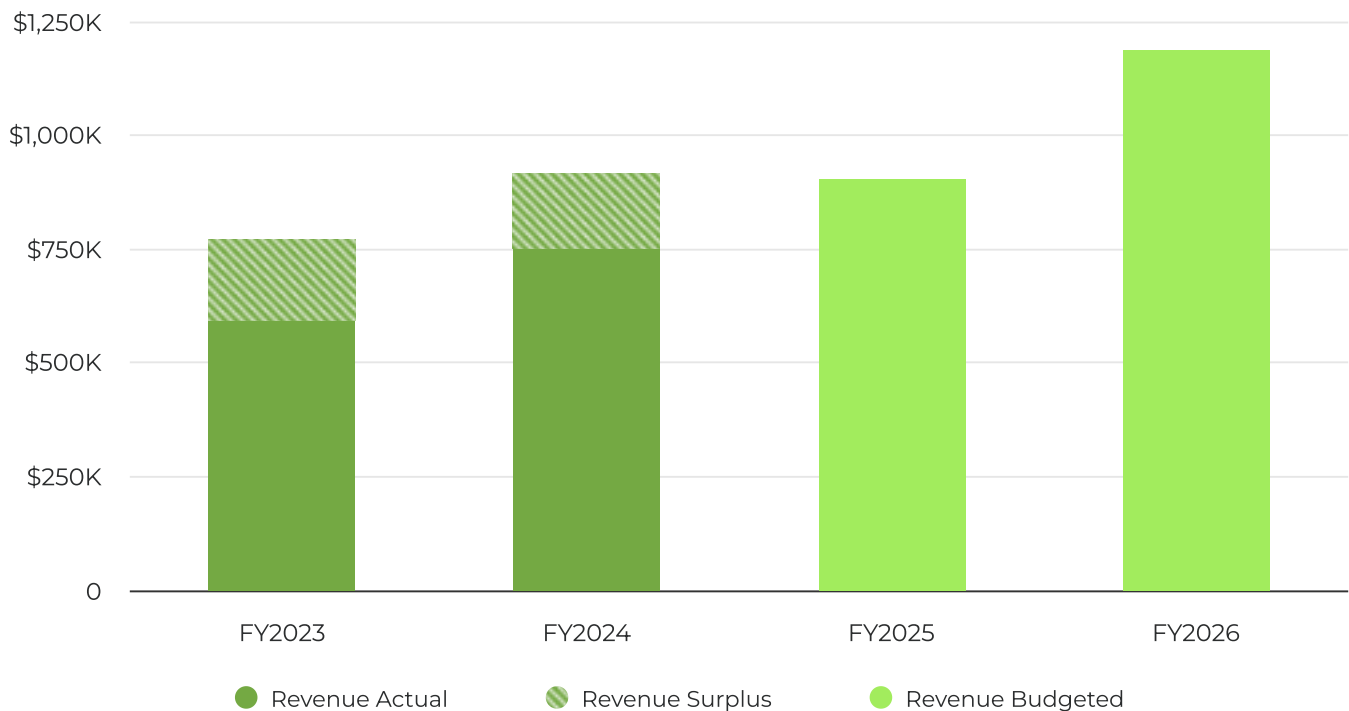
| Category                   | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING Copy<br>of FY2025 per Mtg<br>8/5/24 vs. FY 2026<br>Budgeted (% Change) |
|----------------------------|-----------------------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------------------|
| Salaries                   | \$19,342.10                                                           | \$23,189.82      | 19.89%                                                                                                   |
| Salaries - Overtime        | \$1,200.00                                                            | \$1,100.00       | -8.33%                                                                                                   |
| FICA Matching              | \$1,322.57                                                            | \$1,437.77       | 8.71%                                                                                                    |
| Medicare Matching          | \$309.31                                                              | \$336.25         | 8.71%                                                                                                    |
| Texas Workforce Commission | \$82.50                                                               | \$201.00         | 143.63%                                                                                                  |
| Insurance - Health         | \$5,153.37                                                            | \$5,916.33       | 14.81%                                                                                                   |
| Insurance - Other          | \$200.00                                                              | \$100.00         | -50.00%                                                                                                  |
| Dental                     | \$185.56                                                              | \$83.54          | -54.98%                                                                                                  |
| Vision                     | \$53.60                                                               | \$40.94          | -23.61%                                                                                                  |
| LT Disability              | \$177.02                                                              | \$106.67         | -39.74%                                                                                                  |
| ST Disability              | \$48.42                                                               | \$52.64          | 8.71%                                                                                                    |

| Category                  | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted        | FY 2025 Option 2<br>FINAL WORKING Copy<br>of FY2025 per Mtg<br>8/5/24 vs. FY 2026<br>Budgeted (% Change) |
|---------------------------|-----------------------------------------------------------------------|-------------------------|----------------------------------------------------------------------------------------------------------|
| Group Life                | \$29 . 50                                                             | \$32 . 18               | 9 . 09%                                                                                                  |
| Freshbennies              | \$77 . 28                                                             | \$119 . 65              | 54 . 82%                                                                                                 |
| TMRS Matching Expense     | \$2 , 668 . 61                                                        | \$3 , 156 . 79          | 18 . 29%                                                                                                 |
| 457 Plan Matching Expense | \$1 , 400 . 00                                                        | -                       | -100 . 00%                                                                                               |
| Sanitation Collection     | \$590 , 000 . 00                                                      | \$775 , 000 . 00        | 31 . 36%                                                                                                 |
| <b>Total Expenditures</b> | <b>\$622 , 249 . 85</b>                                               | <b>\$810 , 873 . 59</b> | <b>30 . 31%</b>                                                                                          |

## Revenue Summary

Revenue projections are based on historical trend analysis and established contractual commitments.

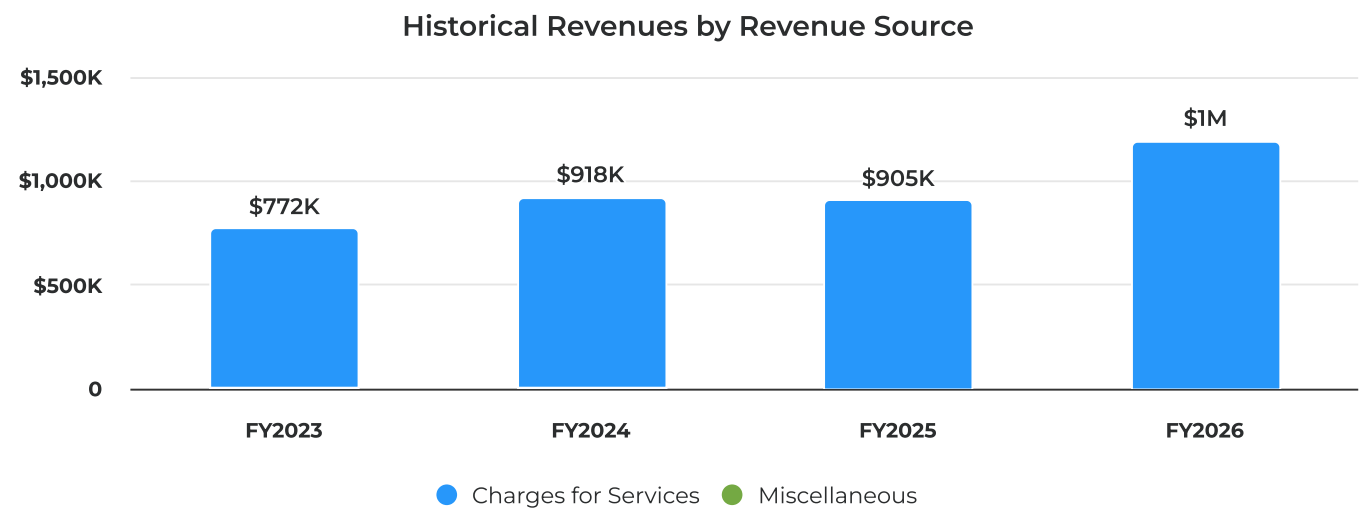
### Historical Revenues Across Department



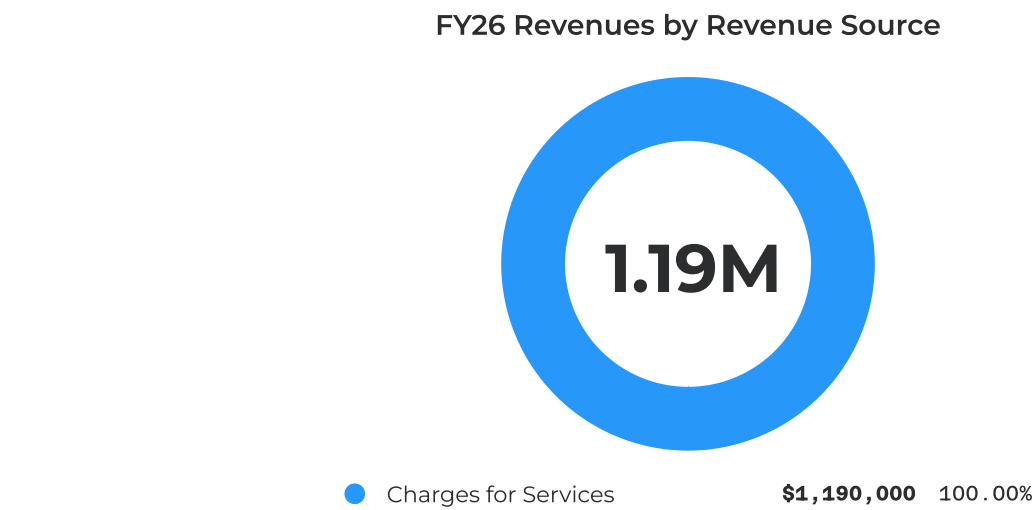
In FY2025, the Sanitation department's revenue budget is set at \$905,000, reflecting a 20.67% increase from the previous period. This marks a significant upward adjustment in anticipated revenue for that year.

For FY2026, the revenue budget further rises to \$1.2 million, representing a 31.49% increase from FY2025. This continued growth highlights a strong upward trend in the department's projected revenue over these two budget years.

## Revenues by Revenue Source



In FY2026, the total revenue for Sanitation is budgeted at \$1.2 million, representing a 31.49% increase from the FY2025 total of \$905,000. The entire revenue continues to come from Charges for Services, which increased by \$285,000 or 31.49%, rising from \$905,000 in FY2025 to \$1.2 million in FY2026. Miscellaneous revenue remains at \$0 for both years, showing no change. This significant increase in Charges for Services is the primary driver of the overall revenue growth in FY2026.

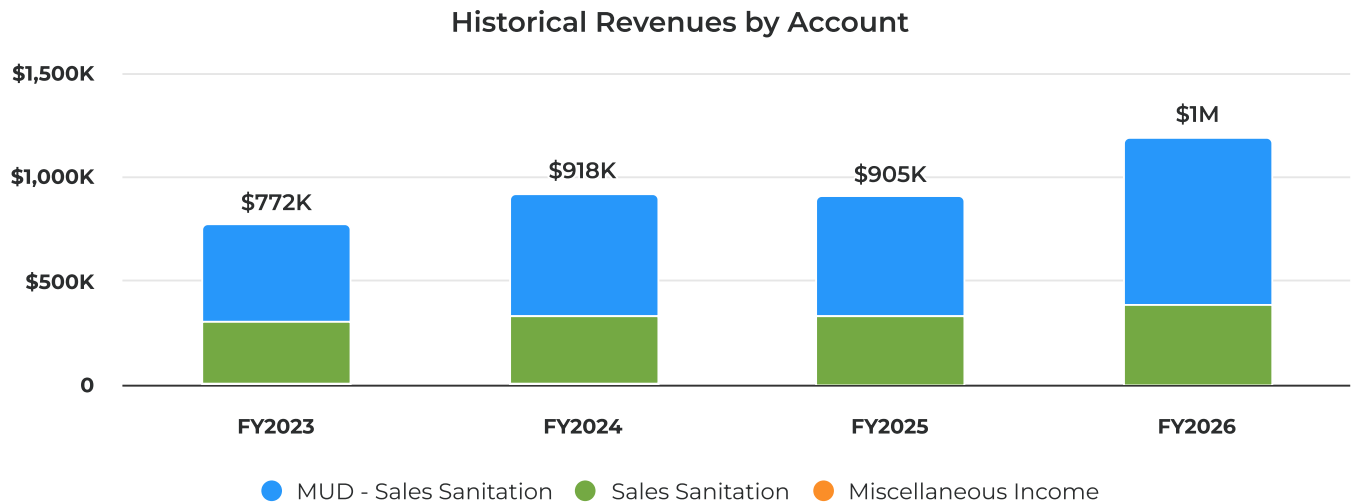


For the fiscal year, the Sanitation department's revenue by revenue source consists entirely of Charges for Services, totaling \$1.2 million, which represents 100% of the revenue.

### Revenues by Revenue Source

| Category             | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY 2026<br>Budgeted (% Change) |
|----------------------|-----------------------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------------------|
| Charges for Services | \$905,000.00                                                          | \$1,190,000.00   | 31.49%                                                                                                   |
| Total Revenues       | \$905,000.00                                                          | \$1,190,000.00   | 31.49%                                                                                                   |

## Revenues by Account

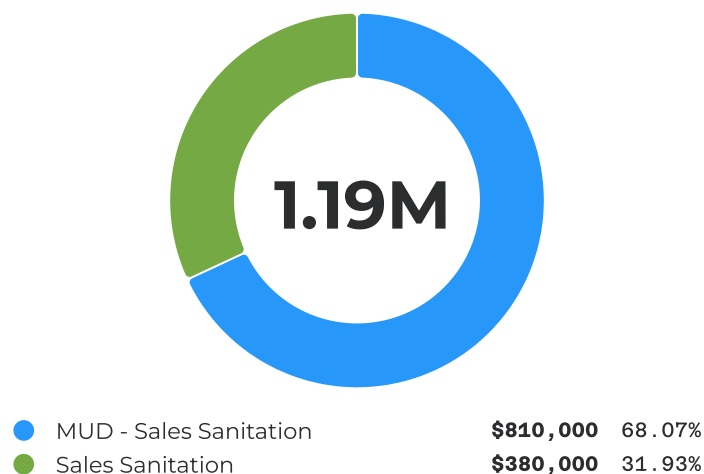


In FY2026, the total revenue for Sanitation increased to \$1.2 million, representing a 31.49% rise from the FY2025 total of \$905,000. The largest revenue source, MUD - Sales Sanitation, grew significantly by \$235,000 or 40.87%, reaching \$810,000 and accounting for 68.07% of the total revenue, up from 63.54% in the previous year.

Sales Sanitation also saw an increase, rising by \$50,000 or 15.15% to \$380,000, which made up 31.93% of the total revenue, a slight decrease in share compared to 36.46% in FY2025. Miscellaneous Income remained at \$0, maintaining a 0% share of total revenue.

Overall, the FY2026 budget reflects notable growth in both major revenue categories, with MUD - Sales Sanitation showing the most substantial increase in both dollar amount and percentage of total revenue compared to FY2025.

### FY26 Revenues by Account



For the fiscal year, the Sanitation revenue by account includes \$810,000, representing 68.07%, from MUD - Sales Sanitation, and \$380,000, representing 31.93%, from Sales Sanitation.

**Revenues by Account**

| Category               | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted            | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY 2026<br>Budgeted (% Change) |
|------------------------|-----------------------------------------------------------------------|-----------------------------|----------------------------------------------------------------------------------------------------------|
| Sales Sanitation       | \$330 , 000 . 00                                                      | \$380 , 000 . 00            | 15 . 15%                                                                                                 |
| MUD - Sales Sanitation | \$575 , 000 . 00                                                      | \$810 , 000 . 00            | 40 . 87%                                                                                                 |
| <b>Total Revenues</b>  | <b>\$905 , 000 . 00</b>                                               | <b>\$1 , 190 , 000 . 00</b> | <b>31 . 49%</b>                                                                                          |

# Water

The Water Department is essential for providing the community with a reliable supply of clean and safe drinking water. It manages water sources, treatment facilities, and distribution systems, ensuring compliance with federal and state regulations, including those set by the Texas Commission on Environmental Quality (TCEQ). The department oversees infrastructure maintenance and upgrades, manages water quality, and handles emergencies such as leaks or system failures. Additionally, our dedicated customer service clerks and personnel play a vital role in supporting the department by addressing customer inquiries, managing service requests, and ensuring effective communication. The department also implements capital improvement projects to support system growth and efficiency, while promoting sustainability and integrating innovative technologies for water conservation. Through these comprehensive efforts, the Water Department delivers high-quality water services, protects public health, and upholds environmental stewardship.

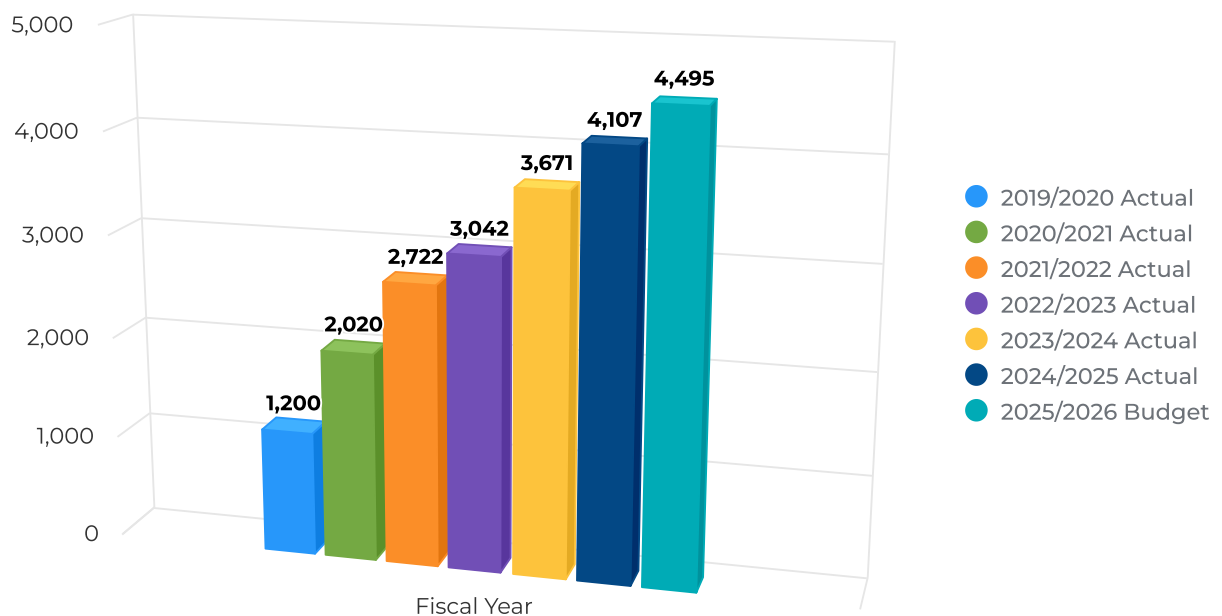
## Performance Measures

### Water Water Fund

#### WORKLOAD INDICATORS & PERFORMANCE MEASURES

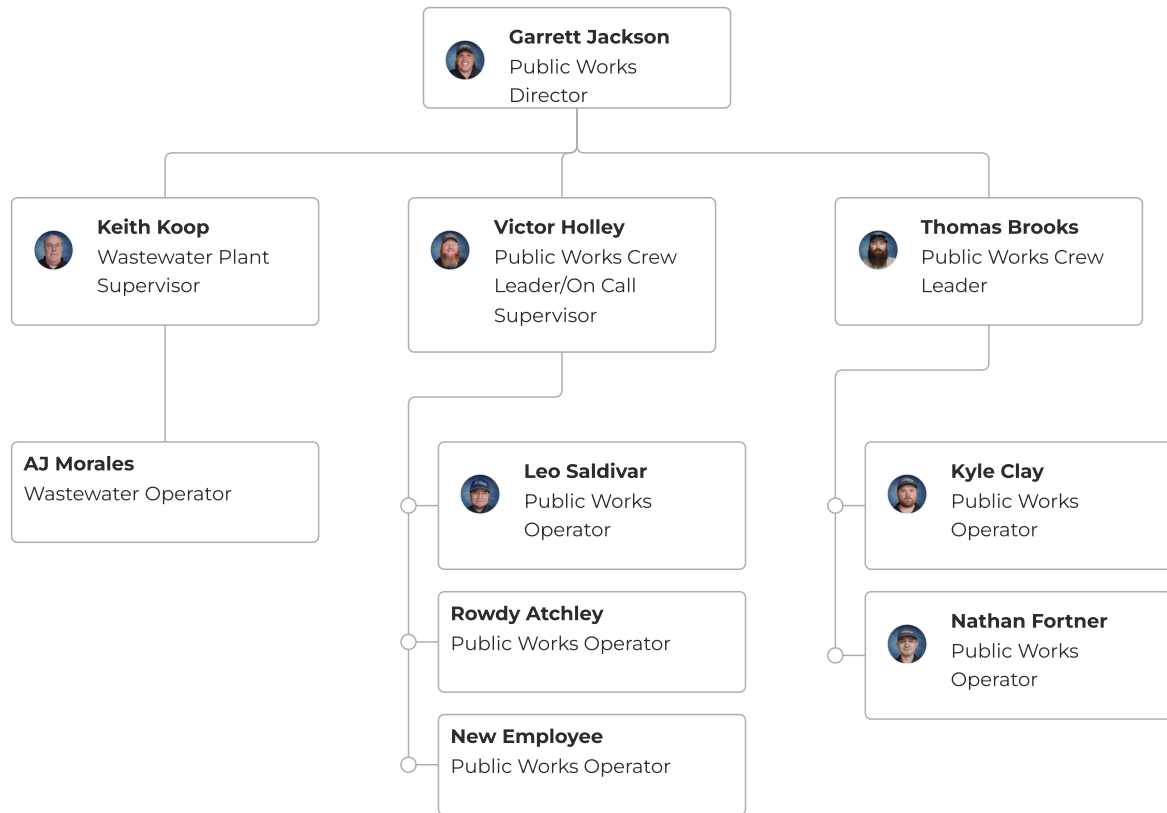
| Performance Measures         | 2022-2023<br>Actual | 2023-2024<br>Actual | 2024-2025<br>Actual | 2025-2026<br>Budget |
|------------------------------|---------------------|---------------------|---------------------|---------------------|
| Number of Utility Accounts   | 3042                | 3671                | 4107                | 4495                |
| Number of Water Main Repairs | 12                  | 3                   | 21                  | 5                   |
| Number of Water Meter Sets   | 379                 | 638                 | 393                 | 450                 |
| Number of Line Locates       | 173                 | 150                 | 71                  | 85                  |
| Number of Utility Employees  | 2                   | 2                   | 2.5                 | 3                   |

### Number of Utility Accounts



# Organizational Chart

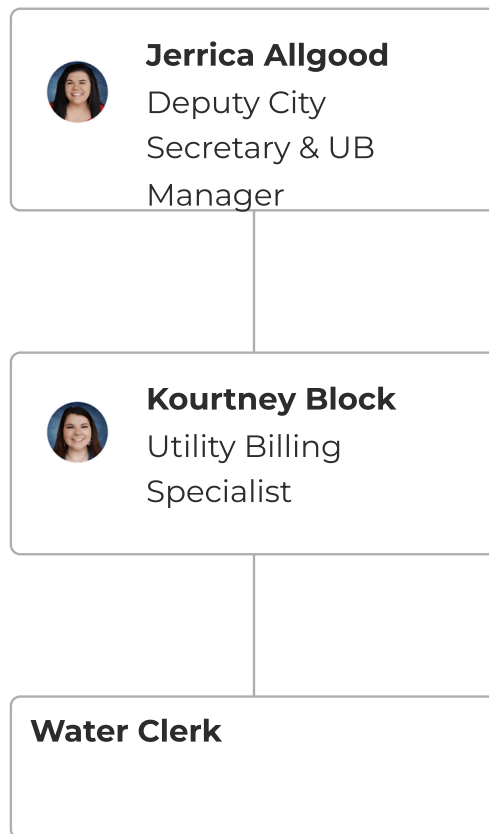
## Public Works Department





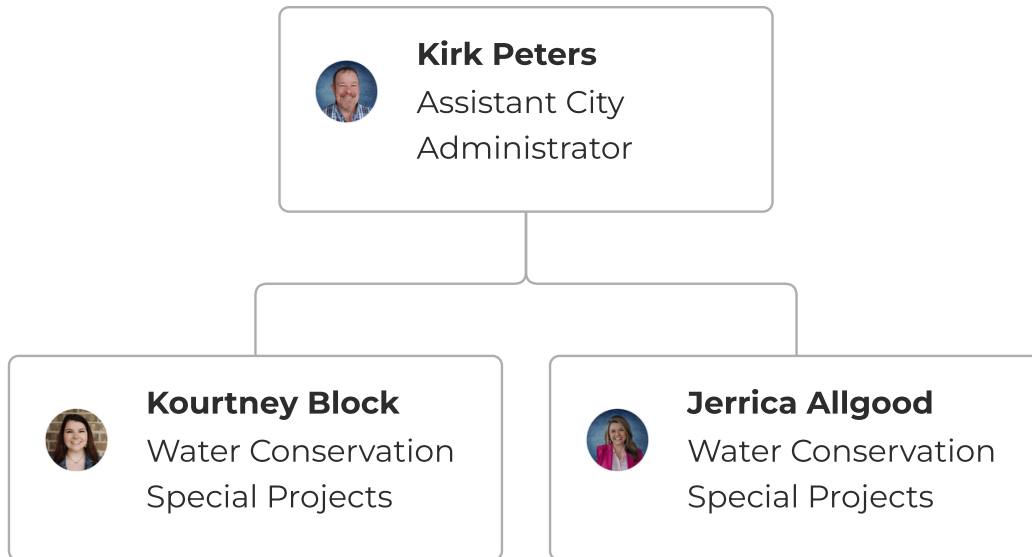
# Customer Service

## Customer Service



# Water Conservation

## Water Conservation



# Accomplishments and Initiatives

Over the past year, significant strides have been made in enhancing our water infrastructure and programs. Key infrastructure improvements include the installation of approximately 500 feet of 8-inch water line to loop the Riverfield neighborhood, the extension of over 500 feet of 6-inch water line to the new community center, and the addition of over 600 feet of 6-inch water line to the new public safety building. City Wide Back-flow Prevention Program is completely operational and construction was completed on a new 500,000-gallon ground storage facility. Both non-regulated and monthly water quality samples were successfully passed and submitted. Looking ahead, our primary initiatives focus on the up-sizing of the Takepoint from NTMWD and beginning construction a new ground storage facility. We are committed to completing employee training and achieving water license certifications for all our staff members. Our ongoing goal is to maintain and exceed our superior water system rating by consistently delivering high-quality drinking water and implementing proactive measures to uphold and enhance our service standards.

The following is a summary of the accomplishments and future initiatives related to the city's water infrastructure and programs:

## Recent Accomplishments in Water Infrastructure and Programs

- **Ground Water Storage Construction**
  - Completed construction of a new 500,000-gallon ground storage facility to increase water storage capacity.
- **City-Wide Water Conservation Program**
  - Continued the comprehensive program focused on conserving water resources across the city which is now being modeled across the state.
- **Key Infrastructure Improvements**
  - **Water Quality Sampling:** Successfully passed and submitted both non-regulated and monthly water quality samples, ensuring the safety and quality of drinking water.
- **Valve and Hydrant Maintenance Program**
  - Implemented a city-wide maintenance program to ensure the reliability and functionality of water valves and hydrants, critical for emergency response and water distribution.
- **Funding Secured through Bond Initiatives for Water Storage and Infrastructure Improvements**
  - Funding for an additional ground storage tank has been secured. Initiatives planned for FY26 include the purchase of land and the commencement of construction in accordance with the Capital Improvement Program.

## Future Initiatives and Goals

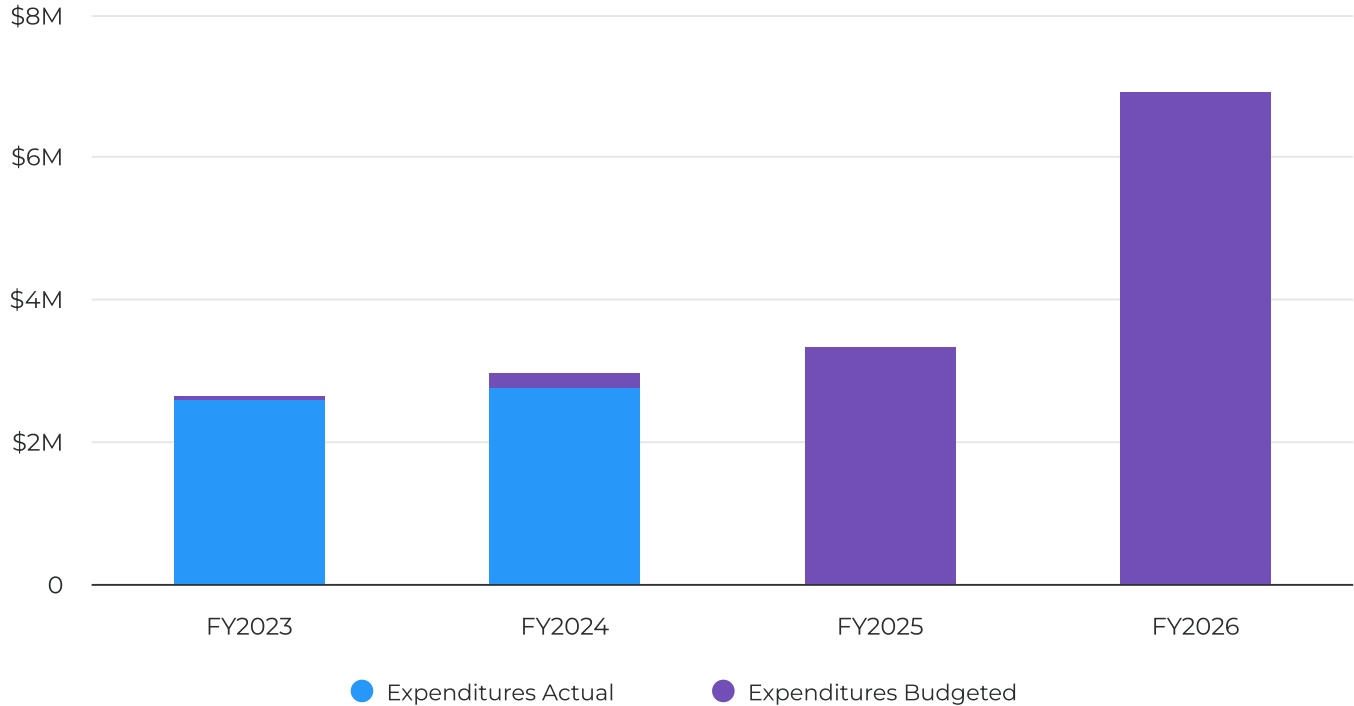
- **12" Intake Point from NTMWD**
  - Up-sizing the Intake Point from North Texas Municipal Water District is scheduled for FY26
- **Employee Training and Certification**
  - Complete comprehensive training programs and achieve water license certifications for all staff members to enhance expertise and service delivery.
- **Valve and Hydrant Maintenance Program**
  - Implement a city-wide maintenance program to ensure the reliability and functionality of water valves and hydrants, critical for emergency response and water distribution.
- **Maintaining Superior Water System Rating**
  - Continue to deliver high-quality drinking water and take proactive measures to maintain and exceed the city's superior water system rating, ensuring consistent and reliable water service.

These initiatives and accomplishments highlight the city's commitment to strengthening its water infrastructure, enhancing service quality, and ensuring sustainable water management for the future.

## Expenditure Summary

Expenditure estimates are derived from trend analysis and current contractual agreements.

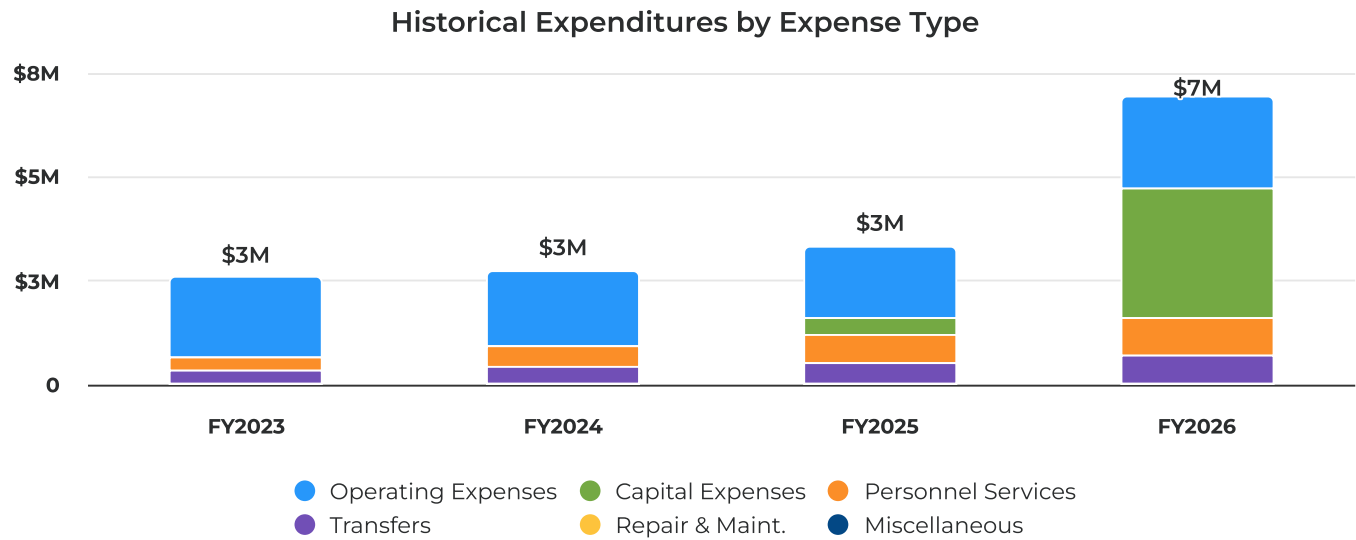
### Historical Expenditures Across Department



In FY2025, the Water budgeted expenditures are \$3.3 million, reflecting a 12.51% increase from the prior period. This indicates a moderate rise in planned spending compared to the previous budget year.

For FY2026, the Water budgeted expenditures significantly increases to \$6.9 million, for Capital Improvement Projects, which is a 107.87% rise from FY2025. This more than doubles the budgeted amount from the previous year, marking a substantial escalation in planned expenditures for the Water category.

## Expenditures by Expense Type

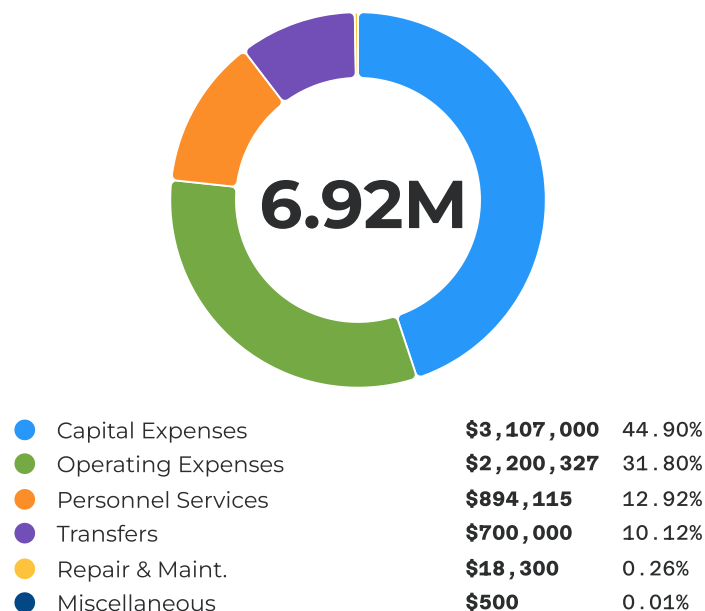


The total budget for Water in FY2026 is \$6.9 million, representing a 107.87% increase from the FY2025 total of \$3.3 million. Capital Expenses became the largest category, rising to \$3.1 million or 44.9% of the total budget, which is a significant increase of \$2.7 million or 684.07% compared to FY2025.

Operating Expenses increased to \$2.2 million, accounting for 31.8% of the total budget, up by \$467,937 or 27.01% from the previous year. Personnel Services also grew to \$894,115, making up 12.92% of the total, with an increase of \$214,185 or 31.5% over FY2025.

Transfers rose to \$700,000, representing 10.12% of the budget and increasing by \$200,000 or 40%. Repair and Maintenance decreased slightly to \$18,300, which is 0.26% of the total budget, down by \$1,700 or 8.5%. The Miscellaneous category remained unchanged at \$500, maintaining a negligible share of 0.01% of the total budget.

### FY26 Expenditures by Expense Type

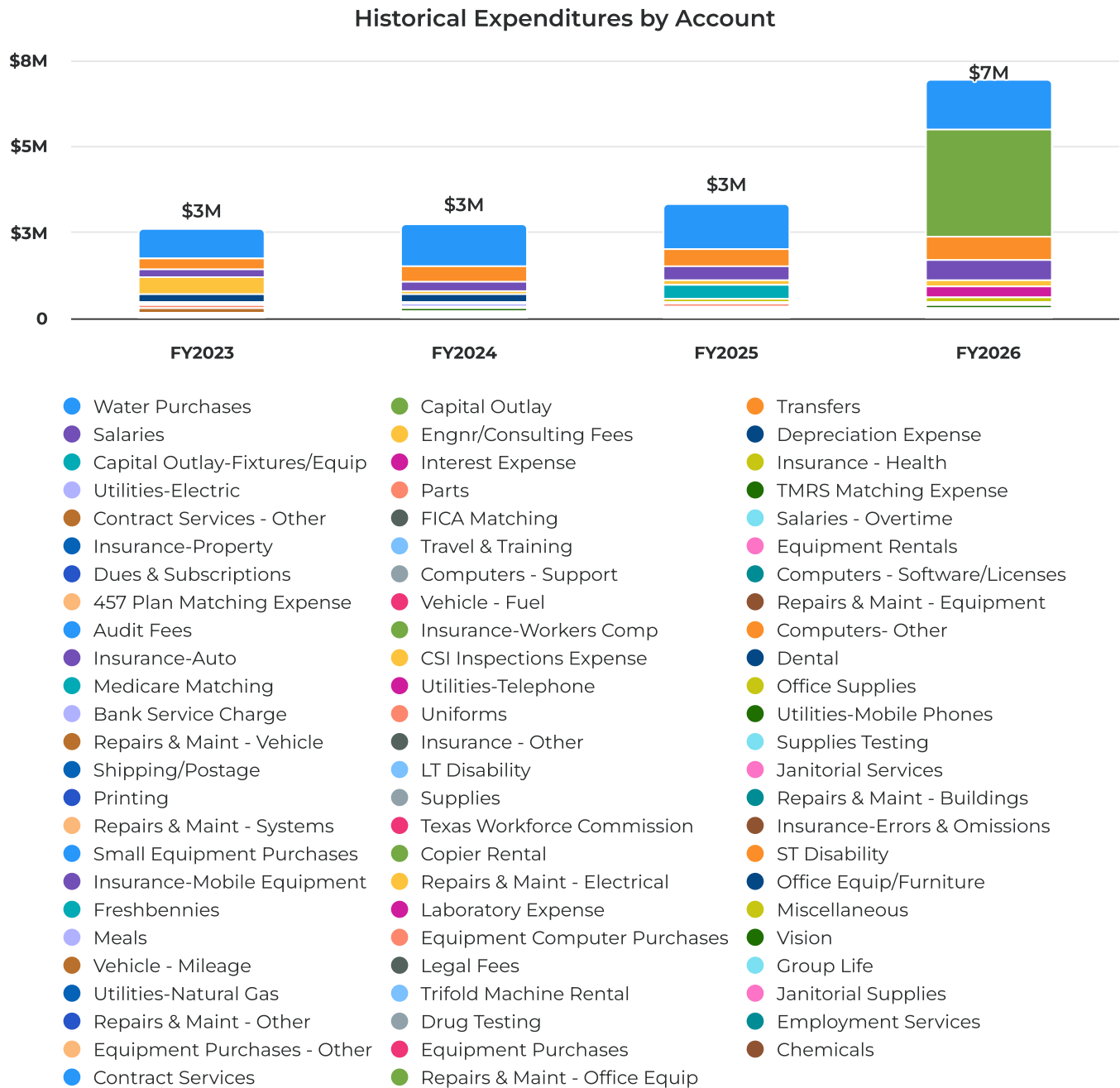


For the Water fiscal year expenditures by expense type, Capital Expenses account for \$3.1 million, representing 44.9% of the total. Operating Expenses follow with \$2.2 million, or 31.8%. Personnel Services amount to \$894,115, which is 12.92%. Transfers are \$700,000, making up 10.12%. Repair & Maint. expenses total \$18,300, or 0.26%, and Miscellaneous expenses are \$500, representing 0.01% of the expenditures.

### Expenditures by Expense Type

| Category                  | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted      | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|---------------------------|--------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------|
| Personnel Services        | \$679,929.82                                                       | \$894,115.03          | 31.50%                                                                                                      |
| Operating Expenses        | \$1,732,390.00                                                     | \$2,200,327.00        | 27.01%                                                                                                      |
| Repair & Maint.           | \$20,000.00                                                        | \$18,300.00           | -8.50%                                                                                                      |
| Capital Expenses          | \$396,264.60                                                       | \$3,107,000.00        | 684.07%                                                                                                     |
| Miscellaneous             | \$500.00                                                           | \$500.00              | 0.00%                                                                                                       |
| Transfers                 | \$500,000.00                                                       | \$700,000.00          | 40.00%                                                                                                      |
| <b>Total Expenditures</b> | <b>\$3,329,084.42</b>                                              | <b>\$6,920,242.03</b> | <b>107.87%</b>                                                                                              |

## Expenditures by Account



The FY2026 Water budget totals \$6.9 million, marking a significant increase of 107.87% compared to the FY2025 total of \$3.3 million. The largest expenditure category in FY2026 is Capital Outlay at \$3.1 million, representing 44.9% of the total budget, which is a new allocation as the previous year had \$0 in this category following the elimination of Capital Outlay-Fixtures/Equip expenses that were \$396,265 in FY2025.

Water Purchases remain a major expense, increasing by \$130,000 or 10% to \$1.4 million, though its share of the total budget decreases from 39.05% to 20.66%. Transfers also rise substantially by \$200,000 or 40%, reaching \$700,000 and accounting for 10.12% of the total. Salaries increase by \$180,886 or 44.36% to \$588,678, though their proportion of the budget decreases from 12.25% to 8.51%.

Interest Expense appears as a new significant category at \$343,752, making up 4.97% of the budget.

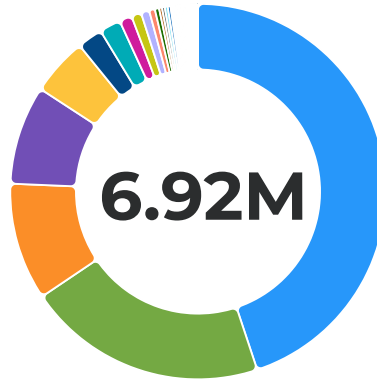
Engineering/Consulting Fees remain steady at \$150,000 with no change from the previous year, but their budget share decreases from 4.51% to 2.17%. Insurance - Health increases by \$29,957 or 31.01% to \$126,571, while TMRS Matching Expense rises by \$21,405 or 40.26% to \$74,565.

Utilities-Electric and Parts both decrease, with Utilities-Electric dropping by \$10,000 or 14.29% to \$60,000 and Parts decreasing by \$10,000 or 16.67% to \$50,000. Notably, the 457 Plan Matching Expense is eliminated in FY2026, down from \$42,000 in FY2025.

Overall, the FY2026 budget reflects a major increase driven primarily by Capital Outlay and increased Transfers, Salaries, and Water Purchases, alongside the introduction of Interest Expense and the removal of certain previous expenses such as Capital Outlay-Fixtures/Equip and 457 Plan Matching Expense.



## FY26 Expenditures by Account



|                               |             |        |
|-------------------------------|-------------|--------|
| Capital Outlay                | \$3,107,000 | 44.90% |
| Water Purchases               | \$1,430,000 | 20.66% |
| Transfers                     | \$700,000   | 10.12% |
| Salaries                      | \$588,678   | 8.51%  |
| Interest Expense              | \$343,752   | 4.97%  |
| Engnr/Consulting Fees         | \$150,000   | 2.17%  |
| Insurance - Health            | \$126,571   | 1.83%  |
| TMRS Matching Expense         | \$74,565    | 1.08%  |
| Utilities-Electric            | \$60,000    | 0.87%  |
| Parts                         | \$50,000    | 0.72%  |
| FICA Matching                 | \$34,017    | 0.49%  |
| Salaries - Overtime           | \$25,000    | 0.36%  |
| Insurance-Property            | \$17,600    | 0.25%  |
| Dental                        | \$17,115    | 0.25%  |
| Travel & Training             | \$17,000    | 0.25%  |
| Computers - Support           | \$17,000    | 0.25%  |
| Dues & Subscriptions          | \$11,000    | 0.16%  |
| Computers - Software/Licenses | \$11,000    | 0.16%  |
| Repairs & Maint - Equipment   | \$10,000    | 0.14%  |
| Vehicle - Fuel                | \$10,000    | 0.14%  |
| Insurance-Workers Comp        | \$9,350     | 0.14%  |
| Audit Fees                    | \$9,000     | 0.13%  |
| Insurance-Auto                | \$8,500     | 0.12%  |
| Medicare Matching             | \$7,956     | 0.11%  |
| Computers- Other              | \$7,600     | 0.11%  |
| CSI Inspections Expense       | \$6,000     | 0.09%  |
| Office Supplies               | \$6,000     | 0.09%  |
| Utilities-Telephone           | \$5,000     | 0.07%  |
| Uniforms                      | \$5,000     | 0.07%  |
| Utilities-Mobile Phones       | \$3,800     | 0.05%  |
| Repairs & Maint - Vehicle     | \$3,500     | 0.05%  |
| Bank Service Charge           | \$3,500     | 0.05%  |
| Supplies Testing              | \$3,000     | 0.04%  |
| Janitorial Services           | \$3,000     | 0.04%  |
| Contract Services - Other     | \$3,000     | 0.04%  |
| Equipment Computer Purchases  | \$2,835     | 0.04%  |
| LT Disability                 | \$2,420     | 0.03%  |
| Texas Workforce Commission    | \$2,328     | 0.03%  |
| Repairs & Maint - Systems     | \$2,000     | 0.03%  |

|                                |                |       |
|--------------------------------|----------------|-------|
| ● Vehicle - Mileage            | <b>\$2,000</b> | 0.03% |
| ● Shipping/Postage             | <b>\$2,000</b> | 0.03% |
| ● Repairs & Maint - Buildings  | <b>\$1,800</b> | 0.03% |
| ● Small Equipment Purchases    | <b>\$1,800</b> | 0.03% |
| ● Printing                     | <b>\$1,750</b> | 0.03% |
| ● Supplies                     | <b>\$1,500</b> | 0.02% |
| ● Insurance - Other            | <b>\$1,500</b> | 0.02% |
| ● Insurance-Errors & Omissions | <b>\$1,250</b> | 0.02% |
| ● Freshbennies                 | <b>\$1,248</b> | 0.02% |
| ● ST Disability                | <b>\$1,231</b> | 0.02% |
| ● Repairs & Maint - Electrical | <b>\$1,000</b> | 0.01% |
| ● Laboratory Expense           | <b>\$1,000</b> | 0.01% |
| ● Office Equip/Furniture       | <b>\$1,000</b> | 0.01% |
| ● Meals                        | <b>\$1,000</b> | 0.01% |
| ● Insurance-Mobile Equipment   | <b>\$990</b>   | 0.01% |
| ● Vision                       | <b>\$923</b>   | 0.01% |
| ● Copier Rental                | <b>\$900</b>   | 0.01% |
| ● Group Life                   | <b>\$814</b>   | 0.01% |
| ● Miscellaneous                | <b>\$500</b>   | 0.01% |
| ● Utilities-Natural Gas        | <b>\$500</b>   | 0.01% |
| ● Janitorial Supplies          | <b>\$500</b>   | 0.01% |
| ● Legal Fees                   | <b>\$500</b>   | 0.01% |
| ● Drug Testing                 | <b>\$200</b>   | 0.00% |
| ● Employment Services          | <b>\$200</b>   | 0.00% |
| ● Contract Services            | <b>\$50</b>    | 0.00% |

For the fiscal year, the Water expenditures by account include Capital Outlay at \$3.1 million, representing 44.9% of the total. Water Purchases account for \$1.4 million or 20.66%. Transfers amount to \$700,000, which is 10.12%. Salaries are \$588,678, making up 8.51%. Interest Expense is \$343,752 or 4.97%, while Engineering and Consulting Fees total \$150,000, representing 2.17%. Insurance - Health costs are \$126,571, accounting for 1.83%. TMRS Matching Expense is \$74,565, or 1.08%. Utilities-Electric expenses are \$60,000, which is 0.87%, and Parts cost \$50,000, representing 0.72%. There are 54 smaller categories not listed here.

## Expenditures by Account

| Category                   | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|----------------------------|--------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------|
| Salaries                   | \$407,792.14                                                       | \$588,678.06     | 44.36%                                                                                                      |
| Salaries - Overtime        | \$25,000.00                                                        | \$25,000.00      | 0.00%                                                                                                       |
| FICA Matching              | \$26,346.23                                                        | \$34,017.40      | 29.12%                                                                                                      |
| Medicare Matching          | \$6,161.62                                                         | \$7,955.68       | 29.12%                                                                                                      |
| Texas Workforce Commission | \$1,595.00                                                         | \$2,328.26       | 45.97%                                                                                                      |
| Insurance - Health         | \$96,614.05                                                        | \$126,570.96     | 31.01%                                                                                                      |
| Insurance - Other          | \$3,000.00                                                         | \$1,500.00       | -50.00%                                                                                                     |
| Dental                     | \$3,462.06                                                         | \$17,114.87      | 394.35%                                                                                                     |
| Vision                     | \$697.10                                                           | \$923.06         | 32.41%                                                                                                      |
| LT Disability              | \$1,923.58                                                         | \$2,420.45       | 25.83%                                                                                                      |
| ST Disability              | \$964.61                                                           | \$1,230.60       | 27.57%                                                                                                      |
| Group Life                 | \$575.38                                                           | \$813.51         | 41.39%                                                                                                      |

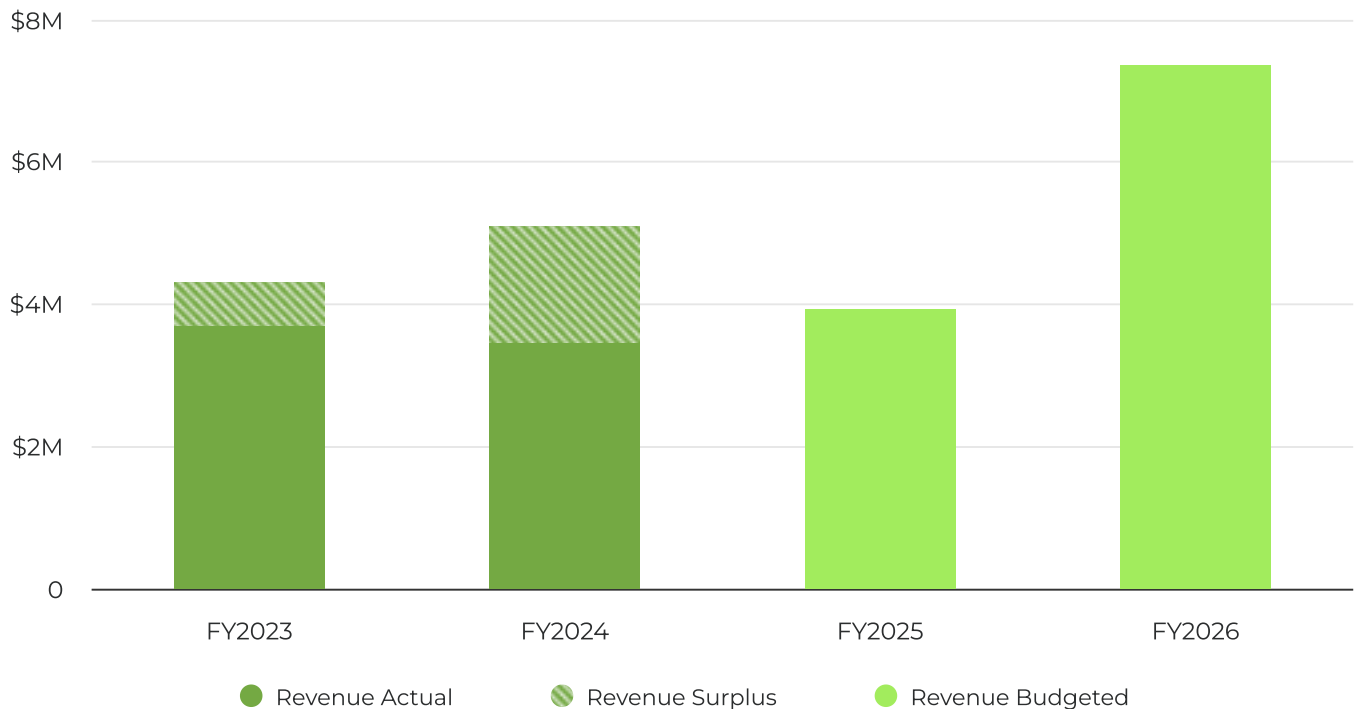
| Category                      | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|-------------------------------|--------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------|
| Freshbennies                  | \$888.16                                                           | \$1,247.52       | 40.46%                                                                                                      |
| TMRS Matching Expense         | \$53,159.89                                                        | \$74,564.65      | 40.26%                                                                                                      |
| 457 Plan Matching Expense     | \$42,000.00                                                        | -                | -100.00%                                                                                                    |
| Audit Fees                    | \$9,000.00                                                         | \$9,000.00       | 0.00%                                                                                                       |
| Bank Service Charge           | \$3,500.00                                                         | \$3,500.00       | 0.00%                                                                                                       |
| Computers- Other              | \$10,000.00                                                        | \$7,600.00       | -24.00%                                                                                                     |
| Computers - Software/Licenses | \$12,000.00                                                        | \$11,000.00      | -8.33%                                                                                                      |
| Computers - Support           | \$15,350.00                                                        | \$17,000.00      | 10.75%                                                                                                      |
| Dues & Subscriptions          | \$11,000.00                                                        | \$11,000.00      | 0.00%                                                                                                       |
| Engnr/Consulting Fees         | \$150,000.00                                                       | \$150,000.00     | 0.00%                                                                                                       |
| Interest Expense              | -                                                                  | \$343,752.00     | -                                                                                                           |
| Legal Fees                    | \$500.00                                                           | \$500.00         | 0.00%                                                                                                       |
| Meals                         | \$700.00                                                           | \$1,000.00       | 42.86%                                                                                                      |
| Office Supplies               | \$3,000.00                                                         | \$6,000.00       | 100.00%                                                                                                     |
| Printing                      | \$1,750.00                                                         | \$1,750.00       | 0.00%                                                                                                       |
| Shipping/Postage              | \$2,000.00                                                         | \$2,000.00       | 0.00%                                                                                                       |
| Travel & Training             | \$15,000.00                                                        | \$17,000.00      | 13.33%                                                                                                      |
| Uniforms                      | \$3,000.00                                                         | \$5,000.00       | 66.67%                                                                                                      |
| Office Equip/Furniture        | \$1,000.00                                                         | \$1,000.00       | 0.00%                                                                                                       |
| Vehicle - Mileage             | -                                                                  | \$2,000.00       | -                                                                                                           |
| Vehicle - Fuel                | \$11,000.00                                                        | \$10,000.00      | -9.09%                                                                                                      |
| Contract Services             | \$50.00                                                            | \$50.00          | 0.00%                                                                                                       |
| Contract Services - Other     | -                                                                  | \$3,000.00       | -                                                                                                           |
| Janitorial Services           | \$1,200.00                                                         | \$3,000.00       | 150.00%                                                                                                     |
| Employment Services           | \$200.00                                                           | \$200.00         | 0.00%                                                                                                       |
| Insurance-Auto                | \$8,500.00                                                         | \$8,500.00       | 0.00%                                                                                                       |
| Insurance-Errors & Omissions  | \$1,250.00                                                         | \$1,250.00       | 0.00%                                                                                                       |
| Insurance-Mobile Equipment    | \$990.00                                                           | \$990.00         | 0.00%                                                                                                       |
| Insurance-Property            | \$17,600.00                                                        | \$17,600.00      | 0.00%                                                                                                       |
| Insurance-Workers Comp        | \$9,350.00                                                         | \$9,350.00       | 0.00%                                                                                                       |
| CSI Inspections Expense       | \$6,000.00                                                         | \$6,000.00       | 0.00%                                                                                                       |
| Laboratory Expense            | \$1,000.00                                                         | \$1,000.00       | 0.00%                                                                                                       |
| Water Purchases               | \$1,300,000.00                                                     | \$1,430,000.00   | 10.00%                                                                                                      |
| Equipment Computer Purchases  | -                                                                  | \$2,835.00       | -                                                                                                           |
| Small Equipment Purchases     | \$1,800.00                                                         | \$1,800.00       | 0.00%                                                                                                       |
| Copier Rental                 | \$900.00                                                           | \$900.00         | 0.00%                                                                                                       |
| Janitorial Supplies           | \$500.00                                                           | \$500.00         | 0.00%                                                                                                       |
| Parts                         | \$60,000.00                                                        | \$50,000.00      | -16.67%                                                                                                     |
| Supplies                      | \$1,500.00                                                         | \$1,500.00       | 0.00%                                                                                                       |
| Supplies Testing              | \$3,000.00                                                         | \$3,000.00       | 0.00%                                                                                                       |
| Repairs & Maint - Buildings   | \$1,800.00                                                         | \$1,800.00       | 0.00%                                                                                                       |
| Repairs & Maint - Electrical  | \$1,200.00                                                         | \$1,000.00       | -16.67%                                                                                                     |
| Repairs & Maint - Equipment   | \$10,000.00                                                        | \$10,000.00      | 0.00%                                                                                                       |
| Repairs & Maint - Other       | \$500.00                                                           | -                | -100.00%                                                                                                    |

| Category                      | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted      | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|-------------------------------|--------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------|
| Repairs & Maint - Systems     | \$3,000.00                                                         | \$2,000.00            | -33.33%                                                                                                     |
| Repairs & Maint - Vehicle     | \$3,500.00                                                         | \$3,500.00            | 0.00%                                                                                                       |
| Utilities-Electric            | \$70,000.00                                                        | \$60,000.00           | -14.29%                                                                                                     |
| Utilities-Mobile Phones       | \$3,800.00                                                         | \$3,800.00            | 0.00%                                                                                                       |
| Utilities-Natural Gas         | \$500.00                                                           | \$500.00              | 0.00%                                                                                                       |
| Utilities-Telephone           | \$5,000.00                                                         | \$5,000.00            | 0.00%                                                                                                       |
| Capital Outlay                | -                                                                  | \$3,107,000.00        | -                                                                                                           |
| Capital Outlay-Fixtures/Equip | \$396,264.60                                                       | -                     | -100.00%                                                                                                    |
| Drug Testing                  | \$200.00                                                           | \$200.00              | 0.00%                                                                                                       |
| Miscellaneous                 | \$500.00                                                           | \$500.00              | 0.00%                                                                                                       |
| Transfers                     | \$500,000.00                                                       | \$700,000.00          | 40.00%                                                                                                      |
| <b>Total Expenditures</b>     | <b>\$3,329,084.42</b>                                              | <b>\$6,920,242.03</b> | <b>107.87%</b>                                                                                              |

## Revenue Summary

Revenue projections are based on historical trend analysis and established contractual commitments.

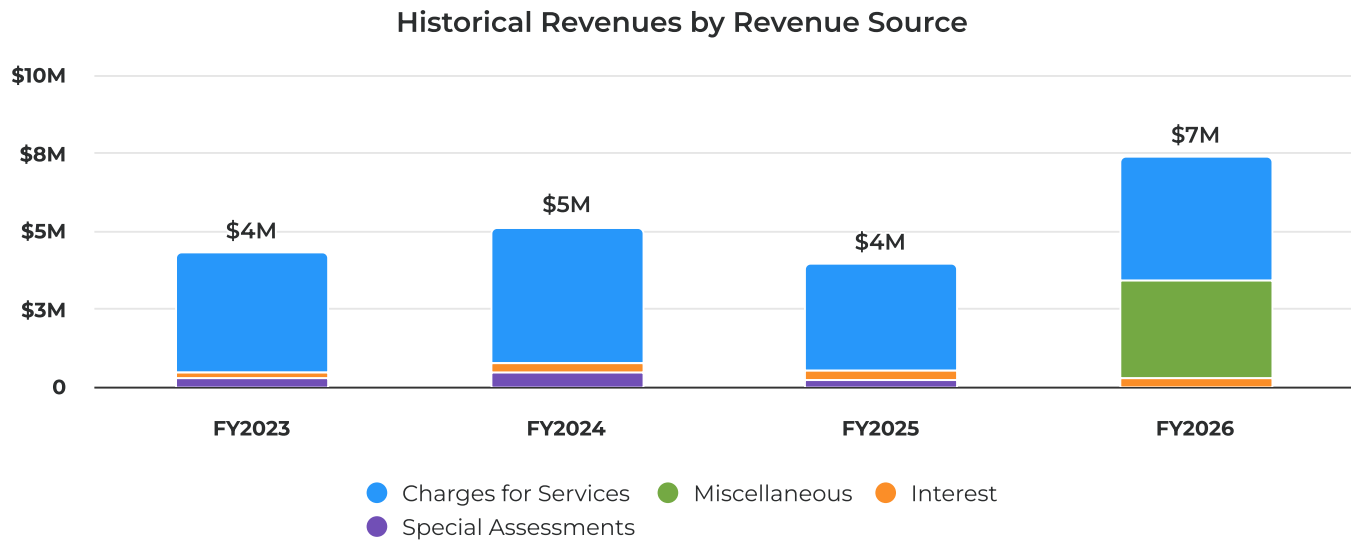
### Historical Revenues Across Department



In FY2025, the Water Revenue Budget is set at \$3.9 million, reflecting a 14.03% increase from the prior period. This indicates a moderate growth in revenue expectations compared to the previous budget year.

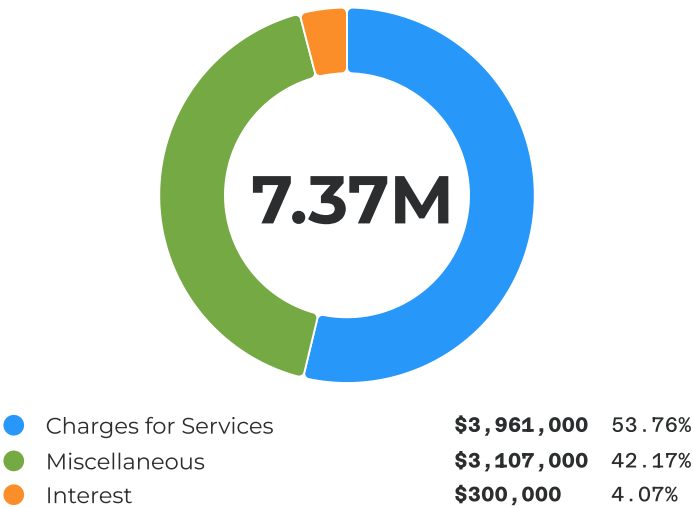
For FY2026, the Water Revenue Budget rises significantly to \$7.4 million, marking an 87.31% increase from FY2025. This substantial growth highlights a major upward adjustment in revenue projections based off historical actuals and trending analysis for the Water category between these two budget years.

## Revenues by Revenue Source



The total revenue for Water in FY2026 is \$7.4 million, representing an 87.31% increase from the FY2025 total of \$3.9 million. Charges for Services remain the largest revenue source at \$4 million, accounting for 53.76% of the total, which is a 14.79% increase or \$510,300 more than the previous year. Miscellaneous revenue which represents the previously Secured Bond Funds, shows a significant increase to \$3.1 million, making up 42.17% of the total, up from \$0 in FY2025. Interest revenue slightly increased by 3.31% to \$300,000, representing 4.07% of the total revenue. Special Assessments revenue decreased to \$0, a 100% decline from \$192,567 in FY2025. Overall, the FY2026 budget reflects substantial growth in total revenue, driven primarily by increases in Miscellaneous and Charges for Services categories, while Special Assessments revenue was completely eliminated.

**FY26 Revenues by Revenue Source**



For the Water fiscal year revenue by revenue source, Charges for Services account for \$4 million, representing 53.76% of the total revenue. Miscellaneous revenue which represents the previously Secured Bond Funds, contributes \$3.1 million,

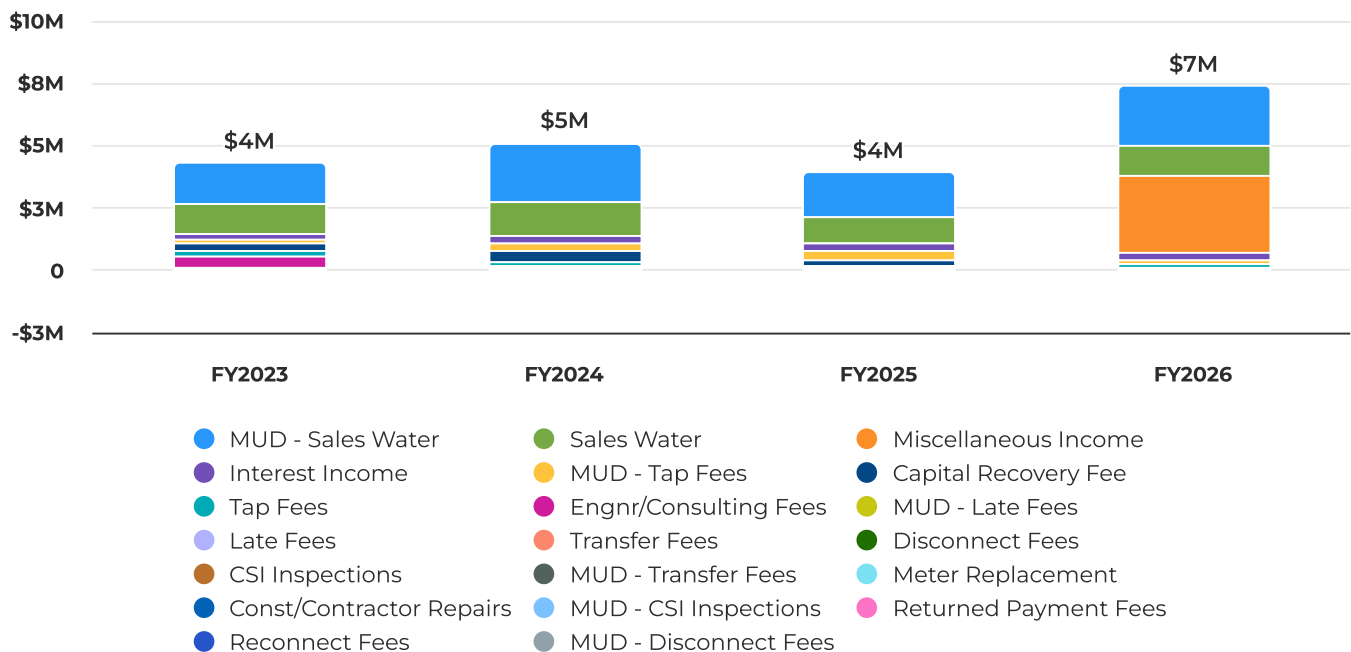
which is 42.17% of the total. Interest revenue amounts to \$300,000, making up 4.07% of the total revenue.

## Revenues by Revenue Source

| Category              | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted      | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|-----------------------|--------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------|
| Charges for Services  | \$3,450,700.00                                                     | \$3,961,000.00        | 14.79%                                                                                                      |
| Special Assessments   | \$192,567.38                                                       | -                     | -100.00%                                                                                                    |
| Miscellaneous         | -                                                                  | \$3,107,000.00        | -                                                                                                           |
| Interest              | \$290,400.00                                                       | \$300,000.00          | 3.31%                                                                                                       |
| <b>Total Revenues</b> | <b>\$3,933,667.38</b>                                              | <b>\$7,368,000.00</b> | <b>87.31%</b>                                                                                               |

## Revenues by Account

Historical Revenues by Account



The total Water revenue for FY2026 is \$7.4 million, representing an 87.31% increase from the FY2025 total of \$3.9 million. The largest revenue category in FY2026 is Miscellaneous Income at \$3.1 million, accounting for 42.17% of the total, which is a new and significant addition compared to FY2025 where it was \$0.

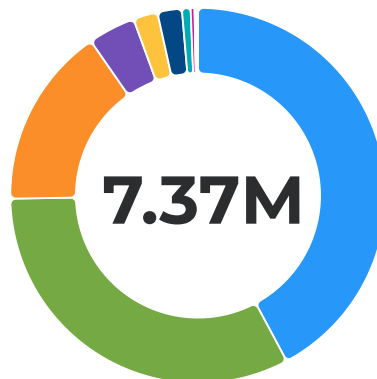
MUD - Sales Water remains a major revenue source, increasing by \$624,000 or 35.14% to \$2.4 million, now representing 32.57% of total revenue, up from 45.15% of a smaller total in FY2025. Sales Water also increased by \$45,000 or 4.07% to \$1.2 million, making up 15.61% of the FY2026 total.

Interest Income rose slightly by \$9,600 or 3.31% to \$300,000, now 4.07% of total revenue. Tap Fees increased by \$32,500 or 26.53% to \$155,000, while MUD - Tap Fees decreased significantly by \$222,000 or 58.89% to \$155,000, both categories now each representing 2.1% of total revenue.

MUD - Late Fees grew by \$25,000 or 83.33% to \$55,000, and Late Fees increased by \$5,000 or 25% to \$25,000, together accounting for just over 1% of total revenue. Transfer Fees rose by \$3,000 or 50% to \$9,000, and CSI Inspections increased by \$1,500 or 30% to \$6,500.

Notable decreases include the Capital Recovery Fee, which dropped from \$192,567 in FY2025 to \$0 in FY2026, and MUD - Transfer Fees and MUD - CSI Inspections, both reduced to \$0 from prior amounts of \$4,000 and \$3,700 respectively. Disconnect Fees increased from \$0 to \$5,000 in FY2026.

### FY26 Revenues by Account



|                       |             |        |
|-----------------------|-------------|--------|
| Miscellaneous Income  | \$3,107,000 | 42.17% |
| MUD - Sales Water     | \$2,400,000 | 32.57% |
| Sales Water           | \$1,150,000 | 15.61% |
| Interest Income       | \$300,000   | 4.07%  |
| MUD - Tap Fees        | \$155,000   | 2.10%  |
| Tap Fees              | \$155,000   | 2.10%  |
| MUD - Late Fees       | \$55,000    | 0.75%  |
| Late Fees             | \$25,000    | 0.34%  |
| Transfer Fees         | \$9,000     | 0.12%  |
| CSI Inspections       | \$6,500     | 0.09%  |
| Disconnect Fees       | \$5,000     | 0.07%  |
| Returned Payment Fees | \$500       | 0.01%  |

The fiscal year revenue for Water is primarily composed of Miscellaneous Income, which represents the previously Secured Bond Funds at \$3.1 million, representing 42.17% of the total. This is followed by MUD - Sales Water at \$2.4 million, which accounts for 32.57%. Sales Water contributes \$1.2 million, or 15.61%. Interest Income amounts to \$300,000, making up 4.07% of the revenue. Tap Fees and MUD - Tap Fees each contribute \$155,000, both representing 2.1%. Smaller portions include MUD - Late Fees at \$55,000 (0.75%), Late Fees at \$25,000 (0.34%), Transfer Fees at \$9,000 (0.12%), and CSI Inspections at \$6,500 (0.09%).

### Revenues by Account

| Category              | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|-----------------------|--------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------|
| CSI Inspections       | \$5,000.00                                                         | \$6,500.00       | 30.00%                                                                                                      |
| MUD - CSI Inspections | \$3,700.00                                                         | -                | -100.00%                                                                                                    |
| Capital Recovery Fee  | \$192,567.38                                                       | -                | -100.00%                                                                                                    |
| Sales Water           | \$1,105,000.00                                                     | \$1,150,000.00   | 4.07%                                                                                                       |

| Category              | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted      | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|-----------------------|--------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------|
| MUD - Sales Water     | \$1,776,000.00                                                     | \$2,400,000.00        | 35.14%                                                                                                      |
| Tap Fees              | \$122,500.00                                                       | \$155,000.00          | 26.53%                                                                                                      |
| MUD - Tap Fees        | \$377,000.00                                                       | \$155,000.00          | -58.89%                                                                                                     |
| Transfer Fees         | \$6,000.00                                                         | \$9,000.00            | 50.00%                                                                                                      |
| MUD - Transfer Fees   | \$4,000.00                                                         | -                     | -100.00%                                                                                                    |
| Disconnect Fees       | \$1,000.00                                                         | \$5,000.00            | 400.00%                                                                                                     |
| Late Fees             | \$20,000.00                                                        | \$25,000.00           | 25.00%                                                                                                      |
| MUD - Late Fees       | \$30,000.00                                                        | \$55,000.00           | 83.33%                                                                                                      |
| Returned Payment Fees | \$500.00                                                           | \$500.00              | 0.00%                                                                                                       |
| Interest Income       | \$290,400.00                                                       | \$300,000.00          | 3.31%                                                                                                       |
| Miscellaneous Income  | -                                                                  | \$3,107,000.00        | -                                                                                                           |
| <b>Total Revenues</b> | <b>\$3,933,667.38</b>                                              | <b>\$7,368,000.00</b> | <b>87.31%</b>                                                                                               |



# Sewer

The Wastewater Department is essential for safeguarding public health and protecting the environment through effective wastewater management and treatment. It oversees the collection and treatment of wastewater, maintains infrastructure to prevent system failures, and ensures compliance with environmental regulations, including reporting to the Texas Commission on Environmental Quality (TCEQ). The department handles emergencies, manages capital improvement projects to expand and enhance infrastructure, and provides customer support for service-related issues. Committed to sustainability, it integrates innovative technologies and practices to improve efficiency and reduce environmental impact, ensuring reliable and safe wastewater services for the community.

| Sewer<br>Sewer Fund<br>WORKLOAD INDICATORS & PERFORMANCE MEASURES |                     |                     |                     |                     |
|-------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Performance Measures                                              | 2022-2023<br>Actual | 2023-2024<br>Actual | 2024-2025<br>Actual | 2025-2026<br>Budget |
| Feet of sewer main televised annually                             | 200                 | 160                 | 18000               | 2000                |
| Number of Sewer Stoppages Annually                                | 22                  | 20                  | 18                  | 10                  |
| Number of Service Orders Completed                                | 2215                | 2630                | 3459                | 3200                |

# Organizational Chart

## Wastewater



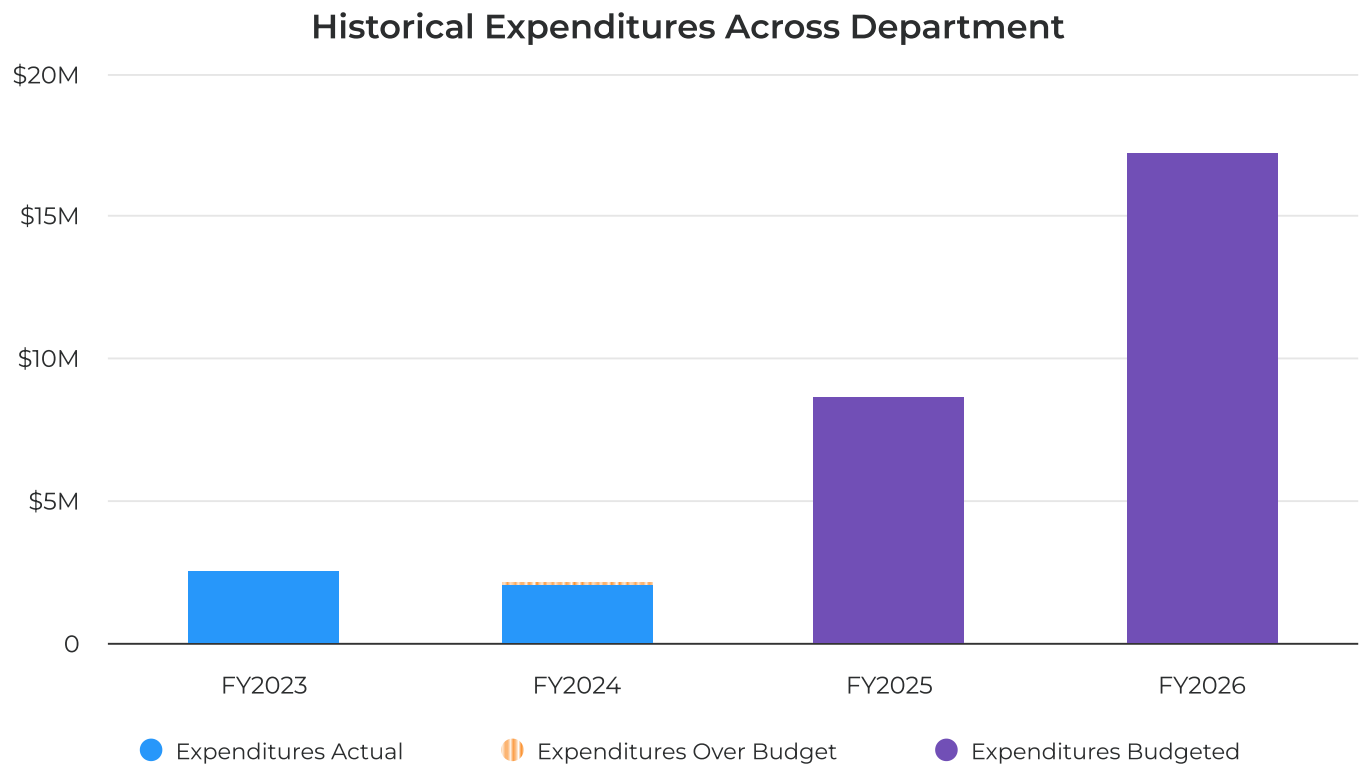
## Accomplishments and Initiatives

In the past year, the department has achieved notable advancements in wastewater management and infrastructure. The department undertook major maintenance across multiple wastewater lift stations and installed SCADA monitoring system at the Hubbard Lift Station, enhancing operational efficiency. Construction commenced at both the Magnolia Wastewater Plant and the New North WasteWater Treatment Plant. Throughout these efforts, we have consistently maintained high-quality wastewater effluent water.

Looking ahead, key initiatives include completing construction on Phase 2 of the Magnolia Wastewater Treatment Plant (WWTP) and continuing progress on the North WWTP. The scheduled installation of SCADA system at the FountainView Lift Station will bring all Josephine lift stations under SCADA monitoring, enhancing system oversight and efficiency. Additionally, the hiring and training of one new employee to support WWTP expansion has been approved for FY26. These projects are critical to strengthening our wastewater management capabilities and ensuring the continued delivery of superior service to the community.

# Expenditure Summary

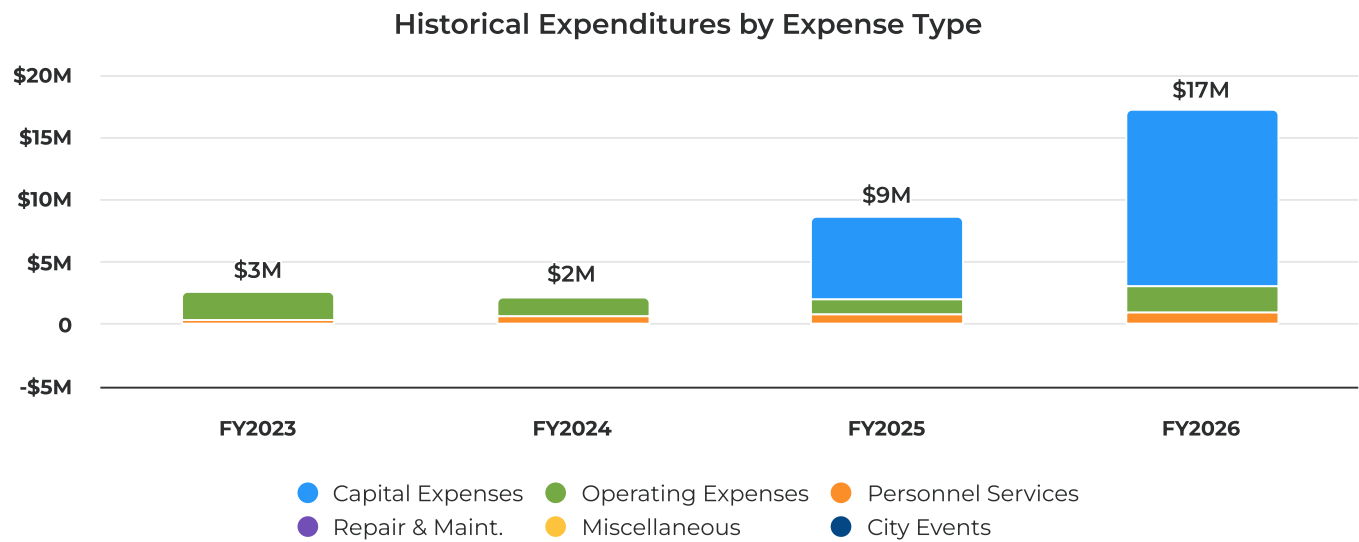
Expenditure estimates are derived from trend analysis and current contractual agreements.



In FY2025, the Sewer expenditure budget is set at \$8.6 million, representing a significant increase of 321.75% from the prior period. This marks a substantial rise in budgeted expenditures compared to previous levels, due to Capital Planning Initiatives.

For FY2026, the Sewer expenditure budget further increases to \$17.2 million, which is a 100.06% increase from the FY2025 budget. This doubling of the budget indicates continued growth in planned expenditures for the Sewer Capital Projects.

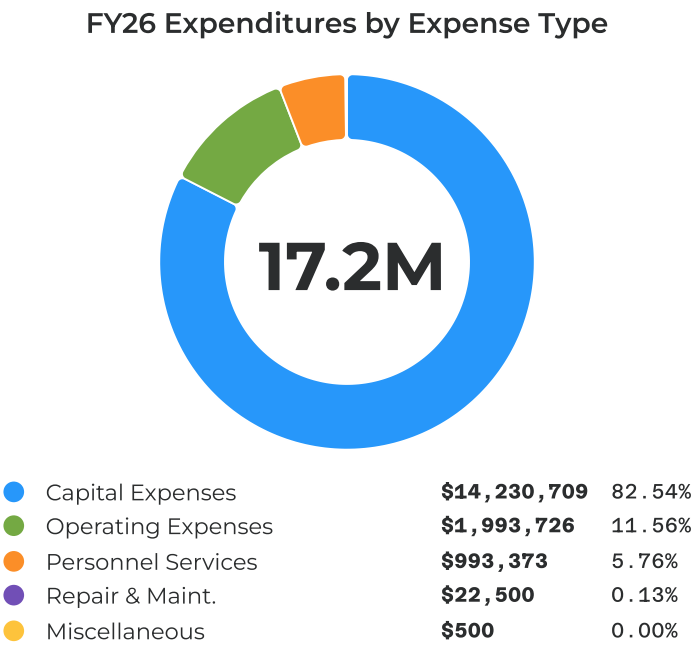
# Expenditures by Expense Type



The FY2026 Sewer budget totals \$17.2 million, representing a 100.06% increase from the FY2025 total of \$8.6 million. Capital Expenses remain the largest category, increasing by \$7.6 million or 115.45% to \$14.2 million, which now accounts for 82.54% of the total budget, up from 76.65% in FY2025.

Operating Expenses also rose significantly by \$782,068 or 64.55%, reaching \$2 million and comprising 11.56% of the total budget, reversing the previous year's decrease. Personnel Services increased by \$212,887 or 27.28% to \$993,373, though its share of the total budget decreased to 5.76% from 9.06% in FY2025.

Repair and Maintenance expenses grew modestly by \$2,500 or 12.5% to \$22,500, representing 0.13% of the total budget. Miscellaneous expenses remained constant at \$500, maintaining a negligible portion of the budget. City Events expenses stayed at \$0.



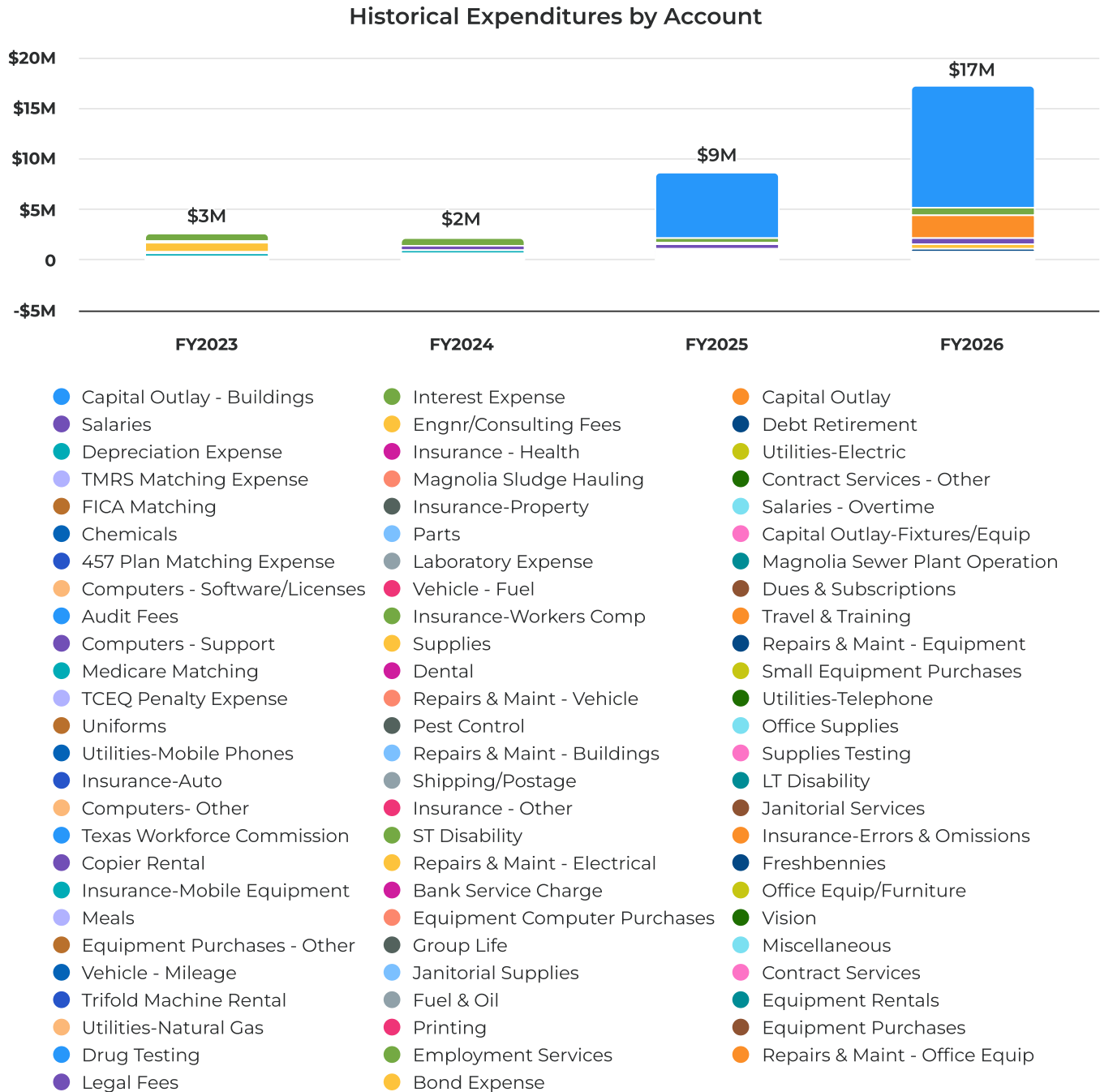
For the Sewer fiscal year expenditures by expense type, Capital Expenses account for \$14.2 million, representing 82.54% of the total. Operating Expenses total \$2 million, which is 11.56%. Personnel Services amount to \$993,373, making up 5.76%.

Repair & Maint. expenses are \$22,500, or 0.13%, and Miscellaneous expenses are \$500, representing 0% of the total expenditures.

### Expenditures by Expense Type

| Category                  | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted       | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|---------------------------|--------------------------------------------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------|
| Personnel Services        | \$780,486.17                                                       | \$993,373.25           | 27.28%                                                                                                      |
| Operating Expenses        | \$1,211,657.50                                                     | \$1,993,725.75         | 64.55%                                                                                                      |
| Repair & Maint.           | \$20,000.00                                                        | \$22,500.00            | 12.50%                                                                                                      |
| Capital Expenses          | \$6,605,000.00                                                     | \$14,230,709.05        | 115.45%                                                                                                     |
| Miscellaneous             | \$500.00                                                           | \$500.00               | 0.00%                                                                                                       |
| <b>Total Expenditures</b> | <b>\$8,617,643.67</b>                                              | <b>\$17,240,808.05</b> | <b>100.06%</b>                                                                                              |

# Expenditures by Account



The FY2026 Sewer budget totals \$17.2 million, marking a 100.06% increase from the FY2025 total of \$8.6 million. The largest expenditure remains Capital Outlay - Buildings, which increased by \$5.6 million or 86.07%, now representing 69.83% of the total budget, down slightly in proportion from 75.08% in FY2025.

Capital Outlay overall saw a significant rise to \$2.2 million, a 2,070% increase from \$100,000, and now accounts for 12.59% of the total budget. Interest Expense increased by \$330,852 or 65.51% to \$835,902, though its share of the total decreased slightly to 4.85% from 5.86%.

Salaries rose by \$180,091 or 38.5% to \$647,895, representing 3.76% of the budget, up from 5.43%. Engineering/Consulting Fees experienced a substantial increase of \$432,311 or 735.85%, reaching \$491,061 and 2.85% of the total budget, up from

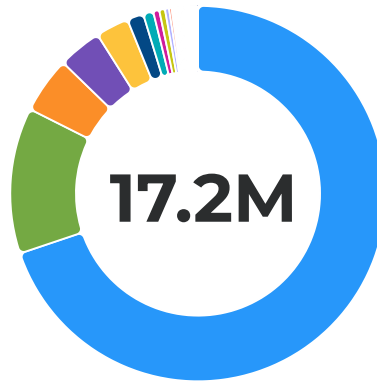
0.68% previously.

Debt Retirement increased modestly by \$15,000 or 6.52% to \$245,000, now 1.42% of the budget. Insurance - Health grew by \$44,263 or 41.37% to \$151,250, though its budget share decreased to 0.88% from 1.24%. TMRS Matching Expense increased by \$23,465 or 38.68% to \$84,133, representing 0.49% of the total.

Utilities-Electric decreased by \$10,000 or 10% to \$90,000, reducing its share to 0.52% from 1.16%. Magnolia Sludge Hauling declined by \$28,500 or 32.2% to \$60,000, now 0.35% of the budget compared to 1.03% previously.

Notable decreases include the elimination of the 457 Plan Matching Expense, down \$55,000 or 100%, and a 36.99% reduction in Capital Outlay-Fixtures/Equip to \$22,055. Other decreases include reductions in Magnolia Sewer Plant Operation, Salaries - Overtime, Insurance - Other, Vehicle Fuel, and various Repairs & Maintenance categories.

## FY26 Expenditures by Account



|                                |                     |        |
|--------------------------------|---------------------|--------|
| Capital Outlay - Buildings     | <b>\$12,038,655</b> | 69.83% |
| Capital Outlay                 | <b>\$2,169,999</b>  | 12.59% |
| Interest Expense               | <b>\$835,902</b>    | 4.85%  |
| Salaries                       | <b>\$647,895</b>    | 3.76%  |
| Engnr/Consulting Fees          | <b>\$491,061</b>    | 2.85%  |
| Debt Retirement                | <b>\$245,000</b>    | 1.42%  |
| Insurance - Health             | <b>\$151,250</b>    | 0.88%  |
| Utilities-Electric             | <b>\$90,000</b>     | 0.52%  |
| TMRS Matching Expense          | <b>\$84,133</b>     | 0.49%  |
| Magnolia Sludge Hauling        | <b>\$60,000</b>     | 0.35%  |
| FICA Matching                  | <b>\$37,622</b>     | 0.22%  |
| Insurance-Property             | <b>\$30,000</b>     | 0.17%  |
| Parts                          | <b>\$25,000</b>     | 0.15%  |
| Salaries - Overtime            | <b>\$25,000</b>     | 0.15%  |
| Chemicals                      | <b>\$22,500</b>     | 0.13%  |
| Capital Outlay-Fixtures/Equip  | <b>\$22,055</b>     | 0.13%  |
| Contract Services - Other      | <b>\$22,000</b>     | 0.13%  |
| Dental                         | <b>\$17,819</b>     | 0.10%  |
| Travel & Training              | <b>\$17,000</b>     | 0.10%  |
| Laboratory Expense             | <b>\$16,000</b>     | 0.09%  |
| Repairs & Maint - Equipment    | <b>\$12,000</b>     | 0.07%  |
| Computers - Support            | <b>\$11,000</b>     | 0.06%  |
| Computers - Software/Licenses  | <b>\$11,000</b>     | 0.06%  |
| Magnolia Sewer Plant Operation | <b>\$10,000</b>     | 0.06%  |
| Vehicle - Fuel                 | <b>\$10,000</b>     | 0.06%  |
| TCEQ Penalty Expense           | <b>\$10,000</b>     | 0.06%  |
| Dues & Subscriptions           | <b>\$10,000</b>     | 0.06%  |
| Insurance-Workers Comp         | <b>\$9,350</b>      | 0.05%  |
| Audit Fees                     | <b>\$9,000</b>      | 0.05%  |
| Medicare Matching              | <b>\$8,799</b>      | 0.05%  |
| Supplies                       | <b>\$8,000</b>      | 0.05%  |
| Computers- Other               | <b>\$7,600</b>      | 0.04%  |
| Small Equipment Purchases      | <b>\$6,720</b>      | 0.04%  |
| Repairs & Maint - Buildings    | <b>\$6,000</b>      | 0.03%  |
| Utilities-Telephone            | <b>\$5,000</b>      | 0.03%  |
| Uniforms                       | <b>\$5,000</b>      | 0.03%  |
| Pest Control                   | <b>\$4,000</b>      | 0.02%  |
| Office Supplies                | <b>\$4,000</b>      | 0.02%  |
| Utilities-Mobile Phones        | <b>\$3,800</b>      | 0.02%  |



|                              |         |       |
|------------------------------|---------|-------|
| Repairs & Maint - Vehicle    | \$3,500 | 0.02% |
| Supplies Testing             | \$3,500 | 0.02% |
| Insurance-Auto               | \$3,300 | 0.02% |
| Janitorial Services          | \$3,000 | 0.02% |
| Texas Workforce Commission   | \$2,842 | 0.02% |
| Equipment Computer Purchases | \$2,835 | 0.02% |
| LT Disability                | \$2,748 | 0.02% |
| Vehicle - Mileage            | \$2,000 | 0.01% |
| Shipping/Postage             | \$2,000 | 0.01% |
| ST Disability                | \$1,392 | 0.01% |
| Freshbennies                 | \$1,311 | 0.01% |
| Vision                       | \$1,091 | 0.01% |
| Insurance-Errors & Omissions | \$1,018 | 0.01% |
| Repairs & Maint - Electrical | \$1,000 | 0.01% |
| Office Equip/Furniture       | \$1,000 | 0.01% |
| Meals                        | \$1,000 | 0.01% |
| Insurance - Other            | \$1,000 | 0.01% |
| Insurance-Mobile Equipment   | \$990   | 0.01% |
| Group Life                   | \$921   | 0.01% |
| Copier Rental                | \$900   | 0.01% |
| Equipment Purchases - Other  | \$750   | 0.00% |
| Miscellaneous                | \$500   | 0.00% |
| Janitorial Supplies          | \$500   | 0.00% |
| Fuel & Oil                   | \$500   | 0.00% |
| Bank Service Charge          | \$500   | 0.00% |
| Utilities-Natural Gas        | \$300   | 0.00% |
| Drug Testing                 | \$100   | 0.00% |
| Employment Services          | \$100   | 0.00% |
| Contract Services            | \$50    | 0.00% |

For the Sewer fiscal year expenditures by account, Capital Outlay - Buildings represents the largest portion at \$12 million, accounting for 69.83% of the total. Capital Outlay follows with \$2.2 million, or 12.59%. Interest Expense amounts to \$835,902, making up 4.85%, while Salaries total \$647,895, which is 3.76%. Engineering and Consulting Fees are \$491,061, representing 2.85%, and Debt Retirement is \$245,000, or 1.42%. Insurance - Health accounts for \$151,250, or 0.88%, and Utilities - Electric is \$90,000, comprising 0.52%. TMRS Matching Expense is \$84,133, or 0.49%, and Magnolia Sludge Hauling is \$60,000, making up 0.35%. There are 58 smaller categories not listed here.

## Expenditures by Account

| Category                   | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|----------------------------|--------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------|
| Salaries                   | \$467,804.17                                                       | \$647,895.28     | 38.50%                                                                                                      |
| Salaries - Overtime        | \$30,000.00                                                        | \$25,000.00      | -16.67%                                                                                                     |
| FICA Matching              | \$30,066.97                                                        | \$37,621.91      | 25.13%                                                                                                      |
| Medicare Matching          | \$7,031.79                                                         | \$8,798.67       | 25.13%                                                                                                      |
| Texas Workforce Commission | \$1,902.50                                                         | \$2,842.01       | 49.38%                                                                                                      |
| Insurance - Health         | \$106,987.72                                                       | \$151,250.22     | 41.37%                                                                                                      |
| Insurance - Other          | \$2,000.00                                                         | \$1,000.00       | -50.00%                                                                                                     |
| Dental                     | \$3,796.86                                                         | \$17,818.56      | 369.30%                                                                                                     |
| Vision                     | \$751.62                                                           | \$1,091.40       | 45.21%                                                                                                      |

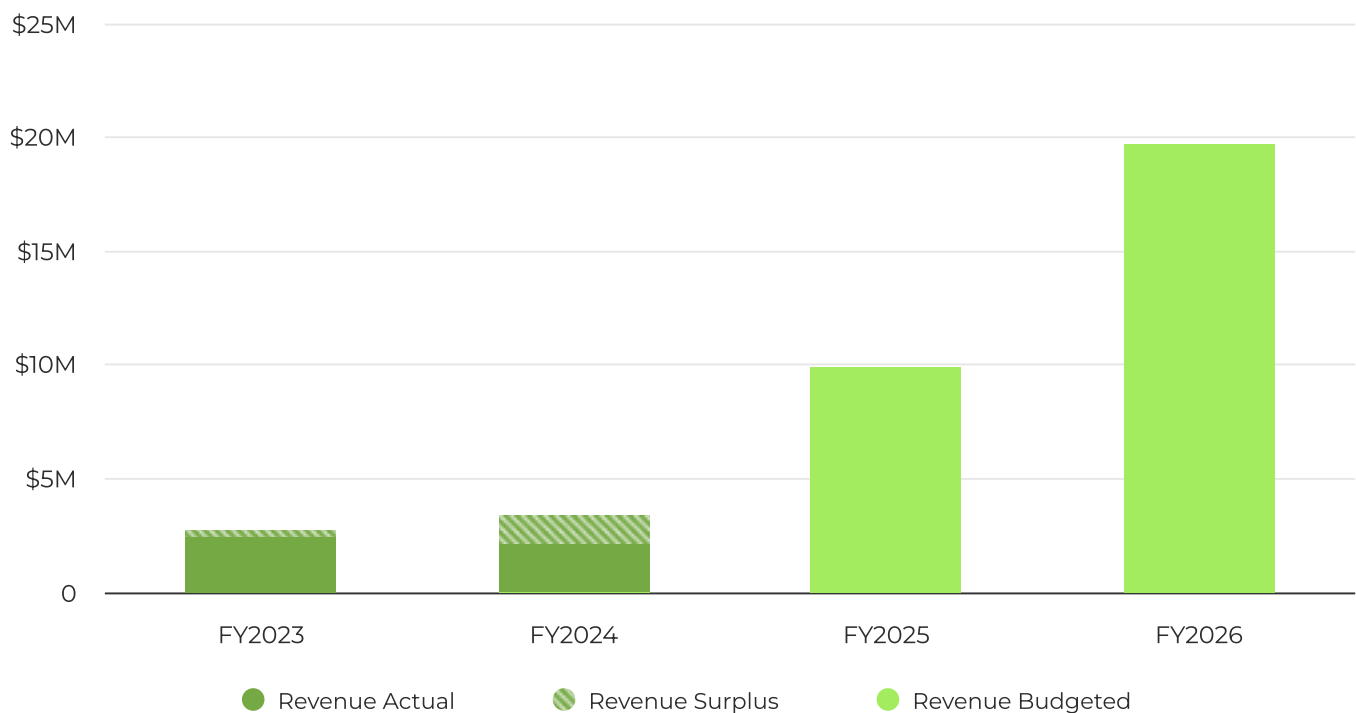
| Category                       | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|--------------------------------|--------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------|
| LT Disability                  | \$2,183.02                                                         | \$2,748.16       | 25.89%                                                                                                      |
| ST Disability                  | \$1,100.84                                                         | \$1,392.32       | 26.48%                                                                                                      |
| Group Life                     | \$658.52                                                           | \$920.79         | 39.83%                                                                                                      |
| Freshbennies                   | \$984.76                                                           | \$1,311.28       | 33.16%                                                                                                      |
| TMRS Matching Expense          | \$60,667.40                                                        | \$84,132.66      | 38.68%                                                                                                      |
| 457 Plan Matching Expense      | \$55,000.00                                                        | -                | -100.00%                                                                                                    |
| Audit Fees                     | \$9,000.00                                                         | \$9,000.00       | 0.00%                                                                                                       |
| Bank Service Charge            | \$500.00                                                           | \$500.00         | 0.00%                                                                                                       |
| Computers- Other               | -                                                                  | \$7,600.00       | -                                                                                                           |
| Computers - Software/Licenses  | \$10,000.00                                                        | \$11,000.00      | 10.00%                                                                                                      |
| Computers - Support            | \$10,000.00                                                        | \$11,000.00      | 10.00%                                                                                                      |
| Dues & Subscriptions           | \$10,000.00                                                        | \$10,000.00      | 0.00%                                                                                                       |
| Engnr/Consulting Fees          | \$58,750.00                                                        | \$491,061.25     | 735.85%                                                                                                     |
| Interest Expense               | \$505,050.00                                                       | \$835,902.00     | 65.51%                                                                                                      |
| Meals                          | \$700.00                                                           | \$1,000.00       | 42.86%                                                                                                      |
| Office Supplies                | \$3,400.00                                                         | \$4,000.00       | 17.65%                                                                                                      |
| Shipping/Postage               | \$2,000.00                                                         | \$2,000.00       | 0.00%                                                                                                       |
| TCEQ Penalty Expense           | \$10,000.00                                                        | \$10,000.00      | 0.00%                                                                                                       |
| Travel & Training              | \$5,000.00                                                         | \$17,000.00      | 240.00%                                                                                                     |
| Uniforms                       | \$3,500.00                                                         | \$5,000.00       | 42.86%                                                                                                      |
| Office Equip/Furniture         | \$1,000.00                                                         | \$1,000.00       | 0.00%                                                                                                       |
| Vehicle - Mileage              | -                                                                  | \$2,000.00       | -                                                                                                           |
| Vehicle - Fuel                 | \$11,000.00                                                        | \$10,000.00      | -9.09%                                                                                                      |
| Contract Services              | \$50.00                                                            | \$50.00          | 0.00%                                                                                                       |
| Contract Services - Other      | \$22,000.00                                                        | \$22,000.00      | 0.00%                                                                                                       |
| Pest Control                   | \$4,000.00                                                         | \$4,000.00       | 0.00%                                                                                                       |
| Janitorial Services            | \$1,250.00                                                         | \$3,000.00       | 140.00%                                                                                                     |
| Employment Services            | \$100.00                                                           | \$100.00         | 0.00%                                                                                                       |
| Insurance-Auto                 | \$3,300.00                                                         | \$3,300.00       | 0.00%                                                                                                       |
| Insurance-Errors & Omissions   | \$1,017.50                                                         | \$1,017.50       | 0.00%                                                                                                       |
| Insurance-Mobile Equipment     | \$990.00                                                           | \$990.00         | 0.00%                                                                                                       |
| Insurance-Property             | \$27,500.00                                                        | \$30,000.00      | 9.09%                                                                                                       |
| Insurance-Workers Comp         | \$9,350.00                                                         | \$9,350.00       | 0.00%                                                                                                       |
| Fuel & Oil                     | \$500.00                                                           | \$500.00         | 0.00%                                                                                                       |
| Laboratory Expense             | \$15,000.00                                                        | \$16,000.00      | 6.67%                                                                                                       |
| Magnolia Sewer Plant Operation | \$16,000.00                                                        | \$10,000.00      | -37.50%                                                                                                     |
| Magnolia Sludge Hauling        | \$88,500.00                                                        | \$60,000.00      | -32.20%                                                                                                     |
| Equipment Purchases - Other    | \$750.00                                                           | \$750.00         | 0.00%                                                                                                       |
| Equipment Computer Purchases   | -                                                                  | \$2,835.00       | -                                                                                                           |
| Small Equipment Purchases      | \$6,720.00                                                         | \$6,720.00       | 0.00%                                                                                                       |
| Copier Rental                  | \$900.00                                                           | \$900.00         | 0.00%                                                                                                       |
| Janitorial Supplies            | \$500.00                                                           | \$500.00         | 0.00%                                                                                                       |
| Parts                          | \$15,000.00                                                        | \$25,000.00      | 66.67%                                                                                                      |
| Supplies                       | \$8,000.00                                                         | \$8,000.00       | 0.00%                                                                                                       |

| Category                      | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted       | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|-------------------------------|--------------------------------------------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------|
| Supplies Testing              | \$3,000.00                                                         | \$3,500.00             | 16.67%                                                                                                      |
| Chemicals                     | \$20,000.00                                                        | \$22,500.00            | 12.50%                                                                                                      |
| Repairs & Maint - Buildings   | \$2,000.00                                                         | \$6,000.00             | 200.00%                                                                                                     |
| Repairs & Maint - Electrical  | \$1,500.00                                                         | \$1,000.00             | -33.33%                                                                                                     |
| Repairs & Maint - Equipment   | \$12,000.00                                                        | \$12,000.00            | 0.00%                                                                                                       |
| Repairs & Maint - Vehicle     | \$4,500.00                                                         | \$3,500.00             | -22.22%                                                                                                     |
| Utilities-Electric            | \$100,000.00                                                       | \$90,000.00            | -10.00%                                                                                                     |
| Utilities-Mobile Phones       | \$2,980.00                                                         | \$3,800.00             | 27.52%                                                                                                      |
| Utilities-Natural Gas         | \$300.00                                                           | \$300.00               | 0.00%                                                                                                       |
| Utilities-Telephone           | \$3,500.00                                                         | \$5,000.00             | 42.86%                                                                                                      |
| Capital Outlay                | \$100,000.00                                                       | \$2,169,999.00         | 2,070.00%                                                                                                   |
| Capital Outlay-Fixtures/Equip | \$35,000.00                                                        | \$22,054.85            | -36.99%                                                                                                     |
| Capital Outlay - Buildings    | \$6,470,000.00                                                     | \$12,038,655.20        | 86.07%                                                                                                      |
| Debt Retirement               | \$230,000.00                                                       | \$245,000.00           | 6.52%                                                                                                       |
| Drug Testing                  | \$100.00                                                           | \$100.00               | 0.00%                                                                                                       |
| Miscellaneous                 | \$500.00                                                           | \$500.00               | 0.00%                                                                                                       |
| <b>Total Expenditures</b>     | <b>\$8,617,643.67</b>                                              | <b>\$17,240,808.05</b> | <b>100.06%</b>                                                                                              |

## Revenue Summary

Revenue projections are based on historical trend analysis and established contractual commitments.

### Historical Revenues Across Department

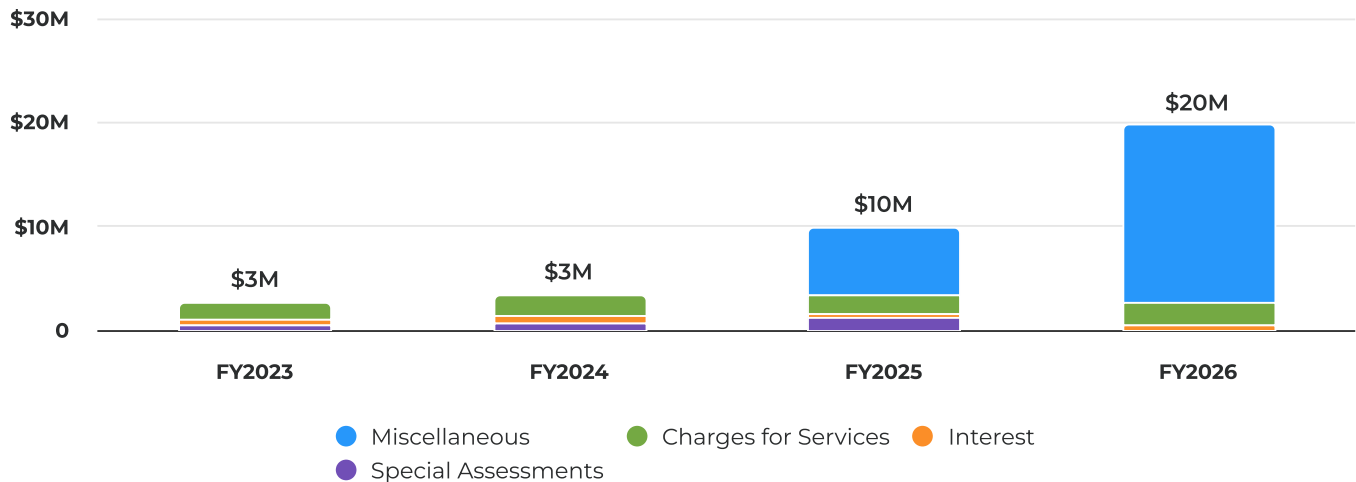


In FY2025, the Sewer revenue budget is set at \$9.9 million, representing a significant increase of 357.42% compared to the prior period. This marks a substantial growth in the revenue budget for that year.

For FY2026, the Sewer revenue budget further increases to \$19.7 million, which is a 99.45% rise from the FY2025 budget. This continued growth nearly doubles the revenue budget from the previous year, highlighting a strong upward trend in the Sewer revenue projections and includes previously secured Bond Funds for Capital Projects.

## Revenues by Revenue Source

Historical Revenues by Revenue Source

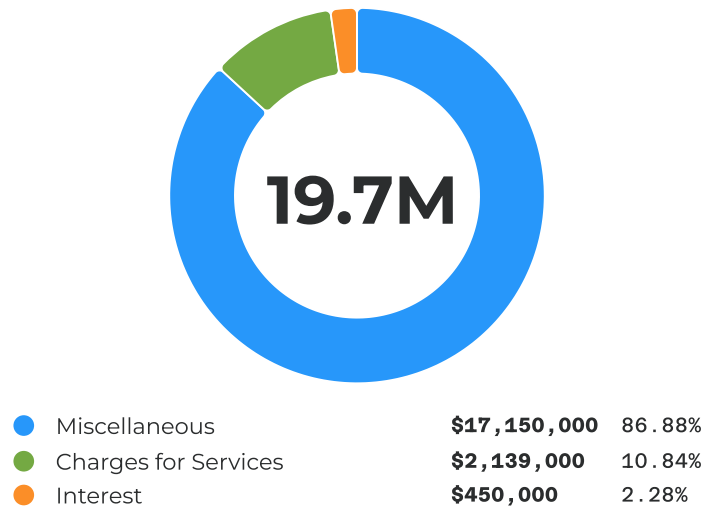


In FY2026, the total revenue for Sewer is \$19.7 million, representing a 99.45% increase from the FY2025 total of \$9.9 million. The largest revenue source in FY2026 is Miscellaneous (previously secured bond funds), which accounts for 86.88% of the total at \$17.2 million. This is a significant increase of \$10.5 million or 158.53% compared to FY2025, when Miscellaneous was \$6.6 million and 67.03% of the total.

Charges for Services is the second largest category in FY2026, contributing \$2.1 million or 10.84% of total revenue. This reflects an increase of \$412,000 or 23.86% from FY2025, when it was \$1.7 million and 17.45% of the total. Interest revenue remains unchanged at \$450,000, representing 2.28% of the total in FY2026, down from 4.55% in FY2025.

Special Assessments, which accounted for \$1.1 million or 10.97% of total revenue in FY2025, is eliminated in FY2026, showing a decrease of \$1.1 million or 100%. This is the largest decrease among the revenue sources.

## FY26 Revenues by Revenue Source

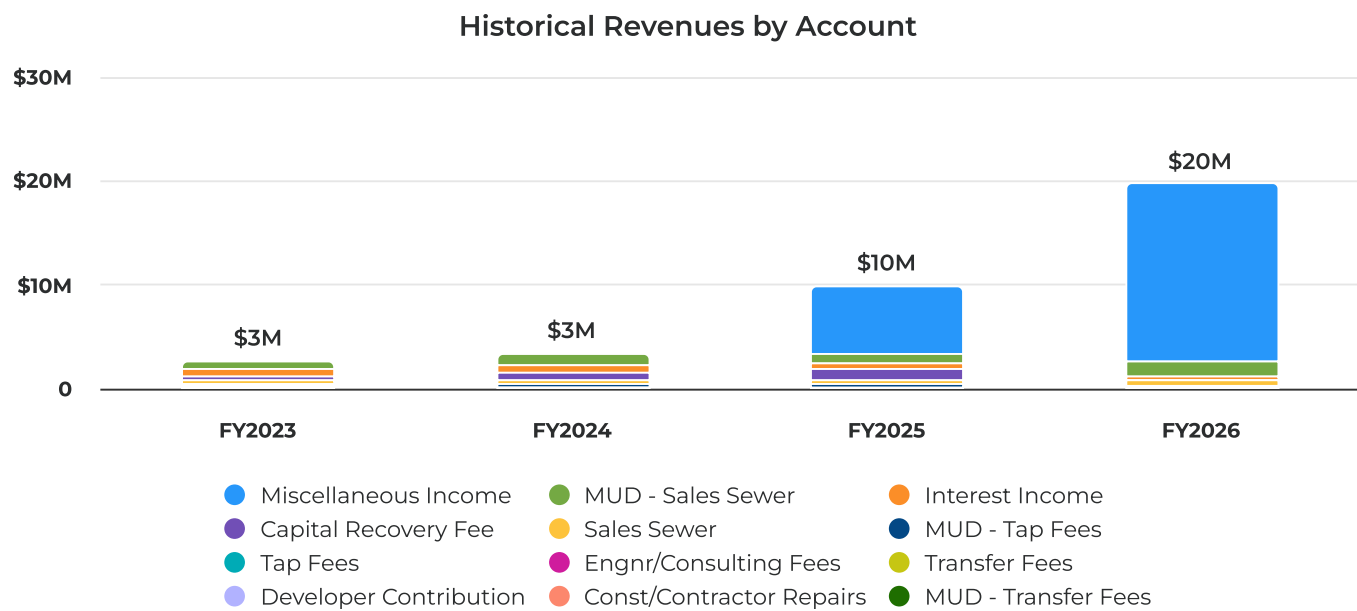


For the Sewer fiscal year revenue by revenue source, Miscellaneous which includes previously secured Bond Funds for Capital Projects for \$17.2 million, representing 86.88% of the total revenue. Charges for Services contribute \$2.1 million, which is 10.84%. Interest adds \$450,000, making up 2.28% of the revenue.

## Revenues by Revenue Source

| Category              | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted       | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|-----------------------|--------------------------------------------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------|
| Charges for Services  | \$1,727,000.00                                                     | \$2,139,000.00         | 23.86%                                                                                                      |
| Special Assessments   | \$1,086,000.00                                                     | -                      | -100.00%                                                                                                    |
| Miscellaneous         | \$6,633,750.00                                                     | \$17,150,000.00        | 158.53%                                                                                                     |
| Interest              | \$450,000.00                                                       | \$450,000.00           | 0.00%                                                                                                       |
| <b>Total Revenues</b> | <b>\$9,896,750.00</b>                                              | <b>\$19,739,000.00</b> | <b>99.45%</b>                                                                                               |

# Revenues by Account



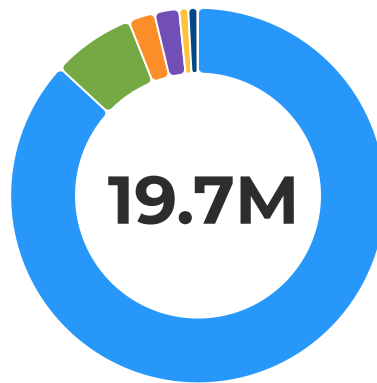
The FY2026 Sewer budget shows a total revenue of \$19.7 million, which is a 99.45% increase from the FY2025 total of \$9.9 million. The largest revenue category remains Miscellaneous Income (previously secured Bond Funds), rising significantly to \$17.2 million, representing 86.88% of the total and an increase of \$10.5 million or 158.53% from the previous year.

MUD - Sales Sewer revenue increased by \$500,000 or 55.56%, reaching \$1.4 million and accounting for 7.09% of total revenue. Interest Income remained steady at \$450,000, making up 2.28% of the total with no change from FY2025. Sales Sewer revenue grew by \$60,000 or 16.67% to \$420,000, representing 2.13% of the total.

Tap Fees increased by \$71,000 or 84.52% to \$155,000, now 0.79% of total revenue. Conversely, MUD - Tap Fees decreased by \$222,000 or 58.89% to \$155,000, also 0.79% of the total. Transfer Fees rose by \$3,000 or 50% to \$9,000, comprising 0.05% of total revenue.

Notably, Capital Recovery Fee revenue dropped completely to \$0, a 100% decrease from \$1.1 million in FY2025. Engineering/Consulting Fees and Construction/Contractor Repairs remained at \$0 with no revenue recorded in FY2026.

## FY26 Revenues by Account



|                      |              |        |
|----------------------|--------------|--------|
| Miscellaneous Income | \$17,150,000 | 86.88% |
| MUD - Sales Sewer    | \$1,400,000  | 7.09%  |
| Interest Income      | \$450,000    | 2.28%  |
| Sales Sewer          | \$420,000    | 2.13%  |
| MUD - Tap Fees       | \$155,000    | 0.79%  |
| Tap Fees             | \$155,000    | 0.79%  |
| Transfer Fees        | \$9,000      | 0.05%  |

The Sewer fiscal year revenue by account is primarily composed of Miscellaneous Income (previously secured Bond Funds), which accounts for \$17.2 million or 86.88% of the total revenue. MUD - Sales Sewer contributes \$1.4 million, representing 7.09%. Interest Income makes up \$450,000 or 2.28%, while Sales Sewer accounts for \$420,000 or 2.13%. Tap Fees and MUD - Tap Fees each contribute \$155,000, both representing 0.79%. Lastly, Transfer Fees amount to \$9,000, which is 0.05% of the total revenue.

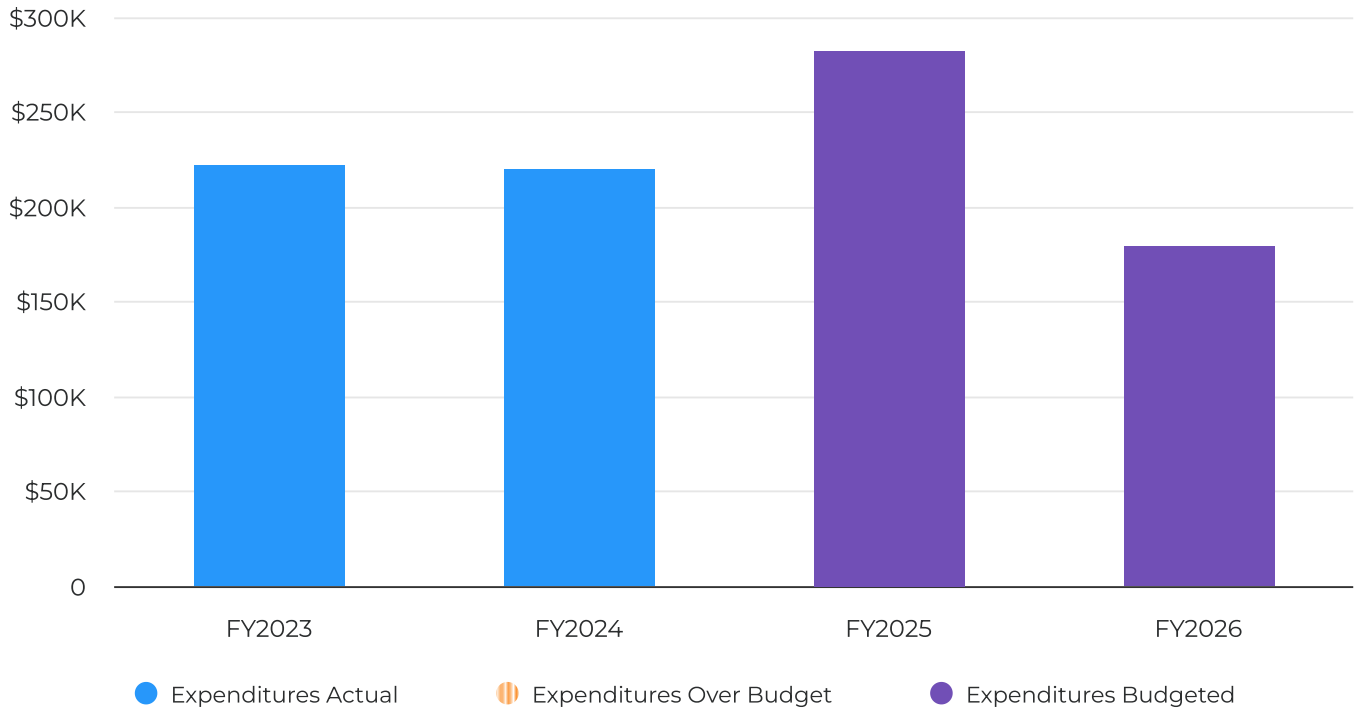
## Revenues by Account

| Category              | FY 2025 Option 2 FINAL<br>WORKING Copy of<br>FY2025 per Mtg 8/5/24 | FY 2026 Budgeted       | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 vs. FY<br>2026 Budgeted (%<br>Change) |
|-----------------------|--------------------------------------------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------|
| Capital Recovery Fee  | \$1,086,000.00                                                     | -                      | -100.00%                                                                                                    |
| Sales Sewer           | \$360,000.00                                                       | \$420,000.00           | 16.67%                                                                                                      |
| MUD - Sales Sewer     | \$900,000.00                                                       | \$1,400,000.00         | 55.56%                                                                                                      |
| Tap Fees              | \$84,000.00                                                        | \$155,000.00           | 84.52%                                                                                                      |
| MUD - Tap Fees        | \$377,000.00                                                       | \$155,000.00           | -58.89%                                                                                                     |
| Transfer Fees         | \$6,000.00                                                         | \$9,000.00             | 50.00%                                                                                                      |
| Interest Income       | \$450,000.00                                                       | \$450,000.00           | 0.00%                                                                                                       |
| Miscellaneous Income  | \$6,633,750.00                                                     | \$17,150,000.00        | 158.53%                                                                                                     |
| <b>Total Revenues</b> | <b>\$9,896,750.00</b>                                              | <b>\$19,739,000.00</b> | <b>99.45%</b>                                                                                               |

# Debt Service

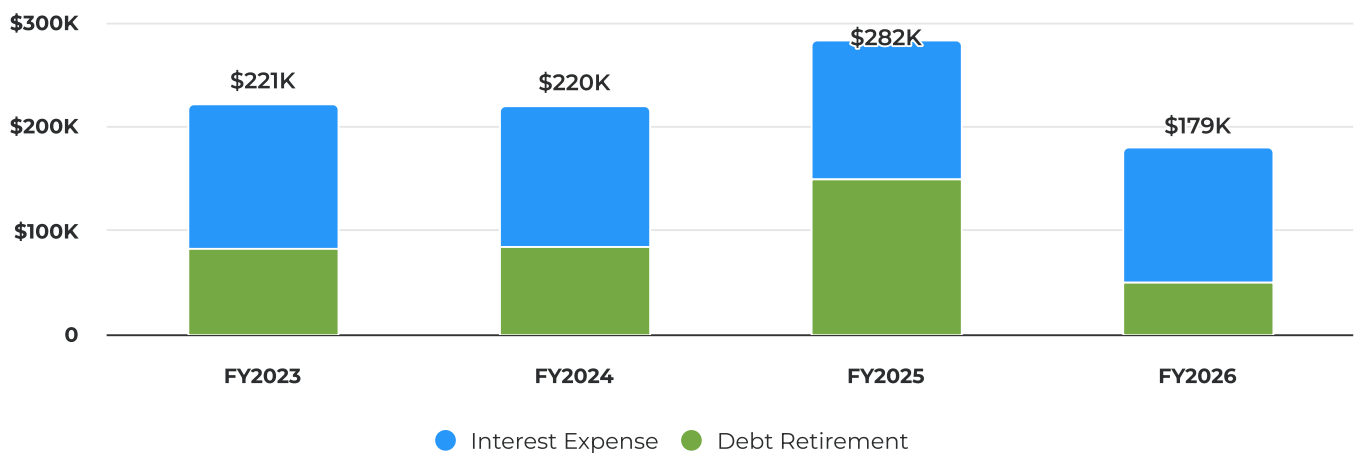
## Expenditure Summary

### Historical Expenditures Across Department



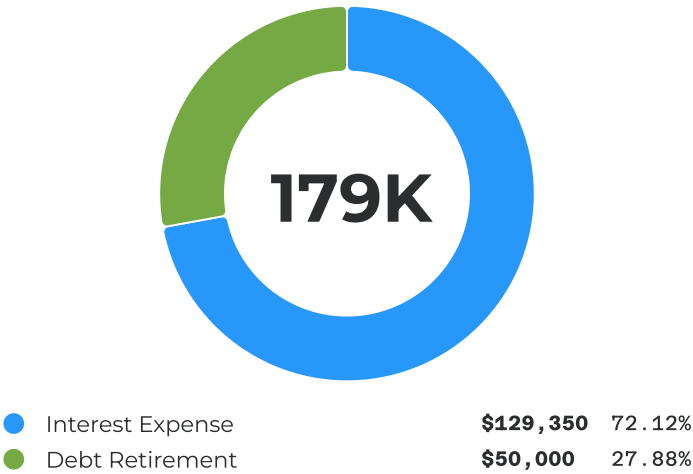
## Expenditures by Account

### Historical Expenditures by Account





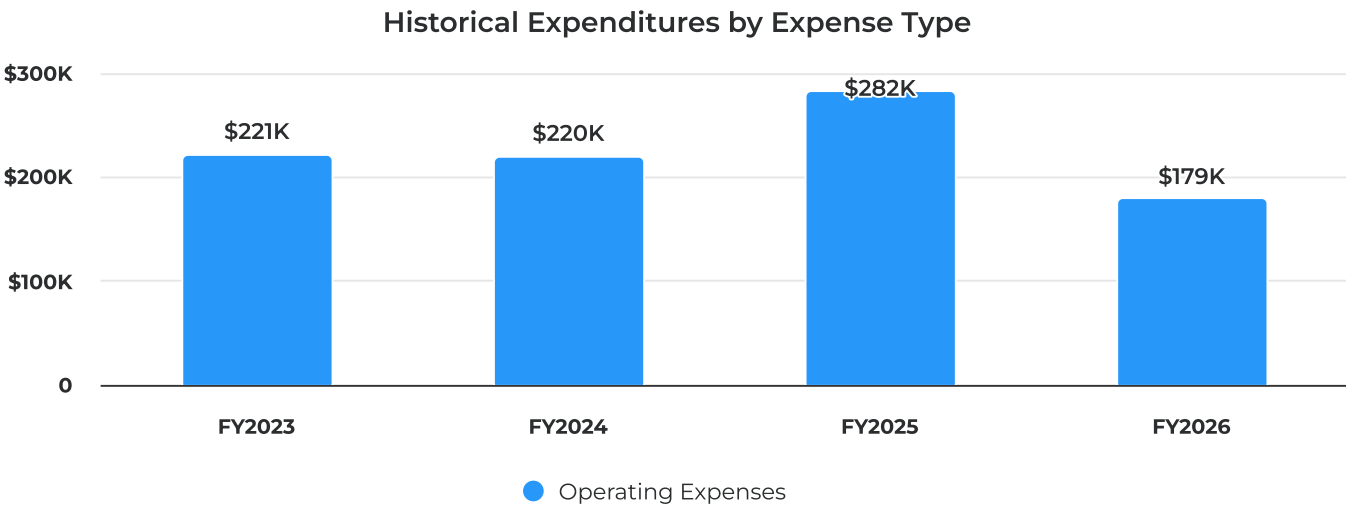
FY26 Expenditures by Account



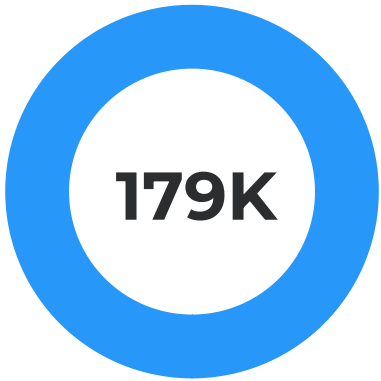
Expenditures by Account

| Category           | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING Copy<br>of FY2025 per Mtg<br>8/5/24 vs. FY 2026<br>Budgeted (% Change) |
|--------------------|-----------------------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------------------|
| Interest Expense   | \$132,350.00                                                          | \$129,350.00     | -2.27%                                                                                                   |
| Debt Retirement    | \$150,000.00                                                          | \$50,000.00      | -66.67%                                                                                                  |
| Total Expenditures | \$282,350.00                                                          | \$179,350.00     | -36.48%                                                                                                  |

Expenditures by Expense Type



FY26 Expenditures by Expense Type



● Operating Expenses **\$179,350** 100.00%

Expenditures by Expense Type

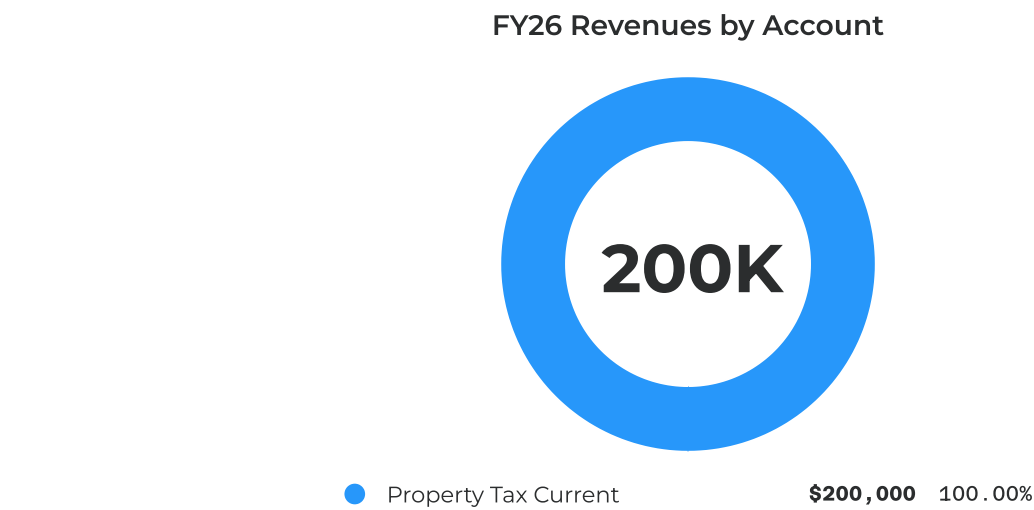
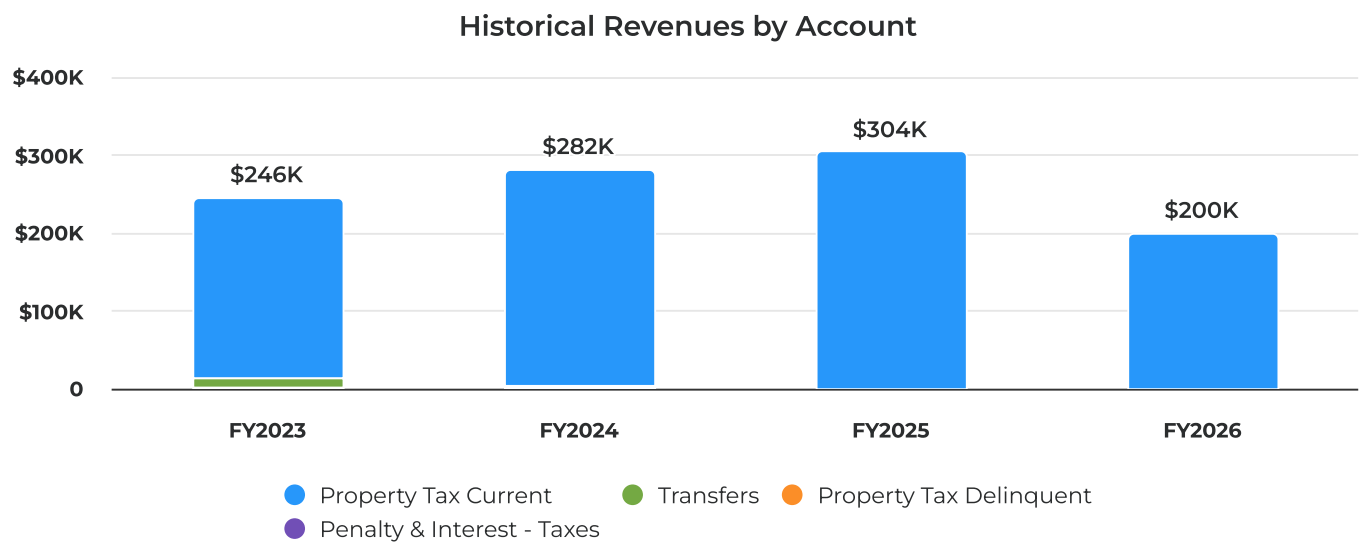
| Category                  | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted    | FY 2025 Option 2<br>FINAL WORKING Copy<br>of FY2025 per Mtg<br>8/5/24 vs. FY 2026<br>Budgeted (% Change) |
|---------------------------|-----------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------|
| Operating Expenses        | \$282,350.00                                                          | \$179,350.00        | -36.48%                                                                                                  |
| <b>Total Expenditures</b> | <b>\$282,350.00</b>                                                   | <b>\$179,350.00</b> | <b>-36.48%</b>                                                                                           |

Revenue Summary

Historical Revenues Across Department



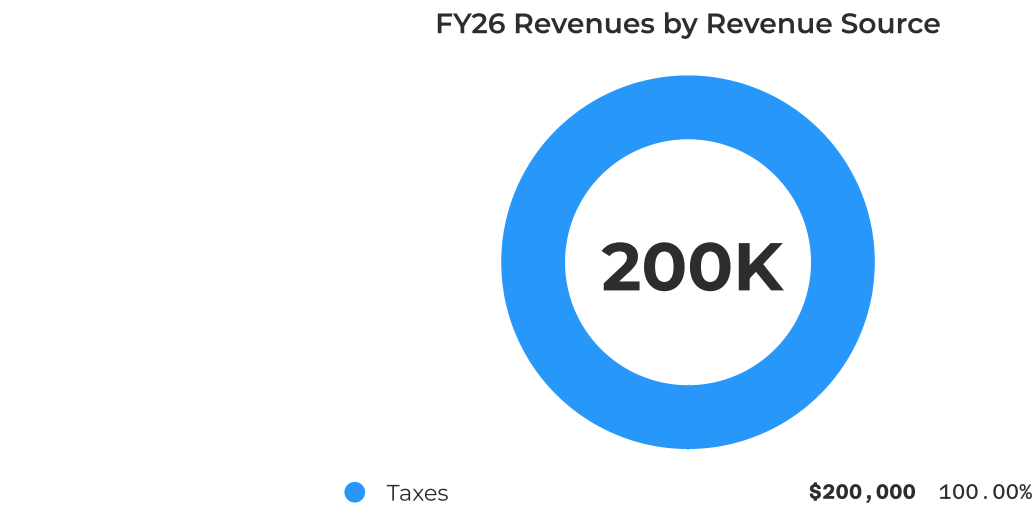
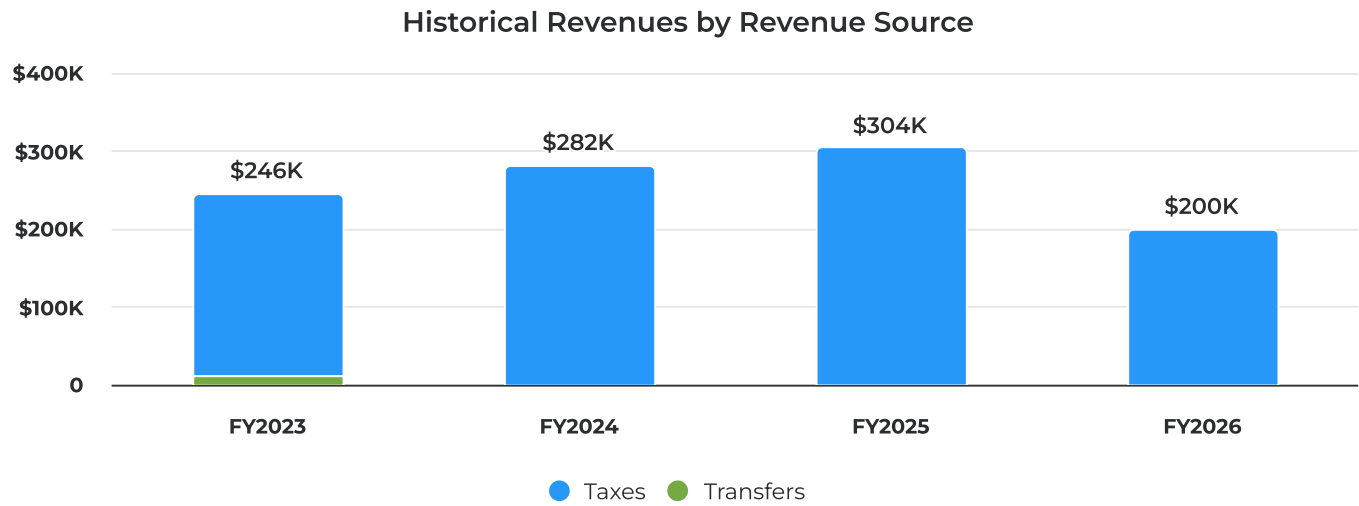
# Revenues by Account



## Revenues by Account

| Category             | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING Copy<br>of FY2025 per Mtg<br>8/5/24 vs. FY 2026<br>Budgeted (% Change) |
|----------------------|-----------------------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------------------|
| Property Tax Current | \$303,667.83                                                          | \$200,000.00     | -34.14%                                                                                                  |
| Total Revenues       | \$303,667.83                                                          | \$200,000.00     | -34.14%                                                                                                  |

# Revenues by Revenue Source



## Revenues by Revenue Source

| Category       | FY 2025 Option 2<br>FINAL WORKING<br>Copy of FY2025 per<br>Mtg 8/5/24 | FY 2026 Budgeted | FY 2025 Option 2<br>FINAL WORKING Copy<br>of FY2025 per Mtg<br>8/5/24 vs. FY 2026<br>Budgeted (% Change) |
|----------------|-----------------------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------------------|
| Taxes          | \$303,667.83                                                          | \$200,000.00     | -34.14%                                                                                                  |
| Total Revenues | \$303,667.83                                                          | \$200,000.00     | -34.14%                                                                                                  |

# Personnel Summary

# Summary of Goals

# Capital Improvement Plan

The City of Josephine has adopted (March 2024) a comprehensive Water Master Plan extending through buildout in the projected year 2060 and a Wastewater Master Plan extending through buildout in the projected year 2077. These plans serve as guiding documents for long-term infrastructure development and resource management. Both plans are available for public access on the City's website at the following location:

<https://cityofjosephinetx.com/departments/planning-development/>

## Capital Budgeting Process

The City of Josephine's capital budgeting process is designed to ensure that major infrastructure investments align with community priorities, financial sustainability, and long-term growth objectives. This process emphasizes collaboration, transparency, and strategic planning.

## Key Steps in the Process

### 1. Departmental Collaboration

- All City departments participate in identifying capital needs and submitting project proposals.
- Proposals include cost estimates, timelines, and alignment with strategic goals.

### 2. Strategic Planning Meetings

- Multiple planning sessions are held with City Council Members, City Engineers, and Financial Advisors.
- These meetings evaluate project feasibility, prioritize initiatives, and ensure compliance with regulatory and financial standards.

### 3. Financial Analysis

- Funding sources are reviewed, including bond proceeds, grants, and reserves.
- Long-term debt capacity and impact on operating budgets are assessed to maintain fiscal health.

### 4. Council Approval

- Recommended projects are presented to the City Council for review and approval.
- Approved projects are incorporated into the annual Capital Improvement Plan (CIP) and budget.

## Guiding Principles

- **Transparency:** Clear communication of project costs, timelines, and funding sources.
- **Collaboration:** Active involvement of all stakeholders to ensure balanced decision-making.
- **Strategic Alignment:** Projects must support growth, infrastructure resilience, and community priorities.

## Basis for Capital Revenue and Expenditures Estimates

The City of Josephine develops its capital revenue and expenditure estimates through a comprehensive and collaborative approach that ensures financial sustainability and maximizes available resources. This process incorporates multiple funding strategies and partnerships to support major infrastructure projects.

### Key Components

#### 1. Collaborative Planning

- Departments work together to identify capital needs and explore funding options.
- Coordination with City Council, engineers, and financial advisors ensures alignment with strategic priorities.

#### 2. Outside Funding Opportunities

- Aggressive pursuit of state and federal grants to reduce local financial burden.
- Engagement with regional agencies and programs to secure competitive funding.

#### 3. Interlocal Agreements

- Partnerships with neighboring municipalities and utility districts to share costs and resources for mutually beneficial projects.

#### 4. Financing Strategies

- Utilization of bond proceeds for large-scale infrastructure investments.
- Evaluation of debt capacity and financing terms to maintain fiscal health.

#### 5. Reserve Spending

- Strategic use of reserves for one-time capital expenditures, ensuring long-term stability while addressing immediate needs.

### Guiding Principle

The City prioritizes leveraging external resources and collaborative agreements before committing local funds, ensuring that capital investments are both cost-effective and aligned with community growth objectives.

# Capital Improvement Project Ranking and Prioritization Process

The City's budget software provides a structured and transparent process for managing capital project proposals. This system ensures that all projects are evaluated consistently and aligned with strategic priorities.

## Key Features

### 1. Project Input

- Departments enter detailed project information, including scope, estimated costs, timelines, and funding sources.
- Supporting documentation can be uploaded for review by decision-makers.

### 2. Ranking and Prioritization

- The software uses a **scoring model** to rank projects based on four critical impact categories:
  - **Health Impact:** Assesses the project's effect on public health and safety.
  - **Environmental Impact:** Evaluates sustainability and environmental risk mitigation.
  - **Operational Impact:** Measures improvements to efficiency, service delivery, and infrastructure reliability.
  - **Legal Impact:** Considers compliance with regulatory requirements and mandates.
- Each category is weighted, and projects receive a composite score that determines their priority level.

### 3. Decision Support

- The scoring system provides an objective framework for City Council and staff to make informed decisions.
- High-scoring projects are prioritized for funding and inclusion in the Capital Improvement Plan.

## Definitions and Criteria for Capital Projects

For the purposes of the City of Josephine's Capital Improvement Plan (CIP) and budgeting process, **a capital project is defined as any single depreciable item or improvement with a total cost exceeding \$5,000**. These projects typically involve long-term assets that provide ongoing benefits to the community and require significant planning and funding.

## Key Criteria

- **Depreciable Asset:** The item must have a useful life extending beyond one fiscal year.
- **Cost Threshold:** The total expense for the item or project must be greater than \$5,000.
- **Capital Nature:** Includes infrastructure improvements, major equipment purchases, and facility upgrades.

# One Year Plan

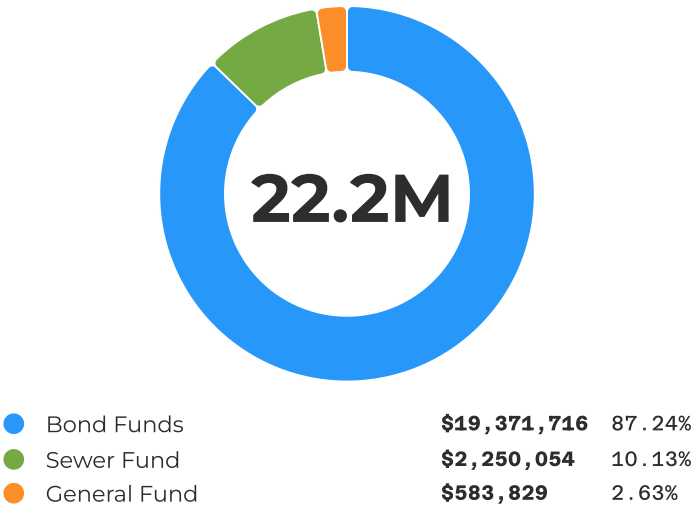
FY26 Total Capital Requested

**\$22,202,599**

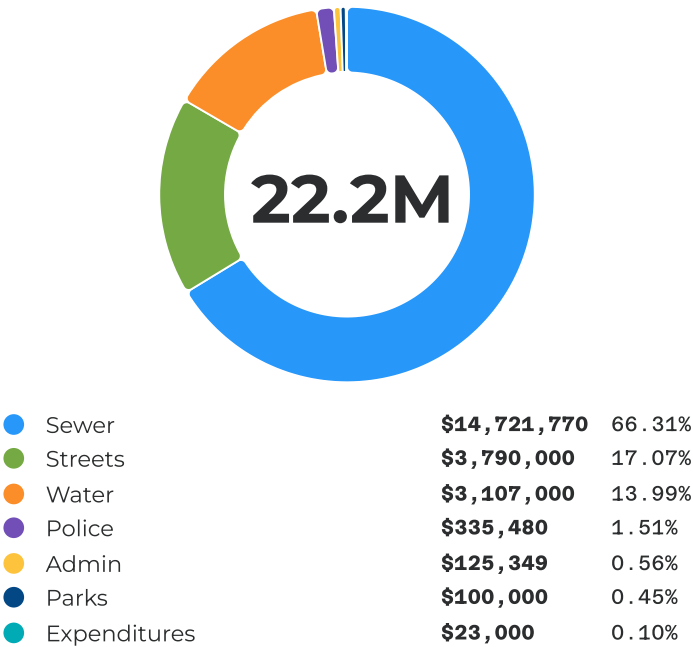
FY26 Total Funding Requested

**\$22,205,599**

FY26 Total Funding Requested by Source



FY26 Total Funding Requested by Department





FY26 Capital Cost Breakdown



|                   |              |         |
|-------------------|--------------|---------|
| Capital Costs     | \$22,202,599 | 100.00% |
| Operational Costs | \$0          | 0.00%   |

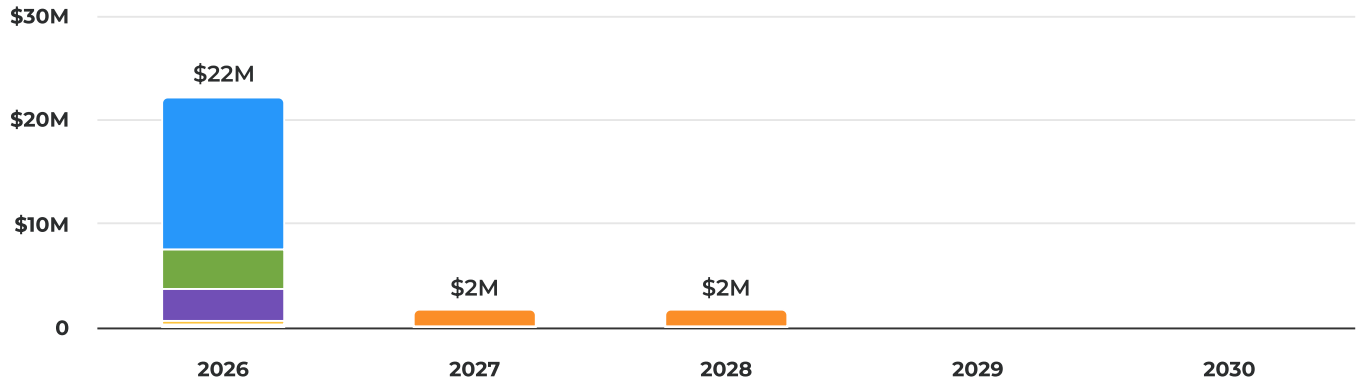
FY26 Cost Savings & Revenue Breakdown

2026

|              |     |     |
|--------------|-----|-----|
| Revenue      | \$0 | N/A |
| Cost Savings | \$0 | N/A |

# Capital Improvement Multi-Year Plan

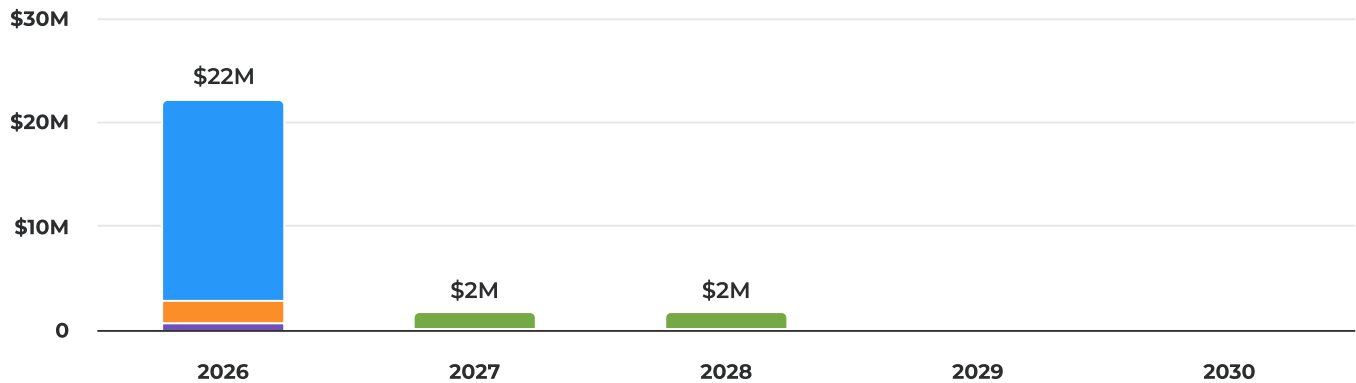
## FY26 - FY30 Total Funding Requested by Department



### Funding by Department Totals (all years)

|                |                     |        |
|----------------|---------------------|--------|
| ● Sewer        | <b>\$14,721,770</b> | 57.55% |
| ● Streets      | <b>\$3,790,000</b>  | 14.82% |
| ● Expenditures | <b>\$3,323,000</b>  | 12.99% |
| ● Water        | <b>\$3,107,000</b>  | 12.15% |
| ● Police       | <b>\$414,440</b>    | 1.62%  |
| ● Admin        | <b>\$125,349</b>    | 0.49%  |
| ● Parks        | <b>\$100,000</b>    | 0.39%  |

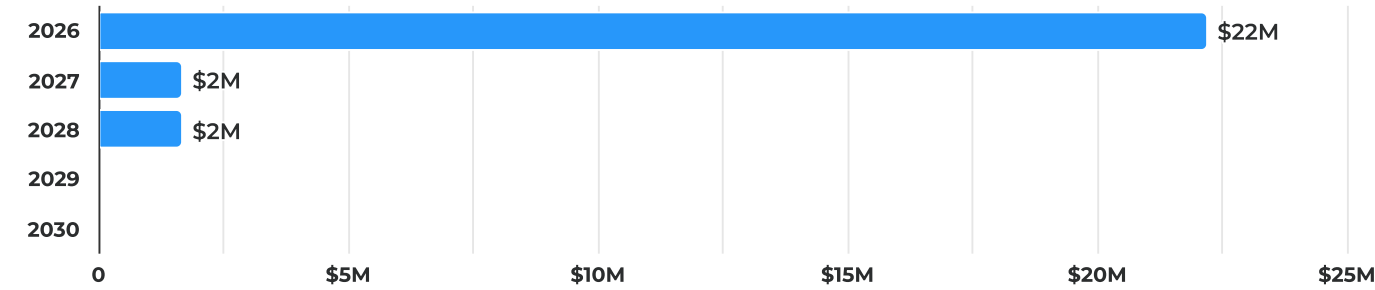
## FY26 - FY30 Total Funding Requested by Source



### Funding by Source Totals (all years)

|                |                     |        |
|----------------|---------------------|--------|
| ● Bond Funds   | <b>\$19,371,716</b> | 75.72% |
| ● Water Fund   | <b>\$3,300,000</b>  | 12.90% |
| ● Sewer Fund   | <b>\$2,250,054</b>  | 8.79%  |
| ● General Fund | <b>\$662,789</b>    | 2.59%  |

FY26 - FY30 Capital Cost Breakdown



Capital Cost Totals (all years)

|                   |              |         |
|-------------------|--------------|---------|
| Capital Costs     | \$25,581,559 | 100.00% |
| Operational Costs | \$0          | 0.00%   |

FY26 - FY30 Cost Savings & Revenue Breakdown

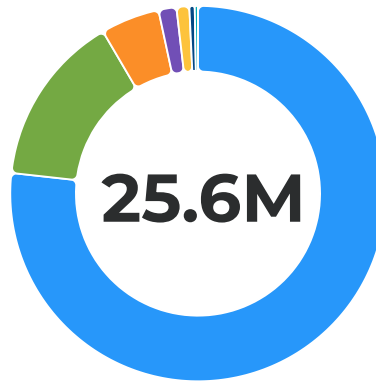


Cost Savings & Revenue Totals (all years)

|              |     |     |
|--------------|-----|-----|
| Revenue      | \$0 | N/A |
| Cost Savings | \$0 | N/A |

# Capital Improvement Plan - Project Types

## FY26 - FY30 Capital Costs By Project Type



|                                      |                     |        |
|--------------------------------------|---------------------|--------|
| Water and Sewer                      | <b>\$19,633,770</b> | 76.75% |
| Roadways                             | <b>\$3,790,000</b>  | 14.82% |
| Building and Facilities              | <b>\$1,295,000</b>  | 5.06%  |
| Other Improvements > \$1,000 Capital | <b>\$395,000</b>    | 1.54%  |
| Vehicles and Wheeled Equipment       | <b>\$280,349</b>    | 1.10%  |
| Computers and Related Equipment      | <b>\$118,440</b>    | 0.46%  |
| Other Equipment > \$1,000 Capital    | <b>\$69,000</b>     | 0.27%  |

### Water and Sewer

| Category                                                                           | FY2026              | FY2027             | FY2028             | FY2029     | FY2030     | Total               |
|------------------------------------------------------------------------------------|---------------------|--------------------|--------------------|------------|------------|---------------------|
| North WWTP (Construction/Maintenance)                                              | \$12,474,716        | \$0                | \$0                | \$0        | \$0        | <b>\$12,474,716</b> |
| Move Water & Sewer Lines on FM 6 & 1777 (Construction/Maintenance)                 | \$0                 | \$1,650,000        | \$1,650,000        | \$0        | \$0        | <b>\$3,300,000</b>  |
| Ground Water Storage Tank                                                          | \$3,107,000         | \$0                | \$0                | \$0        | \$0        | <b>\$3,107,000</b>  |
| IPO #27 Milton St 10-Inch Sewer Rehab Project (Construction/Maintenance) \$4000 LF | \$729,999           | \$0                | \$0                | \$0        | \$0        | <b>\$729,999</b>    |
| Evoqua Parts List for Magnolia WWTP                                                | \$22,055            | \$0                | \$0                | \$0        | \$0        | <b>\$22,055</b>     |
| <b>Total Water and Sewer</b>                                                       | <b>\$16,333,770</b> | <b>\$1,650,000</b> | <b>\$1,650,000</b> | <b>\$0</b> | <b>\$0</b> | <b>\$19,633,770</b> |

### Roadways

| Category                               | FY2026             | FY2027     | FY2028     | FY2029     | FY2030     | Total              |
|----------------------------------------|--------------------|------------|------------|------------|------------|--------------------|
| Drainage Improvements/Flood Mitigation | \$3,790,000        | \$0        | \$0        | \$0        | \$0        | <b>\$3,790,000</b> |
| <b>Total Roadways</b>                  | <b>\$3,790,000</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$3,790,000</b> |

### Building and Facilities

| Category                                     | FY2026             | FY2027     | FY2028     | FY2029     | FY2030     | Total              |
|----------------------------------------------|--------------------|------------|------------|------------|------------|--------------------|
| Magnolia WWTP/Sludge Processing Improvements | \$1,200,000        | \$0        | \$0        | \$0        | \$0        | <b>\$1,200,000</b> |
| City Hall Renovation & Design                | \$95,000           | \$0        | \$0        | \$0        | \$0        | <b>\$95,000</b>    |
| <b>Total Building and Facilities</b>         | <b>\$1,295,000</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$1,295,000</b> |

### Other Improvements > \$1,000 Capital

| Category                                             | FY2026           | FY2027     | FY2028     | FY2029     | FY2030     | Total            |
|------------------------------------------------------|------------------|------------|------------|------------|------------|------------------|
| Fence Surrounding NWWTP                              | \$295,000        | \$0        | \$0        | \$0        | \$0        | <b>\$295,000</b> |
| Food Truck Park-Pilot Program                        | \$100,000        | \$0        | \$0        | \$0        | \$0        | <b>\$100,000</b> |
| <b>Total Other Improvements &gt; \$1,000 Capital</b> | <b>\$395,000</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$395,000</b> |

### Vehicles and Wheeled Equipment

| Category                                    | FY2026           | FY2027     | FY2028     | FY2029     | FY2030     | Total            |
|---------------------------------------------|------------------|------------|------------|------------|------------|------------------|
| New Police Vehicle #2                       | \$85,000         | \$0        | \$0        | \$0        | \$0        | <b>\$85,000</b>  |
| New Police Vehicle                          | \$85,000         | \$0        | \$0        | \$0        | \$0        | <b>\$85,000</b>  |
| New Police Admin Vehicle #2                 | \$40,000         | \$0        | \$0        | \$0        | \$0        | <b>\$40,000</b>  |
| New Police Admin Vehicle                    | \$40,000         | \$0        | \$0        | \$0        | \$0        | <b>\$40,000</b>  |
| Administration Vehicle                      | \$30,349         | \$0        | \$0        | \$0        | \$0        | <b>\$30,349</b>  |
| <b>Total Vehicles and Wheeled Equipment</b> | <b>\$280,349</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$280,349</b> |

### Computers and Related Equipment

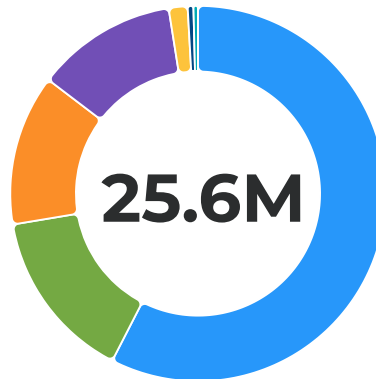
| Category                                     | FY2026          | FY2027          | FY2028          | FY2029     | FY2030     | Total            |
|----------------------------------------------|-----------------|-----------------|-----------------|------------|------------|------------------|
| Body Cameras & In-Car Cameras (Equipment)    | \$39,480        | \$39,480        | \$39,480        | \$0        | \$0        | <b>\$118,440</b> |
| <b>Total Computers and Related Equipment</b> | <b>\$39,480</b> | <b>\$39,480</b> | <b>\$39,480</b> | <b>\$0</b> | <b>\$0</b> | <b>\$118,440</b> |

### Other Equipment >\$1,000 Capital

| Category                                         | FY2026          | FY2027     | FY2028     | FY2029     | FY2030     | Total           |
|--------------------------------------------------|-----------------|------------|------------|------------|------------|-----------------|
| Ballistic Shields                                | \$24,000        | \$0        | \$0        | \$0        | \$0        | <b>\$24,000</b> |
| AED Machines                                     | \$23,000        | \$0        | \$0        | \$0        | \$0        | <b>\$23,000</b> |
| Police Rifles                                    | \$22,000        | \$0        | \$0        | \$0        | \$0        | <b>\$22,000</b> |
| <b>Total Other Equipment &gt;\$1,000 Capital</b> | <b>\$69,000</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$69,000</b> |

# Capital Improvement Plan - Departments

## FY26 - FY30 Capital Costs by Department



|                |                     |        |
|----------------|---------------------|--------|
| ● Sewer        | <b>\$14,721,770</b> | 57.55% |
| ● Streets      | <b>\$3,790,000</b>  | 14.82% |
| ● Expenditures | <b>\$3,323,000</b>  | 12.99% |
| ● Water        | <b>\$3,107,000</b>  | 12.15% |
| ● Police       | <b>\$414,440</b>    | 1.62%  |
| ● Admin        | <b>\$125,349</b>    | 0.49%  |
| ● Parks        | <b>\$100,000</b>    | 0.39%  |

### Sewer

| Category                                                                           | FY2026              | FY2027     | FY2028     | FY2029     | FY2030     | Total               |
|------------------------------------------------------------------------------------|---------------------|------------|------------|------------|------------|---------------------|
| North WWTP (Construction/Maintenance)                                              | \$12,474,716        | \$0        | \$0        | \$0        | \$0        | <b>\$12,474,716</b> |
| Magnolia WWTP/Sludge Processing Improvements                                       | \$1,200,000         | \$0        | \$0        | \$0        | \$0        | <b>\$1,200,000</b>  |
| IPO #27 Milton St 10-Inch Sewer Rehab Project (Construction/Maintenance) \$4000 LF | \$729,999           | \$0        | \$0        | \$0        | \$0        | <b>\$729,999</b>    |
| Fence Surrounding NWWTP                                                            | \$295,000           | \$0        | \$0        | \$0        | \$0        | <b>\$295,000</b>    |
| Evoqua Parts List for Magnolia WWTP                                                | \$22,055            | \$0        | \$0        | \$0        | \$0        | <b>\$22,055</b>     |
| <b>Total Sewer</b>                                                                 | <b>\$14,721,770</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$14,721,770</b> |

### Streets

| Category                               | FY2026             | FY2027     | FY2028     | FY2029     | FY2030     | Total              |
|----------------------------------------|--------------------|------------|------------|------------|------------|--------------------|
| Drainage Improvements/Flood Mitigation | \$3,790,000        | \$0        | \$0        | \$0        | \$0        | <b>\$3,790,000</b> |
| <b>Total Streets</b>                   | <b>\$3,790,000</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$3,790,000</b> |

### Expenditures

| Category                                                           | FY2026          | FY2027             | FY2028             | FY2029     | FY2030     | Total              |
|--------------------------------------------------------------------|-----------------|--------------------|--------------------|------------|------------|--------------------|
| Move Water & Sewer Lines on FM 6 & 1777 (Construction/Maintenance) | \$0             | \$1,650,000        | \$1,650,000        | \$0        | \$0        | <b>\$3,300,000</b> |
| AED Machines                                                       | \$23,000        | \$0                | \$0                | \$0        | \$0        | <b>\$23,000</b>    |
| <b>Total Expenditures</b>                                          | <b>\$23,000</b> | <b>\$1,650,000</b> | <b>\$1,650,000</b> | <b>\$0</b> | <b>\$0</b> | <b>\$3,323,000</b> |

### Water

| Category                  | FY2026             | FY2027     | FY2028     | FY2029     | FY2030     | Total              |
|---------------------------|--------------------|------------|------------|------------|------------|--------------------|
| Ground Water Storage Tank | \$3,107,000        | \$0        | \$0        | \$0        | \$0        | <b>\$3,107,000</b> |
| <b>Total Water</b>        | <b>\$3,107,000</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$3,107,000</b> |

**Police**

| <b>Category</b>                           | <b>FY2026</b>    | <b>FY2027</b>   | <b>FY2028</b>   | <b>FY2029</b> | <b>FY2030</b> | <b>Total</b>     |
|-------------------------------------------|------------------|-----------------|-----------------|---------------|---------------|------------------|
| Body Cameras & In-Car Cameras (Equipment) | \$39,480         | \$39,480        | \$39,480        | \$0           | \$0           | <b>\$118,440</b> |
| New Police Vehicle #2                     | \$85,000         | \$0             | \$0             | \$0           | \$0           | <b>\$85,000</b>  |
| New Police Vehicle                        | \$85,000         | \$0             | \$0             | \$0           | \$0           | <b>\$85,000</b>  |
| New Police Admin Vehicle #2               | \$40,000         | \$0             | \$0             | \$0           | \$0           | <b>\$40,000</b>  |
| New Police Admin Vehicle                  | \$40,000         | \$0             | \$0             | \$0           | \$0           | <b>\$40,000</b>  |
| Ballistic Shields                         | \$24,000         | \$0             | \$0             | \$0           | \$0           | <b>\$24,000</b>  |
| Police Rifles                             | \$22,000         | \$0             | \$0             | \$0           | \$0           | <b>\$22,000</b>  |
| <b>Total Police</b>                       | <b>\$335,480</b> | <b>\$39,480</b> | <b>\$39,480</b> | <b>\$0</b>    | <b>\$0</b>    | <b>\$414,440</b> |

**Admin**

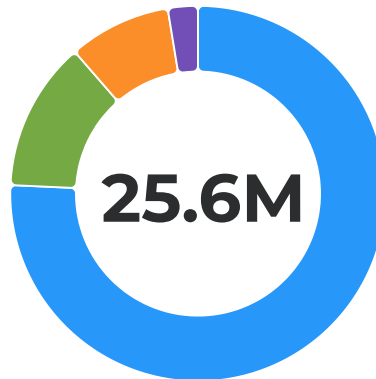
| <b>Category</b>               | <b>FY2026</b>    | <b>FY2027</b> | <b>FY2028</b> | <b>FY2029</b> | <b>FY2030</b> | <b>Total</b>     |
|-------------------------------|------------------|---------------|---------------|---------------|---------------|------------------|
| City Hall Renovation & Design | \$95,000         | \$0           | \$0           | \$0           | \$0           | <b>\$95,000</b>  |
| Administration Vehicle        | \$30,349         | \$0           | \$0           | \$0           | \$0           | <b>\$30,349</b>  |
| <b>Total Admin</b>            | <b>\$125,349</b> | <b>\$0</b>    | <b>\$0</b>    | <b>\$0</b>    | <b>\$0</b>    | <b>\$125,349</b> |

**Parks**

| <b>Category</b>               | <b>FY2026</b>    | <b>FY2027</b> | <b>FY2028</b> | <b>FY2029</b> | <b>FY2030</b> | <b>Total</b>     |
|-------------------------------|------------------|---------------|---------------|---------------|---------------|------------------|
| Food Truck Park-Pilot Program | \$100,000        | \$0           | \$0           | \$0           | \$0           | <b>\$100,000</b> |
| <b>Total Parks</b>            | <b>\$100,000</b> | <b>\$0</b>    | <b>\$0</b>    | <b>\$0</b>    | <b>\$0</b>    | <b>\$100,000</b> |

# Capital Improvement Plan - Expenditures

## FY26 - FY30 Expenditures by Fund



|              |                     |        |
|--------------|---------------------|--------|
| Bond Funds   | <b>\$19,371,716</b> | 75.72% |
| Water Fund   | <b>\$3,300,000</b>  | 12.90% |
| Sewer Fund   | <b>\$2,250,054</b>  | 8.79%  |
| General Fund | <b>\$662,789</b>    | 2.59%  |

### Bond Funds

| Category                               | FY2026              | FY2027     | FY2028     | FY2029     | FY2030     | Total               |
|----------------------------------------|---------------------|------------|------------|------------|------------|---------------------|
| North WWTP (Construction/Maintenance)  | \$12,474,716        | \$0        | \$0        | \$0        | \$0        | <b>\$12,474,716</b> |
| Drainage Improvements/Flood Mitigation | \$3,790,000         | \$0        | \$0        | \$0        | \$0        | <b>\$3,790,000</b>  |
| Ground Water Storage Tank              | \$3,107,000         | \$0        | \$0        | \$0        | \$0        | <b>\$3,107,000</b>  |
| <b>Total Bond Funds</b>                | <b>\$19,371,716</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$19,371,716</b> |

### Water Fund

| Category                                                           | FY2026     | FY2027             | FY2028             | FY2029     | FY2030     | Total              |
|--------------------------------------------------------------------|------------|--------------------|--------------------|------------|------------|--------------------|
| Move Water & Sewer Lines on FM 6 & 1777 (Construction/Maintenance) | \$0        | \$1,650,000        | \$1,650,000        | \$0        | \$0        | <b>\$3,300,000</b> |
| <b>Total Water Fund</b>                                            | <b>\$0</b> | <b>\$1,650,000</b> | <b>\$1,650,000</b> | <b>\$0</b> | <b>\$0</b> | <b>\$3,300,000</b> |

### Sewer Fund

| Category                                                                           | FY2026             | FY2027     | FY2028     | FY2029     | FY2030     | Total              |
|------------------------------------------------------------------------------------|--------------------|------------|------------|------------|------------|--------------------|
| Magnolia WWTP/Sludge Processing Improvements                                       | \$1,200,000        | \$0        | \$0        | \$0        | \$0        | <b>\$1,200,000</b> |
| IPO #27 Milton St 10-Inch Sewer Rehab Project (Construction/Maintenance) \$4000 LF | \$729,999          | \$0        | \$0        | \$0        | \$0        | <b>\$729,999</b>   |
| Fence Surrounding NWWTP                                                            | \$295,000          | \$0        | \$0        | \$0        | \$0        | <b>\$295,000</b>   |
| Evoqua Parts List for Magnolia WWTP                                                | \$25,055           | \$0        | \$0        | \$0        | \$0        | <b>\$25,055</b>    |
| <b>Total Sewer Fund</b>                                                            | <b>\$2,250,054</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$2,250,054</b> |

### General Fund

| Category                                  | FY2026    | FY2027   | FY2028   | FY2029 | FY2030 | Total            |
|-------------------------------------------|-----------|----------|----------|--------|--------|------------------|
| Body Cameras & In-Car Cameras (Equipment) | \$39,480  | \$39,480 | \$39,480 | \$0    | \$0    | <b>\$118,440</b> |
| Food Truck Park-Pilot Program             | \$100,000 | \$0      | \$0      | \$0    | \$0    | <b>\$100,000</b> |
| City Hall Renovation & Design             | \$95,000  | \$0      | \$0      | \$0    | \$0    | <b>\$95,000</b>  |
| New Police Vehicle #2                     | \$85,000  | \$0      | \$0      | \$0    | \$0    | <b>\$85,000</b>  |
| New Police Vehicle                        | \$85,000  | \$0      | \$0      | \$0    | \$0    | <b>\$85,000</b>  |
| New Police Admin Vehicle #2               | \$40,000  | \$0      | \$0      | \$0    | \$0    | <b>\$40,000</b>  |



## Expenditures

| Category                  | FY2026           | FY2027          | FY2028          | FY2029     | FY2030     | Total            |
|---------------------------|------------------|-----------------|-----------------|------------|------------|------------------|
| New Police Admin Vehicle  | \$40,000         | \$0             | \$0             | \$0        | \$0        | <b>\$40,000</b>  |
| Administration Vehicle    | \$30,349         | \$0             | \$0             | \$0        | \$0        | <b>\$30,349</b>  |
| Ballistic Shields         | \$24,000         | \$0             | \$0             | \$0        | \$0        | <b>\$24,000</b>  |
| AED Machines              | \$23,000         | \$0             | \$0             | \$0        | \$0        | <b>\$23,000</b>  |
| Police Rifles             | \$22,000         | \$0             | \$0             | \$0        | \$0        | <b>\$22,000</b>  |
| <b>Total General Fund</b> | <b>\$583,829</b> | <b>\$39,480</b> | <b>\$39,480</b> | <b>\$0</b> | <b>\$0</b> | <b>\$662,789</b> |

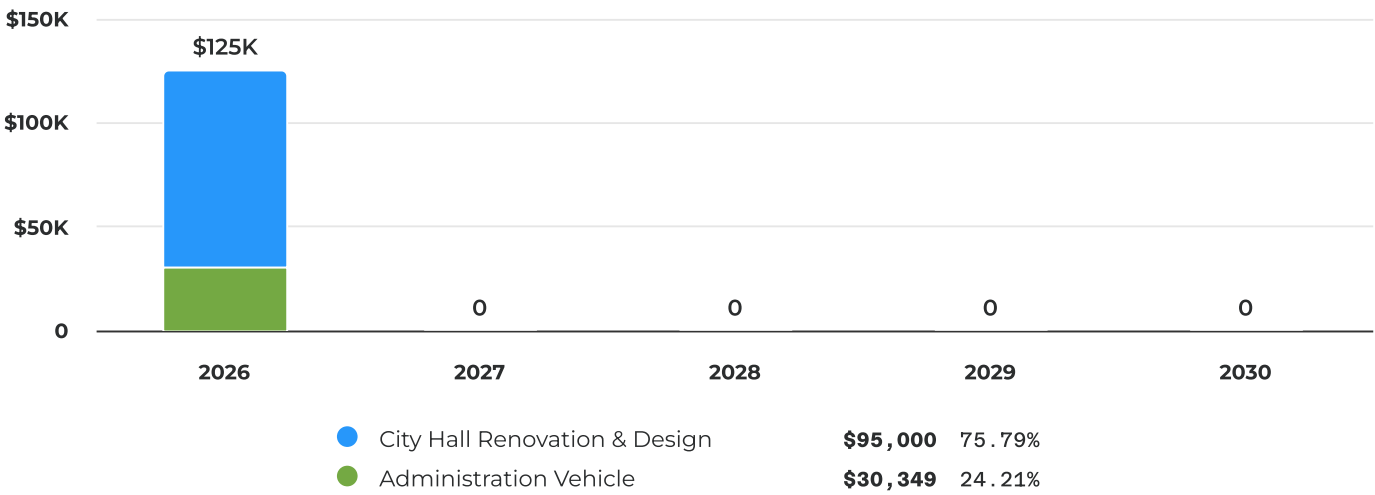
# Capital Projects

## Capital Projects

| Project Name                                                                       | Years       | Departments  | Type                                 | Total        |
|------------------------------------------------------------------------------------|-------------|--------------|--------------------------------------|--------------|
| Administration Vehicle                                                             | 2026        | Admin        | Vehicles and Wheeled Equipment       | \$30,349     |
| AED Machines                                                                       | 2026        | Expenditures | Other Equipment >\$1,000 Capital     | \$23,000     |
| Ballistic Shields                                                                  | 2026        | Police       | Other Equipment >\$1,000 Capital     | \$24,000     |
| Body Cameras & In-Car Cameras (Equipment)                                          | 2026 - 2028 | Police       | Computers and Related Equipment      | \$118,440    |
| City Hall Renovation & Design                                                      | 2026        | Admin        | Building and Facilities              | \$95,000     |
| Drainage Improvements/Flood Mitigation                                             | 2026        | Streets      | Roadways                             | \$3,790,000  |
| Evoqua Parts List for Magnolia WWTP                                                | 2026        | Sewer        | Water and Sewer                      | \$25,055     |
| Fence Surrounding NWWTP                                                            | 2026        | Sewer        | Other Improvements > \$1,000 Capital | \$295,000    |
| Food Truck Park-Pilot Program                                                      | 2026        | Parks        | Other Improvements > \$1,000 Capital | \$100,000    |
| Ground Water Storage Tank                                                          | 2026        | Water        | Water and Sewer                      | \$3,107,000  |
| IPO #27 Milton St 10-Inch Sewer Rehab Project (Construction/Maintenance) \$4000 LF | 2026        | Sewer        | Water and Sewer                      | \$729,999    |
| Magnolia WWTP/Sludge Processing Improvements                                       | 2026        | Sewer        | Building and Facilities              | \$1,200,000  |
| Move Water & Sewer Lines on FM 6 & 1777 (Construction/Maintenance)                 | 2027 - 2028 | Expenditures | Water and Sewer                      | \$3,300,000  |
| New Police Admin Vehicle                                                           | 2026        | Police       | Vehicles and Wheeled Equipment       | \$40,000     |
| New Police Admin Vehicle #2                                                        | 2026        | Police       | Vehicles and Wheeled Equipment       | \$40,000     |
| New Police Vehicle                                                                 | 2026        | Police       | Vehicles and Wheeled Equipment       | \$85,000     |
| New Police Vehicle #2                                                              | 2026        | Police       | Vehicles and Wheeled Equipment       | \$85,000     |
| North WWTP (Construction/Maintenance)                                              | 2026        | Sewer        | Water and Sewer                      | \$12,474,716 |
| Police Rifles                                                                      | 2026        | Police       | Other Equipment >\$1,000 Capital     | \$22,000     |

# Admin

FY26 - FY30 Admin Projects



Summary of Requests

| Category                      | FY2026    | FY2027 | FY2028 | FY2029 | FY2030 | Total     |
|-------------------------------|-----------|--------|--------|--------|--------|-----------|
| City Hall Renovation & Design | \$95,000  | \$0    | \$0    | \$0    | \$0    | \$95,000  |
| Administration Vehicle        | \$30,349  | \$0    | \$0    | \$0    | \$0    | \$30,349  |
| Total Summary of Requests     | \$125,349 | \$0    | \$0    | \$0    | \$0    | \$125,349 |

# Administration Vehicle

## Overview

|                      |                                     |
|----------------------|-------------------------------------|
| <b>Request Owner</b> | Melissa Stillwell, Finance Director |
| <b>Department</b>    | Admin                               |
| <b>Type</b>          | Capital Equipment                   |

---

## Description

Administration Vehicle needed for Meetings, Filing runs to the County Offices, Continuing Ed., Executive Meetings, Etc.

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## Images



2023\_ford\_explorer-pic-  
4575172936446765551-  
1024x768.jpeg

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## Details

**New Purchase or Replacement:** New

**Useful Life:** 5

**New or Used Vehicle:** Used Vehicle

---

## Supplemental Attachments

 [2023 Ford Explorer Limited RWD - \\$30,349 - CarGurus.pdf](#)

**Capital Cost**

FY2026 Budget

**\$30.3K**

Total Budget (all years)

**\$30.3K**

Project Total

**\$30.3K**

---

**Detailed Breakdown**

| Category     | FY2026           | Total           |
|--------------|------------------|-----------------|
|              | <i>Requested</i> |                 |
| Vehicle Cost | \$30,349         | <b>\$30,349</b> |
| <b>Total</b> | <b>\$30,349</b>  | <b>\$30,349</b> |

---

**Funding Sources**

FY2026 Budget

**\$30.3K**

Total Budget (all years)

**\$30.3K**

Project Total

**\$30.3K**

---

**Detailed Breakdown**

| Category     | FY2026           | Total           |
|--------------|------------------|-----------------|
|              | <i>Requested</i> |                 |
| General Fund | \$30,349         | <b>\$30,349</b> |
| <b>Total</b> | <b>\$30,349</b>  | <b>\$30,349</b> |

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# City Hall Renovation & Design

## Overview

|                                  |                                     |
|----------------------------------|-------------------------------------|
| <b>Request Owner</b>             | Melissa Stillwell, Finance Director |
| <b>Department</b>                | Admin                               |
| <b>Type</b>                      | Capital Improvement                 |
| <b>Estimated Start Date</b>      | 11/1/2025                           |
| <b>Estimated Completion Date</b> | 09/30/2027                          |

## Project Location



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## Description

Renovate existing PD into usable Office Space & Design the Expansion of City Hall to accommodate Growth

Rough Design plans returned, estimate on Phase 1 is \$70,000. Not including TDLR application. Plan to cash fund versus Bond Funding. No formal estimate on Design Fee for Expansion

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## Images



images.jpeg

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## Details

**Type of Project:** Refurbishment

## Supplemental Attachments

 [CCF\\_001485.pdf](#) [CCF\\_001486.pdf](#)

## Capital Cost

FY2026 Budget

**\$95K**

Total Budget (all years)

**\$95K**

Project Total

**\$95K**

## Detailed Breakdown

| Category                 | FY2026<br><i>Requested</i> | Total           |
|--------------------------|----------------------------|-----------------|
| Construction/Maintenance | \$70,000                   | <b>\$70,000</b> |
| Design                   | \$25,000                   | <b>\$25,000</b> |
| <b>Total</b>             | <b>\$95,000</b>            | <b>\$95,000</b> |

## Funding Sources

FY2026 Budget

**\$95K**

Total Budget (all years)

**\$95K**

Project Total

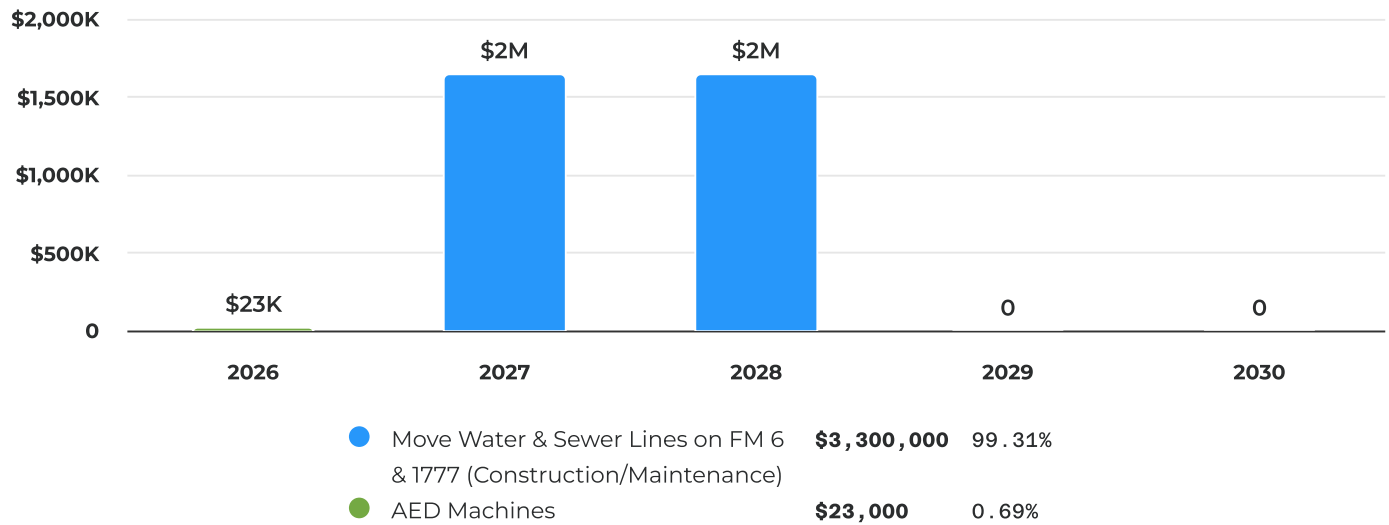
**\$95K**

## Detailed Breakdown

| Category     | FY2026<br><i>Requested</i> | Total           |
|--------------|----------------------------|-----------------|
| General Fund | \$95,000                   | <b>\$95,000</b> |
| <b>Total</b> | <b>\$95,000</b>            | <b>\$95,000</b> |

# Expenditures

## FY26 - FY30 Expenditures Projects



## Summary of Requests

| Category                                                           | FY2026          | FY2027             | FY2028             | FY2029     | FY2030     | Total              |
|--------------------------------------------------------------------|-----------------|--------------------|--------------------|------------|------------|--------------------|
| Move Water & Sewer Lines on FM 6 & 1777 (Construction/Maintenance) | \$0             | \$1,650,000        | \$1,650,000        | \$0        | \$0        | \$3,300,000        |
| AED Machines                                                       | \$23,000        | \$0                | \$0                | \$0        | \$0        | \$23,000           |
| <b>Total Summary of Requests</b>                                   | <b>\$23,000</b> | <b>\$1,650,000</b> | <b>\$1,650,000</b> | <b>\$0</b> | <b>\$0</b> | <b>\$3,323,000</b> |



# AED Machines

## Overview

|                      |                                     |
|----------------------|-------------------------------------|
| <b>Request Owner</b> | Melissa Stillwell, Finance Director |
| <b>Department</b>    | Expenditures                        |
| <b>Type</b>          | Capital Equipment                   |

---

## Description

AED Machines placed in all City Buildings and Police Vehicles (10)

\$2,300 ea

---

## Images



download.jpeg

---

## Details

**New Purchase or Replacement:** New

---

## Supplemental Attachments

 [Cardiac Science Powerheart G5 AED School & Community Value Package - AED Superstore.pdf](#)

---

**Capital Cost**

FY2026 Budget

**\$23K**

Total Budget (all years)

**\$23K**

Project Total

**\$23K**

---

**Detailed Breakdown**

| Category     | FY2026           | Total           |
|--------------|------------------|-----------------|
|              | <i>Requested</i> |                 |
| Equipment    | \$23,000         | <b>\$23,000</b> |
| <b>Total</b> | <b>\$23,000</b>  | <b>\$23,000</b> |

---

**Funding Sources**

FY2026 Budget

**\$23K**

Total Budget (all years)

**\$23K**

Project Total

**\$23K**

---

**Detailed Breakdown**

| Category     | FY2026           | Total           |
|--------------|------------------|-----------------|
|              | <i>Requested</i> |                 |
| General Fund | \$23,000         | <b>\$23,000</b> |
| <b>Total</b> | <b>\$23,000</b>  | <b>\$23,000</b> |

---

# Move Water & Sewer Lines on FM 6 & 1777 (Construction/Maintenance)

## Overview

|                           |                                     |
|---------------------------|-------------------------------------|
| Request Owner             | Melissa Stillwell, Finance Director |
| Department                | Expenditures                        |
| Type                      | Capital Improvement                 |
| Estimated Start Date      | 10/1/2027                           |
| Estimated Completion Date | 09/30/2028                          |

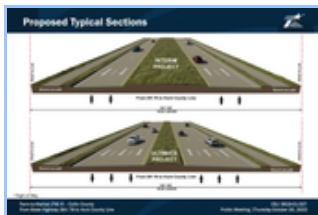
## Project Location



## Description

Move Water & Sewer Lines on FM 6 & 1777 (Construction/Maintenance) per TXDOT Plans

## Images



91904ff7eccc6581bc07.jpg

## Details

Type of Project: Infrastructure

## Supplemental Attachments

 [0b3c91f546b0894d1078.pdf](#)

 [66f1370241d52d97bc84.pdf](#)

## Capital Cost

FY2026 Budget

**\$0**

Total Budget (all years)

**\$3.3M**

Project Total

**\$3.3M**

### Detailed Breakdown

| Category                 | FY2027<br><i>Requested</i> | FY2028<br><i>Requested</i> | Total              |
|--------------------------|----------------------------|----------------------------|--------------------|
| Construction/Maintenance | \$1,650,000                | \$1,650,000                | <b>\$3,300,000</b> |
| <b>Total</b>             | <b>\$1,650,000</b>         | <b>\$1,650,000</b>         | <b>\$3,300,000</b> |

## Funding Sources

FY2026 Budget

**\$0**

Total Budget (all years)

**\$3.3M**

Project Total

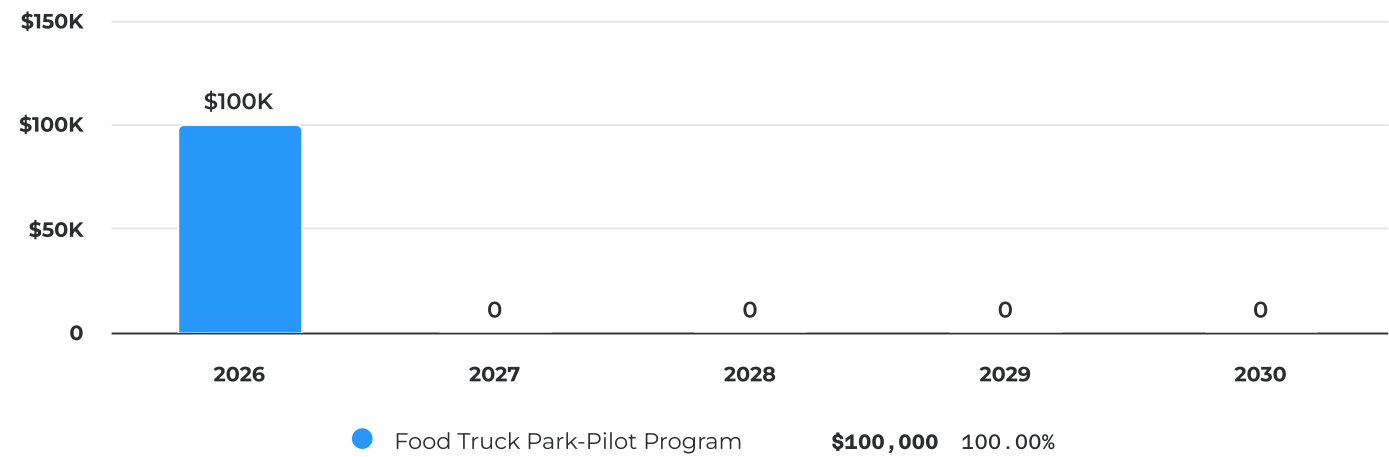
**\$3.3M**

### Detailed Breakdown

| Category     | FY2027<br><i>Requested</i> | FY2028<br><i>Requested</i> | Total              |
|--------------|----------------------------|----------------------------|--------------------|
| Water Fund   | \$1,650,000                | \$1,650,000                | <b>\$3,300,000</b> |
| <b>Total</b> | <b>\$1,650,000</b>         | <b>\$1,650,000</b>         | <b>\$3,300,000</b> |

# Parks

## FY26 - FY30 Parks Projects



### Summary of Requests

| Category                         | FY2026           | FY2027     | FY2028     | FY2029     | FY2030     | Total            |
|----------------------------------|------------------|------------|------------|------------|------------|------------------|
| Food Truck Park-Pilot Program    | \$100,000        | \$0        | \$0        | \$0        | \$0        | \$100,000        |
| <b>Total Summary of Requests</b> | <b>\$100,000</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$100,000</b> |

# Food Truck Park-Pilot Program

## Overview

|                                  |                                     |
|----------------------------------|-------------------------------------|
| <b>Request Owner</b>             | Melissa Stillwell, Finance Director |
| <b>Department</b>                | Parks                               |
| <b>Type</b>                      | Capital Improvement                 |
| <b>Estimated Start Date</b>      | 10/1/2025                           |
| <b>Estimated Completion Date</b> | 06/1/2026                           |

## Project Location



## Description

Food Truck Park per Council's Request. Preliminary Pilot Designs will be presented 7/14/25 to City Council.

## Images



dfb8897f91e8ca031e4e37e2ac8e672e.jpg



image\_1\_t1170\_t1170.png



sddefault.jpg



20230302minka2.jpg

## Details

**Type of Project:** Refurbishment

### Benefit to Community

A Food Truck Park would serve as a dynamic addition to our small but growing town, offering a vibrant space that supports local entrepreneurs, encourages community gathering, and enhances the local food scene. With low startup costs and high flexibility, food trucks provide opportunities for small business owners to thrive and experiment, contributing to economic growth and job creation. The park would attract both residents and visitors, creating a central hub for social interaction, live events, and cultural expression. In a town on the rise, a Food Truck Park aligns with the spirit of innovation and community, adding energy, diversity, and flavor to our local identity.

Rev & Expense are estimates based on a scaler scale project completely planned and constructed by City Staff. Fund Balance to Cover.

## Supplemental Attachments

 [20230302minka2.jpg](#)

## Capital Cost

FY2026 Budget

**\$100K**

Total Budget (all years)

**\$100K**

Project Total

**\$100K**

### Detailed Breakdown

| Category                 | FY2026<br><i>Requested</i> | Total            |
|--------------------------|----------------------------|------------------|
| Construction/Maintenance | \$100,000                  | \$100,000        |
| <b>Total</b>             | <b>\$100,000</b>           | <b>\$100,000</b> |

## Funding Sources

FY2026 Budget

**\$100K**

Total Budget (all years)

**\$100K**

Project Total

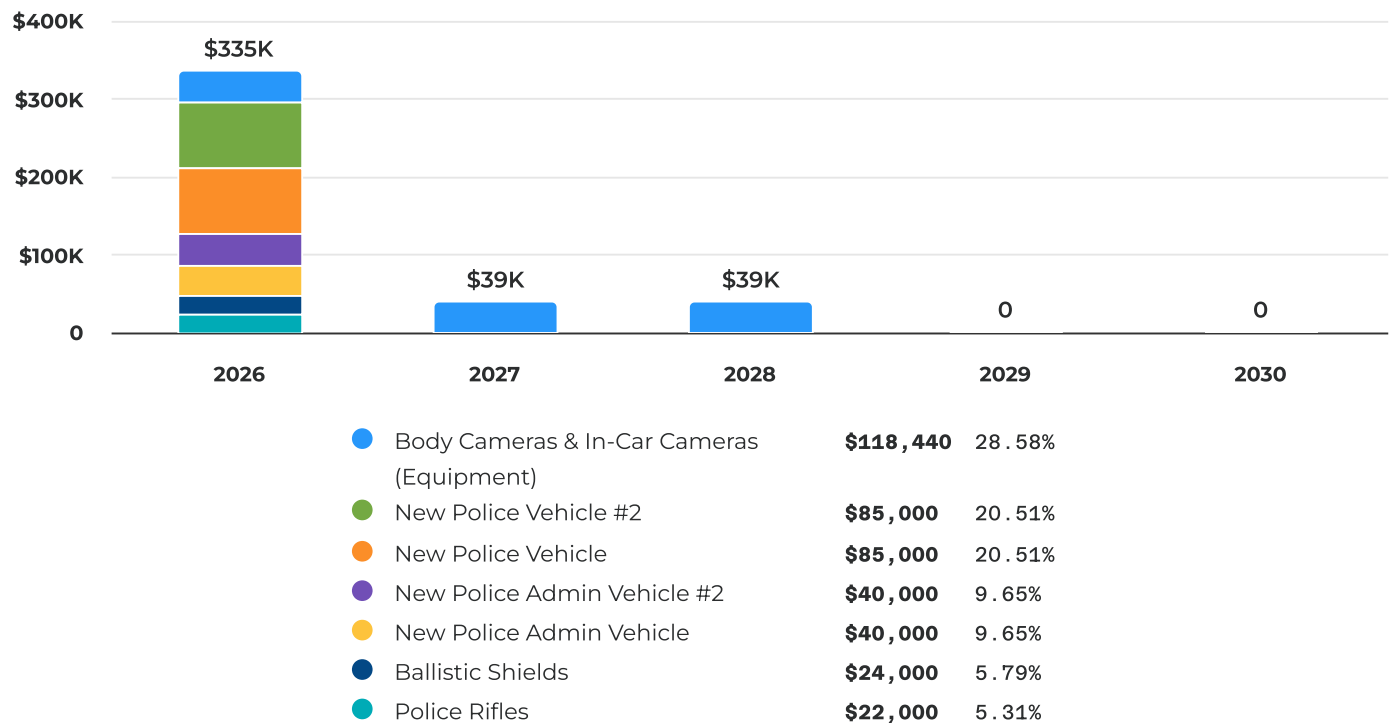
**\$100K**

### Detailed Breakdown

| Category     | FY2026<br><i>Requested</i> | Total            |
|--------------|----------------------------|------------------|
| General Fund | \$100,000                  | \$100,000        |
| <b>Total</b> | <b>\$100,000</b>           | <b>\$100,000</b> |

# Police

## FY26 - FY30 Police Projects



## Summary of Requests

| Category                                  | FY2026           | FY2027          | FY2028          | FY2029     | FY2030     | Total            |
|-------------------------------------------|------------------|-----------------|-----------------|------------|------------|------------------|
| Body Cameras & In-Car Cameras (Equipment) | \$39,480         | \$39,480        | \$39,480        | \$0        | \$0        | <b>\$118,440</b> |
| New Police Vehicle #2                     | \$85,000         | \$0             | \$0             | \$0        | \$0        | <b>\$85,000</b>  |
| New Police Vehicle                        | \$85,000         | \$0             | \$0             | \$0        | \$0        | <b>\$85,000</b>  |
| New Police Admin Vehicle #2               | \$40,000         | \$0             | \$0             | \$0        | \$0        | <b>\$40,000</b>  |
| New Police Admin Vehicle                  | \$40,000         | \$0             | \$0             | \$0        | \$0        | <b>\$40,000</b>  |
| Ballistic Shields                         | \$24,000         | \$0             | \$0             | \$0        | \$0        | <b>\$24,000</b>  |
| Police Rifles                             | \$22,000         | \$0             | \$0             | \$0        | \$0        | <b>\$22,000</b>  |
| <b>Total Summary of Requests</b>          | <b>\$335,480</b> | <b>\$39,480</b> | <b>\$39,480</b> | <b>\$0</b> | <b>\$0</b> | <b>\$414,440</b> |



# Ballistic Shields

## Overview

|                      |                                     |
|----------------------|-------------------------------------|
| <b>Request Owner</b> | Melissa Stillwell, Finance Director |
| <b>Department</b>    | Police                              |
| <b>Type</b>          | Capital Equipment                   |

---

## Description

Request for 8 Ballistic Shields (no details/product sheets/quotes were given to finance) Estimated by Lt. \$3k ea

---

## Images



Shield 2.png

---

## Details

**New Purchase or Replacement:** New

---

## Supplemental Attachments

 [aspis-2024.pdf](#)

---

## Capital Cost

FY2026 Budget

**\$24K**

Total Budget (all years)

**\$24K**

Project Total

**\$24K**

---

### Detailed Breakdown

| Category     | FY2026<br><i>Requested</i> | Total           |
|--------------|----------------------------|-----------------|
| Equipment    | \$24,000                   | <b>\$24,000</b> |
| <b>Total</b> | <b>\$24,000</b>            | <b>\$24,000</b> |

---

## Funding Sources

FY2026 Budget

**\$24K**

Total Budget (all years)

**\$24K**

Project Total

**\$24K**

---

### Detailed Breakdown

| Category     | FY2026<br><i>Requested</i> | Total           |
|--------------|----------------------------|-----------------|
| General Fund | \$24,000                   | <b>\$24,000</b> |
| <b>Total</b> | <b>\$24,000</b>            | <b>\$24,000</b> |

---

# Body Cameras & In-Car Cameras (Equipment)

## Overview

|                      |                                     |
|----------------------|-------------------------------------|
| <b>Request Owner</b> | Melissa Stillwell, Finance Director |
| <b>Department</b>    | Police                              |
| <b>Type</b>          | Capital Equipment                   |

---

## Description

Body Cameras & In-Car Cameras (Equipment) Ongoing Motorola Contract

---

## Images



201027154553-axon-police-body-cam.jpg

---

## Details

**New Purchase or Replacement:** Replacement

---

## Supplemental Attachments

 [c01e41fad96ae117c295.pdf](#)

## Capital Cost

FY2026 Budget

**\$39.5K**

Total Budget (all years)

**\$118K**

Project Total

**\$118K**

### Detailed Breakdown

| Category     | FY2026<br><i>Requested</i> | FY2027<br><i>Requested</i> | FY2028<br><i>Requested</i> | Total            |
|--------------|----------------------------|----------------------------|----------------------------|------------------|
| Equipment    | \$39,480                   | \$39,480                   | \$39,480                   | <b>\$118,440</b> |
| <b>Total</b> | <b>\$39,480</b>            | <b>\$39,480</b>            | <b>\$39,480</b>            | <b>\$118,440</b> |

## Funding Sources

FY2026 Budget

**\$39.5K**

Total Budget (all years)

**\$118K**

Project Total

**\$118K**

### Detailed Breakdown

| Category     | FY2026<br><i>Requested</i> | FY2027<br><i>Requested</i> | FY2028<br><i>Requested</i> | Total            |
|--------------|----------------------------|----------------------------|----------------------------|------------------|
| General Fund | \$39,480                   | \$39,480                   | \$39,480                   | <b>\$118,440</b> |
| <b>Total</b> | <b>\$39,480</b>            | <b>\$39,480</b>            | <b>\$39,480</b>            | <b>\$118,440</b> |

# New Police Admin Vehicle

## Overview

|                      |                                     |
|----------------------|-------------------------------------|
| <b>Request Owner</b> | Melissa Stillwell, Finance Director |
| <b>Department</b>    | Police                              |
| <b>Type</b>          | Capital Equipment                   |

---

## Description

New Police Admin Vehicle

Retire Dodge

---

## Images



Impala.jpeg

---

## Details

**New Purchase or Replacement:** New

**Useful Life:** 8

**New or Used Vehicle:** New Vehicle

---

## Supplemental Attachments

 [cfb1d5980364b2141772.docx](#)

---

**Capital Cost**

FY2026 Budget

**\$40K**

Total Budget (all years)

**\$40K**

Project Total

**\$40K**

---

**Detailed Breakdown**

| Category     | FY2026           | Total           |
|--------------|------------------|-----------------|
|              | <i>Requested</i> |                 |
| Vehicle Cost | \$40,000         | <b>\$40,000</b> |
| <b>Total</b> | <b>\$40,000</b>  | <b>\$40,000</b> |

---

**Funding Sources**

FY2026 Budget

**\$40K**

Total Budget (all years)

**\$40K**

Project Total

**\$40K**

---

**Detailed Breakdown**

| Category     | FY2026           | Total           |
|--------------|------------------|-----------------|
|              | <i>Requested</i> |                 |
| General Fund | \$40,000         | <b>\$40,000</b> |
| <b>Total</b> | <b>\$40,000</b>  | <b>\$40,000</b> |

---

# New Police Admin Vehicle #2

## Overview

|                      |                                     |
|----------------------|-------------------------------------|
| <b>Request Owner</b> | Melissa Stillwell, Finance Director |
| <b>Department</b>    | Police                              |
| <b>Type</b>          | Capital Equipment                   |

---

## Description

New Police Admin Vehicle

---

## Images



Impala.jpeg

---

## Details

**New Purchase or Replacement:** New

**Useful Life:** 8

**New or Used Vehicle:** New Vehicle

---

## Supplemental Attachments

 [cfb1d5980364b2141772.docx](#)

---

**Capital Cost**

FY2026 Budget

**\$40K**

Total Budget (all years)

**\$40K**

Project Total

**\$40K**

---

**Detailed Breakdown**

| Category     | FY2026<br><i>Requested</i> | Total           |
|--------------|----------------------------|-----------------|
| Vehicle Cost | \$40,000                   | \$40,000        |
| <b>Total</b> | <b>\$40,000</b>            | <b>\$40,000</b> |

**Funding Sources**

FY2026 Budget

**\$40K**

Total Budget (all years)

**\$40K**

Project Total

**\$40K**

---

**Detailed Breakdown**

| Category     | FY2026<br><i>Requested</i> | Total           |
|--------------|----------------------------|-----------------|
| General Fund | \$40,000                   | <b>\$40,000</b> |
| <b>Total</b> | <b>\$40,000</b>            | <b>\$40,000</b> |



# New Police Vehicle

## Overview

|                      |                                     |
|----------------------|-------------------------------------|
| <b>Request Owner</b> | Melissa Stillwell, Finance Director |
| <b>Department</b>    | Police                              |
| <b>Type</b>          | Capital Equipment                   |

---

## Description

New Police Vehicle

Retire Unit 1501

---

## Images



JPDCruiser.jpg

---

## Details

**New Purchase or Replacement:** New

**Useful Life:** 8

**New or Used Vehicle:** New Vehicle

---

## Supplemental Attachments

 [cfb1d5980364b2141772.docx](#)

---

**Capital Cost**

FY2026 Budget

**\$85K**

Total Budget (all years)

**\$85K**

Project Total

**\$85K**

---

**Detailed Breakdown**

| Category     | FY2026<br><i>Requested</i> | Total           |
|--------------|----------------------------|-----------------|
| Vehicle Cost | \$85,000                   | \$85,000        |
| <b>Total</b> | <b>\$85,000</b>            | <b>\$85,000</b> |

**Funding Sources**

FY2026 Budget

**\$85K**

Total Budget (all years)

**\$85K**

Project Total

**\$85K**

---

**Detailed Breakdown**

| Category     | FY2026<br><i>Requested</i> | Total           |
|--------------|----------------------------|-----------------|
| General Fund | \$85,000                   | \$85,000        |
| <b>Total</b> | <b>\$85,000</b>            | <b>\$85,000</b> |

# New Police Vehicle #2

## Overview

|                      |                                     |
|----------------------|-------------------------------------|
| <b>Request Owner</b> | Melissa Stillwell, Finance Director |
| <b>Department</b>    | Police                              |
| <b>Type</b>          | Capital Equipment                   |

---

## Description

New Police Vehicle

Retire Unit 1901

---

## Images



JPDCruiser.jpg

---

## Details

**New Purchase or Replacement:** New

**Useful Life:** 8

**New or Used Vehicle:** New Vehicle

---

## Supplemental Attachments

 [cfb1d5980364b2141772.docx](#)

---

**Capital Cost**

FY2026 Budget

**\$85K**

Total Budget (all years)

**\$85K**

Project Total

**\$85K**

---

**Detailed Breakdown**

| Category     | FY2026<br><i>Requested</i> | Total           |
|--------------|----------------------------|-----------------|
| Vehicle Cost | \$85,000                   | <b>\$85,000</b> |
| <b>Total</b> | <b>\$85,000</b>            | <b>\$85,000</b> |

**Funding Sources**

FY2026 Budget

**\$85K**

Total Budget (all years)

**\$85K**

Project Total

**\$85K**

---

**Detailed Breakdown**

| Category     | FY2026<br><i>Requested</i> | Total           |
|--------------|----------------------------|-----------------|
| General Fund | \$85,000                   | \$85,000        |
| <b>Total</b> | <b>\$85,000</b>            | <b>\$85,000</b> |

# Police Rifles

## Overview

|                      |                                     |
|----------------------|-------------------------------------|
| <b>Request Owner</b> | Melissa Stillwell, Finance Director |
| <b>Department</b>    | Police                              |
| <b>Type</b>          | Capital Equipment                   |

---

## Description

10 Rifles Needed. Council Suggested better rifles with Scopes-Add \$10k to cost

---

## Images



fn-36100558.jpg

---

## Details

**New Purchase or Replacement:** Replacement

---

## Supplemental Attachments

 [Rifle Magazine - MAGPUL PMAG.pdf](#)

 [Patrol Rifle.pdf](#)

---

## Capital Cost

FY2026 Budget

**\$22K**

Total Budget (all years)

**\$22K**

Project Total

**\$22K**

---

### Detailed Breakdown

| Category     | FY2026           | Total           |
|--------------|------------------|-----------------|
|              | <i>Requested</i> |                 |
| Equipment    | \$22,000         | <b>\$22,000</b> |
| <b>Total</b> | <b>\$22,000</b>  | <b>\$22,000</b> |

---

## Funding Sources

FY2026 Budget

**\$22K**

Total Budget (all years)

**\$22K**

Project Total

**\$22K**

---

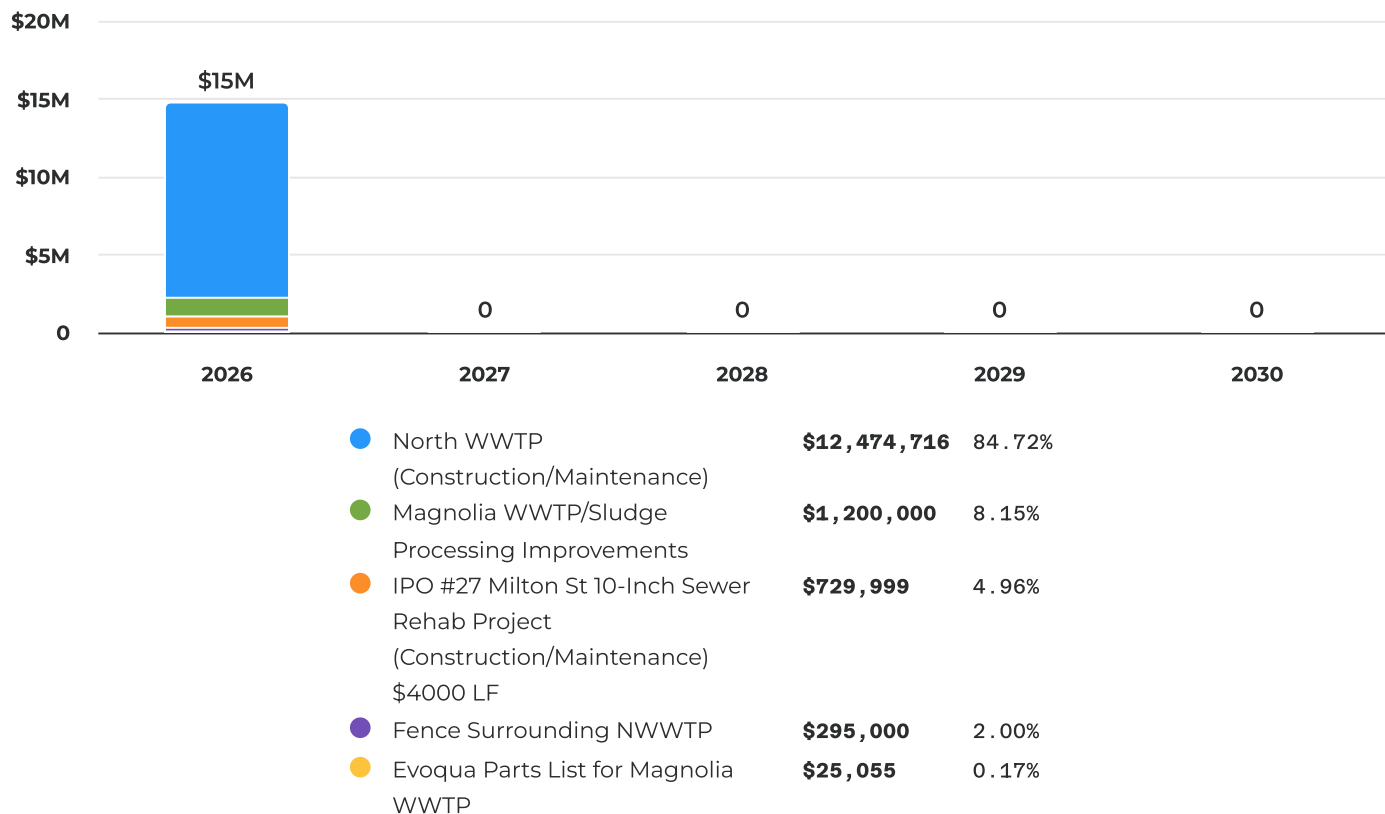
### Detailed Breakdown

| Category     | FY2026           | Total           |
|--------------|------------------|-----------------|
|              | <i>Requested</i> |                 |
| General Fund | \$22,000         | <b>\$22,000</b> |
| <b>Total</b> | <b>\$22,000</b>  | <b>\$22,000</b> |

---

# Sewer

## FY26 - FY30 Sewer Projects



## Summary of Requests

| Category                                                                           | FY2026              | FY2027     | FY2028     | FY2029     | FY2030     | Total               |
|------------------------------------------------------------------------------------|---------------------|------------|------------|------------|------------|---------------------|
| North WWTP (Construction/Maintenance)                                              | \$12,474,716        | \$0        | \$0        | \$0        | \$0        | \$12,474,716        |
| Magnolia WWTP/Sludge Processing Improvements                                       | \$1,200,000         | \$0        | \$0        | \$0        | \$0        | \$1,200,000         |
| IPO #27 Milton St 10-Inch Sewer Rehab Project (Construction/Maintenance) \$4000 LF | \$729,999           | \$0        | \$0        | \$0        | \$0        | \$729,999           |
| Fence Surrounding NWWTP                                                            | \$295,000           | \$0        | \$0        | \$0        | \$0        | \$295,000           |
| Evoqua Parts List for Magnolia WWTP                                                | \$25,055            | \$0        | \$0        | \$0        | \$0        | \$25,055            |
| <b>Total Summary of Requests</b>                                                   | <b>\$14,724,770</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$14,724,770</b> |

# Evoqua Parts List for Magnolia WWTP

## Overview

|                                  |                                     |
|----------------------------------|-------------------------------------|
| <b>Request Owner</b>             | Melissa Stillwell, Finance Director |
| <b>Department</b>                | Sewer                               |
| <b>Type</b>                      | Capital Improvement                 |
| <b>Estimated Start Date</b>      | 10/1/2025                           |
| <b>Estimated Completion Date</b> | 10/31/2025                          |

## Project Location



---

## Description

Replacement Parts for Magnolia WWTP

---

## Images



9be14275-c123-4185-a632-91481a17f1bc.png

---

## Details

**Type of Project:** Infrastructure

---

## Supplemental Attachments

 [Replacement Parts for Mag WWTP.pdf](#)



## Capital Cost

FY2026 Budget

**\$22.1K**

Total Budget (all years)

**\$22.1K**

Project Total

**\$22.1K**

### Detailed Breakdown

| Category                      | FY2026<br><i>Requested</i> | Total           |
|-------------------------------|----------------------------|-----------------|
| Equipment/Vehicle/Furnishings | \$22,055                   | <b>\$22,055</b> |
| <b>Total</b>                  | <b>\$22,055</b>            | <b>\$22,055</b> |

## Funding Sources

FY2026 Budget

**\$25.1K**

Total Budget (all years)

**\$25.1K**

Project Total

**\$25.1K**

### Detailed Breakdown

| Category     | FY2026<br><i>Requested</i> | Total           |
|--------------|----------------------------|-----------------|
| Sewer Fund   | \$25,055                   | <b>\$25,055</b> |
| <b>Total</b> | <b>\$25,055</b>            | <b>\$25,055</b> |

# Fence Surrounding NWWTP

## Overview

|                                  |                                     |
|----------------------------------|-------------------------------------|
| <b>Request Owner</b>             | Melissa Stillwell, Finance Director |
| <b>Department</b>                | Sewer                               |
| <b>Type</b>                      | Capital Improvement                 |
| <b>Estimated Start Date</b>      | 03/1/2026                           |
| <b>Estimated Completion Date</b> | 07/1/2026                           |

## Project Location



---

## Description

Per Homeland Security, this needs to be securely fenced off. This was pulled from the original WWTP construction due to an inflated price. Quote received from Metal Arc Welding on this portion of the project.

---

## Images



df7463cf-b276-470b-afb9-0cef5986b402.png

---

## Details

**Type of Project:** New Construction

### Benefit to Community

Per Homeland Security, this needs to be securely fenced off.

## Supplemental Attachments

 [Estimate\\_1427\\_from\\_Metal\\_Arc\\_Welding.pdf](#)

## Capital Cost

FY2026 Budget

**\$295K**

Total Budget (all years)

**\$295K**

Project Total

**\$295K**

## Detailed Breakdown

| Category                 | FY2026<br><i>Requested</i> | Total            |
|--------------------------|----------------------------|------------------|
| Construction/Maintenance | \$295,000                  | <b>\$295,000</b> |
| <b>Total</b>             | <b>\$295,000</b>           | <b>\$295,000</b> |

## Funding Sources

FY2026 Budget

**\$295K**

Total Budget (all years)

**\$295K**

Project Total

**\$295K**

## Detailed Breakdown

| Category     | FY2026<br><i>Requested</i> | Total            |
|--------------|----------------------------|------------------|
| Sewer Fund   | \$295,000                  | <b>\$295,000</b> |
| <b>Total</b> | <b>\$295,000</b>           | <b>\$295,000</b> |

# IPO #27 Milton St 10-Inch Sewer Rehab Project (Construction/Maintenance) \$4000 LF

## Overview

|                           |                                     |
|---------------------------|-------------------------------------|
| Request Owner             | Melissa Stillwell, Finance Director |
| Department                | Sewer                               |
| Type                      | Capital Improvement                 |
| Estimated Start Date      | 05/9/2025                           |
| Estimated Completion Date | 11/1/2025                           |

## Project Location



## Description

IPO #27 Milton St 10-Inch Sewer Rehab Project (Construction/Maintenance) \$4000 LF

Revised Plan- completion split 50%/50% in FY 25 & 26 as an Emergency Need- 4 month project completion time expected

Horton Excavating Awarded-Construction Bid Price \$1,349,997.50

## Images



image002.png



Screen Shot 07-15-25 at 03.22 PM.PNG

## Details

**Type of Project:** Infrastructure

## Supplemental Attachments

 [635ffd969c89a2bd3e08 \(2\).pdf](#)

## Capital Cost

FY2026 Budget

**\$730K**

Total Budget (all years)

**\$730K**

Project Total

**\$730K**

### Detailed Breakdown

| Category                 | FY2026<br>Requested | Total            |
|--------------------------|---------------------|------------------|
| Construction/Maintenance | \$674,999           | <b>\$674,999</b> |
| Engineering              | \$55,000            | <b>\$55,000</b>  |
| <b>Total</b>             | <b>\$729,999</b>    | <b>\$729,999</b> |

## Funding Sources

FY2026 Budget

**\$730K**

Total Budget (all years)

**\$730K**

Project Total

**\$730K**

### Detailed Breakdown

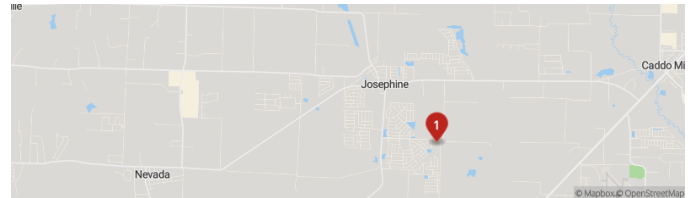
| Category     | FY2026<br>Requested | Total            |
|--------------|---------------------|------------------|
| Sewer Fund   | \$729,999           | <b>\$729,999</b> |
| <b>Total</b> | <b>\$729,999</b>    | <b>\$729,999</b> |

# Magnolia WWTP/Sludge Processing Improvements

## Overview

|                                  |                                     |
|----------------------------------|-------------------------------------|
| <b>Request Owner</b>             | Melissa Stillwell, Finance Director |
| <b>Department</b>                | Sewer                               |
| <b>Type</b>                      | Capital Improvement                 |
| <b>Estimated Start Date</b>      | 10/1/2025                           |
| <b>Estimated Completion Date</b> | 04/1/2026                           |

## Project Location



---

## Description

Additional concrete, cover, and container needed to shield from the elements. Developer unwilling to contribute. This will bring processing time from 96 hours to the normal processing time of 4 hours

---

## Images



Screen Shot 06-20-25 at 03.08 PM.PNG

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## Details

**Type of Project:** Other

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## Supplemental Attachments

 [Screen Shot 06-20-25 at 03.08 PM.PNG](#)

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**Capital Cost**

FY2026 Budget

**\$1.2M**

Total Budget (all years)

**\$1.2M**

Project Total

**\$1.2M**

---

**Detailed Breakdown**

| Category                 | FY2026             | Total              |
|--------------------------|--------------------|--------------------|
|                          | <i>Requested</i>   |                    |
| Construction/Maintenance | \$1,200,000        | <b>\$1,200,000</b> |
| <b>Total</b>             | <b>\$1,200,000</b> | <b>\$1,200,000</b> |

---

**Funding Sources**

FY2026 Budget

**\$1.2M**

Total Budget (all years)

**\$1.2M**

Project Total

**\$1.2M**

---

**Detailed Breakdown**

| Category     | FY2026             | Total              |
|--------------|--------------------|--------------------|
|              | <i>Requested</i>   |                    |
| Sewer Fund   | \$1,200,000        | <b>\$1,200,000</b> |
| <b>Total</b> | <b>\$1,200,000</b> | <b>\$1,200,000</b> |

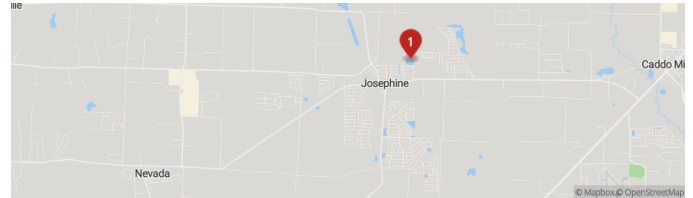
---

# North WWTP (Construction/Maintenance)

## Overview

|                           |                                     |
|---------------------------|-------------------------------------|
| Request Owner             | Melissa Stillwell, Finance Director |
| Department                | Sewer                               |
| Type                      | Capital Improvement                 |
| Estimated Start Date      | 03/1/2025                           |
| Estimated Completion Date | 09/1/2026                           |

## Project Location



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## Description

North WWTP (Construction/Maintenance) Awarded Project to Horton Excavating

---

## Images



SanitarySewerInterceptorIllustration.jpg

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## Details

Type of Project: New Construction

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## Supplemental Attachments

 [Pay App 2 \(Engineer signed\) \(1\).pdf](#)



## Capital Cost

FY2026 Budget

**\$12.5M**

Total Budget (all years)

**\$12.5M**

Project Total

**\$12.5M**

### Detailed Breakdown

| Category                 | FY2026<br><i>Requested</i> | Total               |
|--------------------------|----------------------------|---------------------|
| Construction/Maintenance | \$12,038,655               | <b>\$12,038,655</b> |
| Engineering              | \$436,061                  | <b>\$436,061</b>    |
| <b>Total</b>             | <b>\$12,474,716</b>        | <b>\$12,474,716</b> |

## Funding Sources

FY2026 Budget

**\$12.5M**

Total Budget (all years)

**\$12.5M**

Project Total

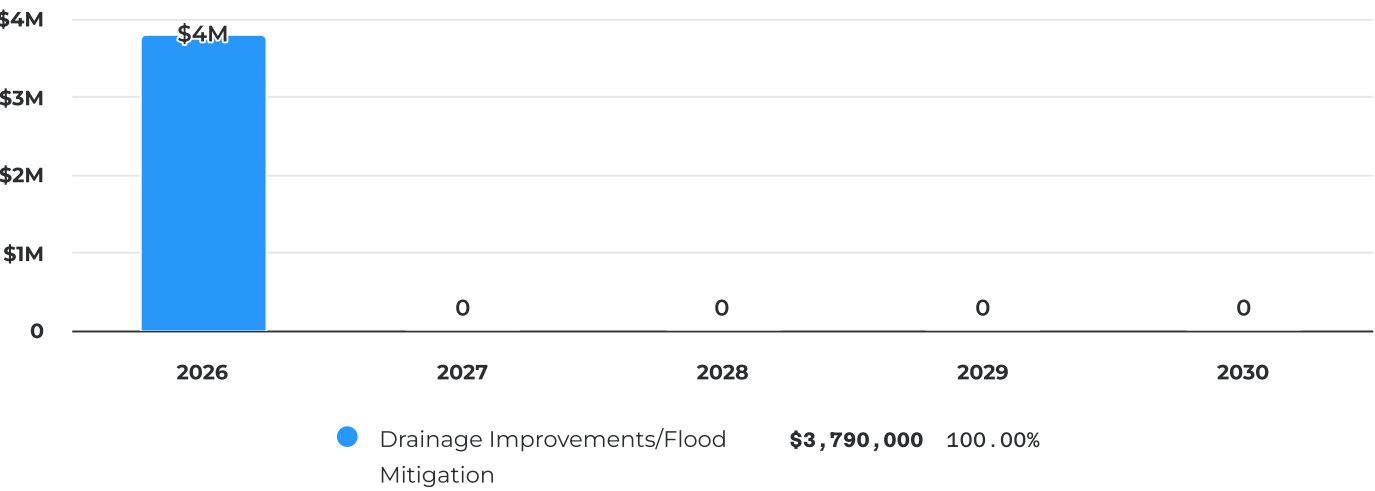
**\$12.5M**

### Detailed Breakdown

| Category     | FY2026<br><i>Requested</i> | Total               |
|--------------|----------------------------|---------------------|
| Bond Funds   | \$12,474,716               | <b>\$12,474,716</b> |
| <b>Total</b> | <b>\$12,474,716</b>        | <b>\$12,474,716</b> |

# Streets

FY26 - FY30 Streets Projects



Summary of Requests

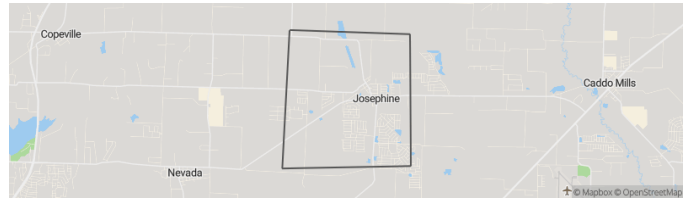
| Category                               | FY2026      | FY2027 | FY2028 | FY2029 | FY2030 | Total       |
|----------------------------------------|-------------|--------|--------|--------|--------|-------------|
| Drainage Improvements/Flood Mitigation | \$3,790,000 | \$0    | \$0    | \$0    | \$0    | \$3,790,000 |
| Total Summary of Requests              | \$3,790,000 | \$0    | \$0    | \$0    | \$0    | \$3,790,000 |

# Drainage Improvements/Flood Mitigation

## Overview

|                                  |                                     |
|----------------------------------|-------------------------------------|
| <b>Request Owner</b>             | Melissa Stillwell, Finance Director |
| <b>Department</b>                | Streets                             |
| <b>Type</b>                      | Capital Improvement                 |
| <b>Estimated Start Date</b>      | 10/1/2025                           |
| <b>Estimated Completion Date</b> | 09/1/2026                           |

## Project Location



## Description

Drainage Improvements/Flood Mitigation as identified by Kimley Horn- Locations 1, 2, and 4

## Images



Drainage-Canal-Improvements.jpg

## Details

**Type of Project:** Other

**Benefit to Community**

Drainage & Flooding mitigation

## Supplemental Attachments

 [city-of-josephine.community.highbond.com\\_document\\_74af93e7-462d-4db8-bb07-397b8de8b853\\_.pdf](#)

## Capital Cost

FY2026 Budget

**\$3.79M**

Total Budget (all years)

**\$3.79M**

Project Total

**\$3.79M**

### Detailed Breakdown

| Category                 | FY2026<br><i>Requested</i> | Total              |
|--------------------------|----------------------------|--------------------|
| Construction/Maintenance | \$3,790,000                | <b>\$3,790,000</b> |
| <b>Total</b>             | <b>\$3,790,000</b>         | <b>\$3,790,000</b> |

## Funding Sources

FY2026 Budget

**\$3.79M**

Total Budget (all years)

**\$3.79M**

Project Total

**\$3.79M**

### Detailed Breakdown

| Category     | FY2026<br><i>Requested</i> | Total              |
|--------------|----------------------------|--------------------|
| Bond Funds   | \$3,790,000                | <b>\$3,790,000</b> |
| <b>Total</b> | <b>\$3,790,000</b>         | <b>\$3,790,000</b> |

## Operational Costs

FY2026 Budget

**\$0**

Total Budget (all years)

**\$0**

Project Total

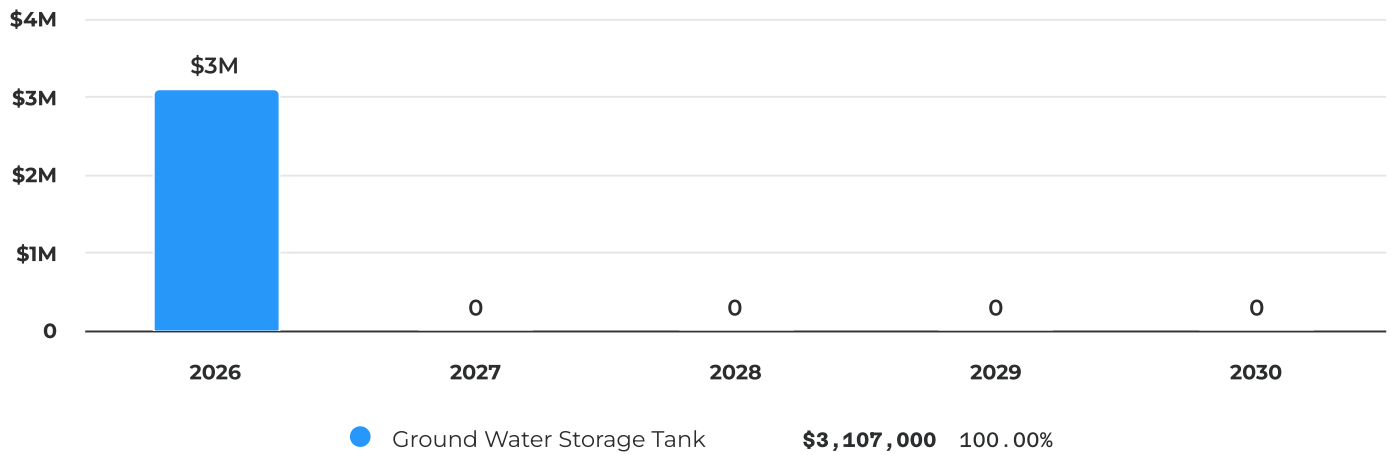
**\$0**

### Detailed Breakdown

| Category     | Total      |
|--------------|------------|
| Other        | <b>\$0</b> |
| <b>Total</b> | <b>\$0</b> |

# Water

## FY26 - FY30 Water Projects



## Summary of Requests

| Category                         | FY2026             | FY2027     | FY2028     | FY2029     | FY2030     | Total              |
|----------------------------------|--------------------|------------|------------|------------|------------|--------------------|
| Ground Water Storage Tank        | \$3,107,000        | \$0        | \$0        | \$0        | \$0        | \$3,107,000        |
| <b>Total Summary of Requests</b> | <b>\$3,107,000</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$3,107,000</b> |

# Ground Water Storage Tank

## Overview

|                                  |                                     |
|----------------------------------|-------------------------------------|
| <b>Request Owner</b>             | Melissa Stillwell, Finance Director |
| <b>Department</b>                | Water                               |
| <b>Type</b>                      | Capital Improvement                 |
| <b>Estimated Start Date</b>      | 10/1/2025                           |
| <b>Estimated Completion Date</b> | 06/1/2026                           |

## Project Location



---

## Description

Additional Ground Water Storage Tank for capacity needed

---

## Images



Green-Aquastore-Potable-Water-Storage-Tank.jpg

---

## Details

**Type of Project:** Infrastructure

---

## Supplemental Attachments

 [city-of-josephine.community.highbond.com\\_document\\_71b27176-af9b-4787-ad00-5b364d39eb7d\\_.pdf](#)

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**Capital Cost**

FY2026 Budget

**\$3.11M**

Total Budget (all years)

**\$3.11M**

Project Total

**\$3.11M**

---

**Detailed Breakdown**

| Category                 | FY2026             | Total              |
|--------------------------|--------------------|--------------------|
|                          | <i>Requested</i>   |                    |
| Construction/Maintenance | \$3,107,000        | <b>\$3,107,000</b> |
| <b>Total</b>             | <b>\$3,107,000</b> | <b>\$3,107,000</b> |

---

**Funding Sources**

FY2026 Budget

**\$3.11M**

Total Budget (all years)

**\$3.11M**

Project Total

**\$3.11M**

---

**Detailed Breakdown**

| Category     | FY2026             | Total              |
|--------------|--------------------|--------------------|
|              | <i>Requested</i>   |                    |
| Bond Funds   | \$3,107,000        | <b>\$3,107,000</b> |
| <b>Total</b> | <b>\$3,107,000</b> | <b>\$3,107,000</b> |

---

# Debt Overview Summary

The City of Josephine maintains a conservative debt structure designed to minimize taxpayer impact while funding essential infrastructure and public safety needs. Current outstanding obligations include:

| Debt Type              | Funding Source                              | Taxpayer Impact                |
|------------------------|---------------------------------------------|--------------------------------|
| Public Safety Tax Note | Developer pre-payment agreement             | No impact to taxpayers         |
| Water & Sewer Bond     | Current and future water and sewer revenues | No impact to property tax rate |
| Public Safety Bond     | Secured by existing I&S tax rate            | No increase to taxpayers       |

**Key Highlights:**

- The Public Safety Tax Note is fully funded by a developer agreement, eliminating any taxpayer burden.
- Water and Sewer Bond payments are supported by utility revenues, ensuring infrastructure costs are borne by service users.
- The Public Safety Bond was structured within the existing I&S tax rate, maintaining a stable property tax impact.



# Debt Overview – Current Obligations

The City of Josephine's debt portfolio is structured to align repayment sources with project beneficiaries, protect the property tax base, and maintain long-term affordability.

## Outstanding Obligations

| Debt Type / Series                                                            | Original Par | Issue Date | Final Maturity | Purpose / Allocation                        | Security / Funding Source                                      |
|-------------------------------------------------------------------------------|--------------|------------|----------------|---------------------------------------------|----------------------------------------------------------------|
| <b>Combination Tax &amp; Revenue CO, Series 2022</b>                          | \$5,065,000  | 01/15/2022 | 02/15/2047     | General capital (combination tax & revenue) | Property tax (I&S) and pledged system revenues (as applicable) |
| <b>Combination Tax &amp; Revenue CO, Series 2022A – Sewer Portion</b>         | \$7,875,000  | 07/01/2022 | 02/15/2052     | Sewer system improvements                   | Water & sewer system revenues (primary)                        |
| <b>Combination Tax &amp; Revenue CO, Series 2022A – Public Safety Portion</b> | \$2,970,000  | 07/01/2022 | 02/15/2052     | Public safety facilities/equipment          | Existing I&S property tax rate                                 |
| <b>Public Safety Tax Note</b>                                                 | \$4,884,000  | 10/10/2023 | 09/15/2030     | Public safety                               | <b>Developer pre-payment agreement</b> (no taxpayer impact)    |

**Total Original Par (All Issues): \$20,794,000**

*Note: "Combination Tax & Revenue" Certificates of Obligation (COs) are typically secured by a pledge of ad valorem (I&S) taxes and applicable revenues (e.g., utility system net revenues) depending on the project, allowing costs to be borne by the appropriate funding source while maintaining compliance with coverage and tax-rate constraints.*

## Taxpayer Impact & Funding Alignment

- **Public Safety Tax Note (2023):** Fully funded via a **developer pre-payment agreement**—no property taxpayer impact and no draw on General Fund operations.
- **Water & Sewer (2022A Sewer Portion):** Debt service paid from **current and future utility system revenues**, protecting the property tax base and aligning costs with users.
- **Public Safety (2022 & 2022A Public Safety Portion):** Structured within the **existing I&S tax rate**, resulting in **no increase to taxpayers**.

## Operational Effects (Summary)

- **General Fund Stability:** Property-tax-backed debt service is contained within the Debt Service Fund at the current I&S rate, avoiding crowd-out of operating budgets.
- **Utility Operations:** Revenue-backed obligations are supported by rates and fees; coverage targets guide prudent rate-setting and capital reinvestment.

- **Risk Management:** The developer-funded note minimizes fiscal risk to City operations; long final maturities on COs provide affordability and capacity planning for future projects.

# S&P Global Ratings

## S&P Global Ratings

11511 Luna Road  
Suite 500  
Farmers Branch, TX 75234  
tel (214) 871-1400  
reference no.: 1872179

August 19, 2025

City of Josephine  
201 S. Main Street  
Josephine, TX 75173  
Attention: Melissa Stillwell, Finance Director

Re: *US\$15,485,000 City of Josephine, Texas, (Collin and Hunt Counties), Combination Tax and Revenue Certificates of Obligation, Series 2025, dated: September 01, 2025, due: February 15, 2050*

Dear Melissa Stillwell

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA-". S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements or to allow the Issuer to comply with its regulatory obligations) will become effective only after we have released the ratings on [standardandpoors.com](http://standardandpoors.com). Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable. Any such dissemination shall not be done in a manner that would serve as a substitute for any products and services containing S&P Global Ratings' intellectual property for which a fee is charged.

To maintain the rating, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: [pubfin\\_statelocalgovt@spglobal.com](mailto:pubfin_statelocalgovt@spglobal.com). If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:  
S&P Global Ratings  
Public Finance Department  
55 Water Street  
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

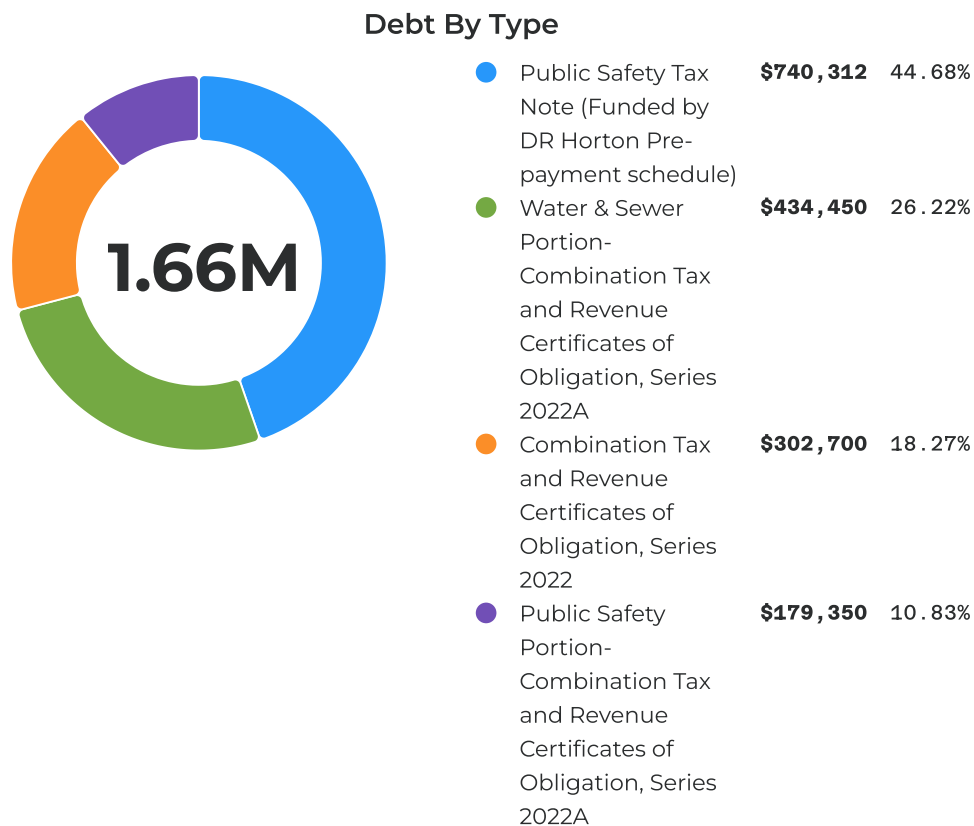
S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at [www.standardandpoors.com](http://www.standardandpoors.com). If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

S&P Global Ratings  
a division of Standard & Poor's Financial Services LLC

# Debt By Type

The City of Josephine's debt consists of the following types: a Public Safety Tax Note fully funded through a developer pre-payment agreement with no taxpayer impact; Two Water and Sewer Bonds paid from current and future water and sewer revenues; and a Public Safety Bond secured by the existing Interest & Sinking (I&S) tax rate, which did not increase taxpayer burden.



## Total Debt

**\$1,656,812**

\$7,724 (0.47% vs. FY25)

| Fund Name                                                                                  | FY2025                | FY2026                | % Change     | \$ Change         |
|--------------------------------------------------------------------------------------------|-----------------------|-----------------------|--------------|-------------------|
| Water & Sewer Portion-Combination Tax and Revenue Certificates of Obligation, Series 2022A | \$435,600.00          | \$434,450.00          | -0.26%       | -\$1,150.00       |
| Public Safety Portion-Combination Tax and Revenue Certificates of Obligation, Series 2022A | \$182,350.00          | \$179,350.00          | -1.65%       | -\$3,000.00       |
| Combination Tax and Revenue Certificates of Obligation, Series 2022                        | \$299,450.00          | \$302,700.00          | 1.09%        | \$3,250.00        |
| Public Safety Tax Note (Funded by DR Horton Pre-payment schedule)                          | \$731,688.16          | \$740,312.00          | 1.18%        | \$8,623.84        |
| <b>Total Debt</b>                                                                          | <b>\$1,649,088.16</b> | <b>\$1,656,812.00</b> | <b>0.47%</b> | <b>\$7,723.84</b> |

## Water & Sewer Portion- Combination Tax and Revenue Certificates of Obligation, Series 2022A

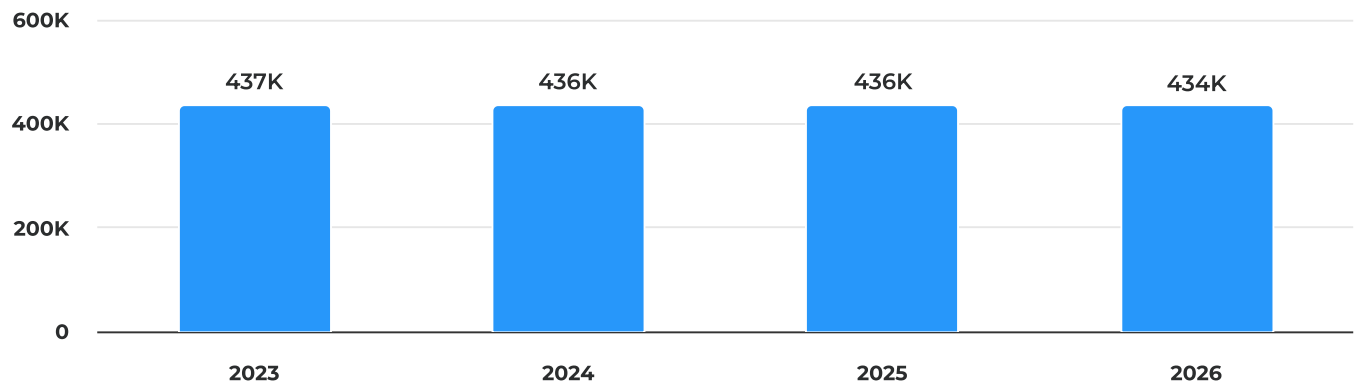
To Fund Water & Sewer Infrastructure. Water Line Upgrades and New Wastewater Treatment Facility. The amortization schedule has the breakdown allocated \$10,845,000 to the Sewer Fund and \$2,970,000 for the Public Safety Dept./General Fund.



### BOND DEBT SERVICE

City of Josephine, Texas  
Combination Tax & Revenue Certificates of Obligation, Series 2022A  
Purchaser: Robert W. Baird & Co., Inc., Milwaukee, WI  
Callable on 2/15/2032 @ Par  
Final Numbers

| Period Ending | Principal  | Coupon | Interest     | Debt Service  |
|---------------|------------|--------|--------------|---------------|
| 09/30/2023    | 85,000     | 6.000% | 487,411.81   | 572,411.81    |
| 09/30/2024    | 95,000     | 6.000% | 475,300.00   | 570,300.00    |
| 09/30/2025    | 150,000    | 6.000% | 467,950.00   | 617,950.00    |
| 09/30/2026    | 155,000    | 6.000% | 458,800.00   | 613,800.00    |
| 09/30/2027    | 170,000    | 6.000% | 449,050.00   | 619,050.00    |
| 09/30/2028    | 175,000    | 6.000% | 438,700.00   | 613,700.00    |
| 09/30/2029    | 190,000    | 6.000% | 427,750.00   | 617,750.00    |
| 09/30/2030    | 200,000    | 6.000% | 416,050.00   | 616,050.00    |
| 09/30/2031    | 210,000    | 6.000% | 403,750.00   | 613,750.00    |
| 09/30/2032    | 230,000    | 6.000% | 390,550.00   | 620,550.00    |
| 09/30/2033    | 240,000    | 5.000% | 377,650.00   | 617,650.00    |
| 09/30/2034    | 255,000    | 5.000% | 365,275.00   | 620,275.00    |
| 09/30/2035    | 260,000    | 5.000% | 352,400.00   | 612,400.00    |
| 09/30/2036    | 275,000    | 5.000% | 339,025.00   | 614,025.00    |
| 09/30/2037    | 290,000    | 5.000% | 324,900.00   | 614,900.00    |
| 09/30/2038    | 305,000    | 5.000% | 310,025.00   | 615,025.00    |
| 09/30/2039    | 320,000    | 4.000% | 296,000.00   | 616,000.00    |
| 09/30/2040    | 335,000    | 4.000% | 282,900.00   | 617,900.00    |
| 09/30/2041    | 345,000    | 4.000% | 269,300.00   | 614,300.00    |
| 09/30/2042    | 365,000    | 4.000% | 255,100.00   | 620,100.00    |
| 09/30/2043    | 375,000    | 4.000% | 240,300.00   | 615,300.00    |
| 09/30/2044    | 395,000    | 4.000% | 224,900.00   | 619,900.00    |
| 09/30/2045    | 405,000    | 4.000% | 208,900.00   | 613,900.00    |
| 09/30/2046    | 420,000    | 4.000% | 192,400.00   | 612,400.00    |
| 09/30/2047    | 440,000    | 4.000% | 175,200.00   | 615,200.00    |
| 09/30/2048    | 765,000    | 4.000% | 151,100.00   | 916,100.00    |
| 09/30/2049    | 800,000    | 4.000% | 119,800.00   | 919,800.00    |
| 09/30/2050    | 830,000    | 4.000% | 87,200.00    | 917,200.00    |
| 09/30/2051    | 865,000    | 4.000% | 53,300.00    | 918,300.00    |
| 09/30/2052    | 900,000    | 4.000% | 18,000.00    | 918,000.00    |
|               | 10,845,000 |        | 9,058,986.81 | 19,903,986.81 |



| Fund Name         | FY2025              | FY2026              | % Change      | \$ Change          |
|-------------------|---------------------|---------------------|---------------|--------------------|
| Principal         | \$100,000.00        | \$105,000.00        | 5.00%         | \$5,000.00         |
| Interest          | \$335,600.00        | \$329,450.00        | -1.83%        | -\$6,150.00        |
| <b>Total Debt</b> | <b>\$435,600.00</b> | <b>\$434,450.00</b> | <b>-0.26%</b> | <b>-\$1,150.00</b> |

## Public Safety Portion-Combination Tax and Revenue Certificates of Obligation, Series 2022A

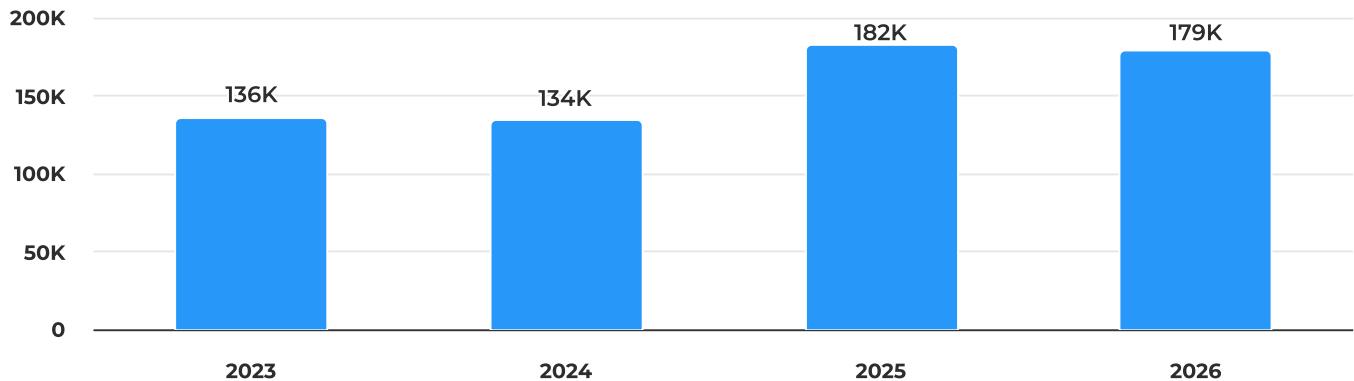
To Fund Water & Sewer Infrastructure. Water Line Upgrades and New Wastewater Treatment Facility. The amortization schedule has the breakdown allocated \$10,845,000 to the Sewer Fund and \$2,970,000 for the Public SafetyDept/General Fund.



## BOND DEBT SERVICE

City of Josephine, Texas  
 Combination Tax & Revenue Certificates of Obligation, Series 2022A  
 Purchaser: Robert W. Baird & Co., Inc., Milwaukee, WI  
 Callable on 2/15/2032 @ Par  
 Final Numbers

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| 09/30/2026    | 155,000    | 6.000% | 458,800.00   | 613,800.00    |
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| 09/30/2033    | 240,000    | 5.000% | 377,650.00   | 617,650.00    |
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| 09/30/2035    | 260,000    | 5.000% | 352,400.00   | 612,400.00    |
| 09/30/2036    | 275,000    | 5.000% | 339,025.00   | 614,025.00    |
| 09/30/2037    | 290,000    | 5.000% | 324,900.00   | 614,900.00    |
| 09/30/2038    | 305,000    | 5.000% | 310,025.00   | 615,025.00    |
| 09/30/2039    | 320,000    | 4.000% | 296,000.00   | 616,000.00    |
| 09/30/2040    | 335,000    | 4.000% | 282,900.00   | 617,900.00    |
| 09/30/2041    | 345,000    | 4.000% | 269,300.00   | 614,300.00    |
| 09/30/2042    | 365,000    | 4.000% | 255,100.00   | 620,100.00    |
| 09/30/2043    | 375,000    | 4.000% | 240,300.00   | 615,300.00    |
| 09/30/2044    | 395,000    | 4.000% | 224,900.00   | 619,900.00    |
| 09/30/2045    | 405,000    | 4.000% | 208,900.00   | 613,900.00    |
| 09/30/2046    | 420,000    | 4.000% | 192,400.00   | 612,400.00    |
| 09/30/2047    | 440,000    | 4.000% | 175,200.00   | 615,200.00    |
| 09/30/2048    | 765,000    | 4.000% | 151,100.00   | 916,100.00    |
| 09/30/2049    | 800,000    | 4.000% | 119,800.00   | 919,800.00    |
| 09/30/2050    | 830,000    | 4.000% | 87,200.00    | 917,200.00    |
| 09/30/2051    | 865,000    | 4.000% | 53,300.00    | 918,300.00    |
| 09/30/2052    | 900,000    | 4.000% | 18,000.00    | 918,000.00    |
|               | 10,845,000 |        | 9,058,986.81 | 19,903,986.81 |



| Fund Name | FY2025      | FY2026      | % Change | \$ Change |
|-----------|-------------|-------------|----------|-----------|
| Principal | \$50,000.00 | \$50,000.00 | 0.00%    | \$0.00    |



| Fund Name         | FY2025              | FY2026              | % Change      | \$ Change          |
|-------------------|---------------------|---------------------|---------------|--------------------|
| Interest          | \$132,350.00        | \$129,350.00        | -2.27%        | -\$3,000.00        |
| <b>Total Debt</b> | <b>\$182,350.00</b> | <b>\$179,350.00</b> | <b>-1.65%</b> | <b>-\$3,000.00</b> |

## Combination Tax and Revenue Certificates of Obligation, Series 2022

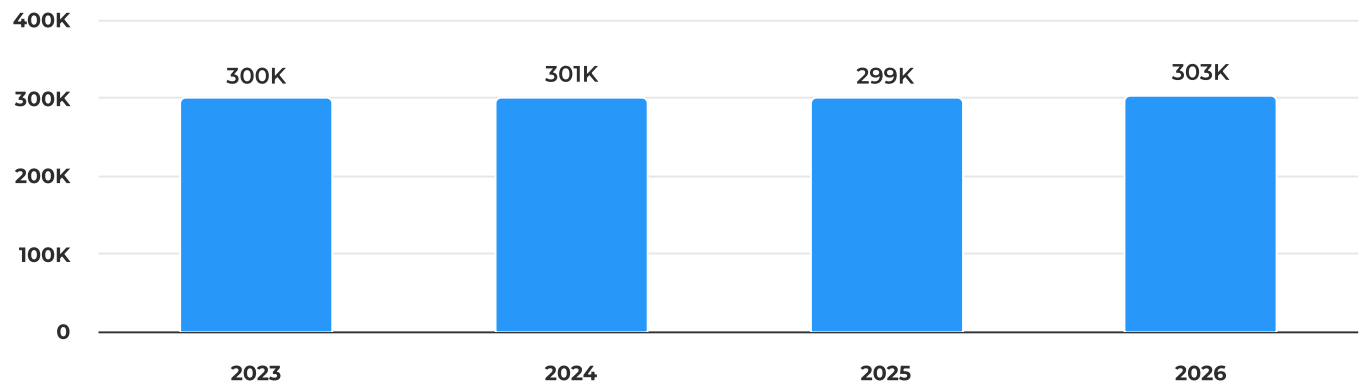
To Fund Sewer Infrastructure. New Wastewater Treatment Facility which is completely allocated to the Sewer Fund..



### BOND DEBT SERVICE

City of Josephine, Texas  
Combination Tax & Revenue Certificates of Obligation, Series 2022  
Purchaser: SAMCO Capital Markets, Dallas, TX  
Callable on 2/15/2032 @ Par  
Final Numbers

| Period Ending | Principal | Coupon | Interest  | Debt Service |
|---------------|-----------|--------|-----------|--------------|
| 09/30/2023    | 30,000    | 5.000% | 269,925   | 299,925      |
| 09/30/2024    | 125,000   | 5.000% | 175,825   | 300,825      |
| 09/30/2025    | 130,000   | 5.000% | 169,450   | 299,450      |
| 09/30/2026    | 140,000   | 5.000% | 162,700   | 302,700      |
| 09/30/2027    | 145,000   | 5.000% | 155,575   | 300,575      |
| 09/30/2028    | 155,000   | 5.000% | 148,075   | 303,075      |
| 09/30/2029    | 160,000   | 5.000% | 140,200   | 300,200      |
| 09/30/2030    | 170,000   | 5.000% | 131,950   | 301,950      |
| 09/30/2031    | 180,000   | 5.000% | 123,200   | 303,200      |
| 09/30/2032    | 185,000   | 4.000% | 115,000   | 300,000      |
| 09/30/2033    | 195,000   | 4.000% | 107,400   | 302,400      |
| 09/30/2034    | 200,000   | 3.000% | 100,500   | 300,500      |
| 09/30/2035    | 210,000   | 3.000% | 94,350    | 304,350      |
| 09/30/2036    | 215,000   | 3.000% | 87,975    | 302,975      |
| 09/30/2037    | 220,000   | 3.000% | 81,450    | 301,450      |
| 09/30/2038    | 225,000   | 3.000% | 74,775    | 299,775      |
| 09/30/2039    | 235,000   | 3.000% | 67,875    | 302,875      |
| 09/30/2040    | 240,000   | 3.000% | 60,750    | 300,750      |
| 09/30/2041    | 250,000   | 3.000% | 53,400    | 303,400      |
| 09/30/2042    | 255,000   | 3.000% | 45,825    | 300,825      |
| 09/30/2043    | 265,000   | 3.000% | 38,025    | 303,025      |
| 09/30/2044    | 270,000   | 3.000% | 30,000    | 300,000      |
| 09/30/2045    | 280,000   | 3.000% | 21,750    | 301,750      |
| 09/30/2046    | 290,000   | 3.000% | 13,200    | 303,200      |
| 09/30/2047    | 295,000   | 3.000% | 4,425     | 299,425      |
|               | 5,065,000 |        | 2,473,600 | 7,538,600    |



| Fund Name         | FY2025              | FY2026              | % Change     | \$ Change         |
|-------------------|---------------------|---------------------|--------------|-------------------|
| Principal         | \$130,000.00        | \$140,000.00        | 7.69%        | \$10,000.00       |
| Interest          | \$169,450.00        | \$162,700.00        | -3.98%       | -\$6,750.00       |
| <b>Total Debt</b> | <b>\$299,450.00</b> | <b>\$302,700.00</b> | <b>1.09%</b> | <b>\$3,250.00</b> |

## Public Safety Tax Note (Funded by DR Horton Pre-payment schedule)

To Fund the New Public Safety Building. This is allocated to the Public Safety Dept/General Fund. This is completely developer funded by a pre-payment schedule.



### BOND DEBT SERVICE

City of Josephine, Texas  
 Tax Note, Series 2023  
 Purchaser: Webster Bank  
 Callable on 9/15/2027 @ Par  
 Final Numbers

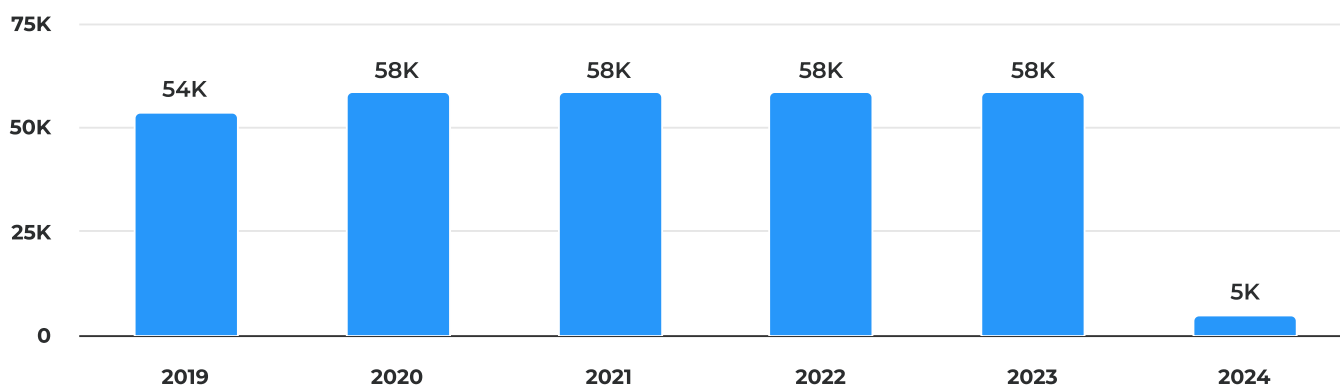
| Period Ending | Principal | Coupon | Interest   | Debt Service |
|---------------|-----------|--------|------------|--------------|
| 09/30/2024    | 501,000   | 4.305% | 195,655.08 | 696,655.08   |
| 09/30/2025    | 543,000   | 4.305% | 188,688.16 | 731,688.16   |
| 09/30/2026    | 575,000   | 4.305% | 165,312.00 | 740,312.00   |
| 09/30/2027    | 603,000   | 4.305% | 140,558.26 | 743,558.26   |
| 09/30/2028    | 633,000   | 4.305% | 114,599.10 | 747,599.10   |
| 09/30/2029    | 724,000   | 4.305% | 87,348.46  | 811,348.46   |
| 09/30/2030    | 1,305,000 | 4.305% | 56,180.26  | 1,361,180.26 |
|               | 4,884,000 |        | 948,341.32 | 5,832,341.32 |



| Fund Name         | FY2025              | FY2026              | % Change     | \$ Change         |
|-------------------|---------------------|---------------------|--------------|-------------------|
| Principal         | \$543,000.00        | \$575,000.00        | 5.89%        | \$32,000.00       |
| Interest          | \$188,688.16        | \$165,312.00        | -12.39%      | -\$23,376.16      |
| <b>Total Debt</b> | <b>\$731,688.16</b> | <b>\$740,312.00</b> | <b>1.18%</b> | <b>\$8,623.84</b> |

## Interlocal Agreement (Greenville/Hubbard)

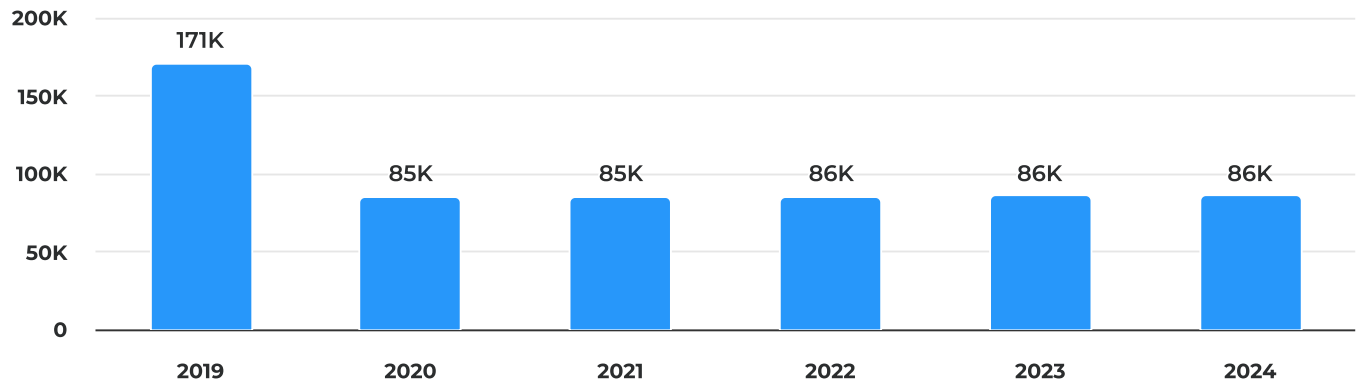
General Fund Debt was paid in full in Fiscal Year 2024



! No data available

## Tax Note Series 2017 (City Hall)

General Fund Debt was paid in full in Fiscal Year 2024



 No data available



# Appendix

# Glossary

**Abatement:** A reduction or elimination of a real or personal property tax, motor vehicle excise, a fee, charge, or special assessment imposed by a governmental unit. Granted only on application of the person seeking the abatement and only by the committing governmental unit.

**Accounting System:** The total structure of records and procedures that identify record, classify, and report information on the financial position and operations of a governmental unit or any of its funds, account groups, and organizational components.

**Accrued Interest:** The amount of interest that has accumulated on the debt since the date of the last interest payment, and on the sale of a bond, the amount accrued up to but not including the date of delivery (settlement date). (See Interest)

**ACFR:** Annual Comprehensive Financial Report - A detailed report of an organization's financial activities and performance over the fiscal year.

**Amortization:** The gradual repayment of an obligation over time and in accordance with a predetermined payment schedule.

**Appropriation:** A legal authorization from the community's legislative body to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended.

**Arbitrage:** As applied to municipal debt, the investment of tax-exempt bonds or note proceeds in higher yielding, taxable securities. Section 103 of the Internal Revenue Service (IRS) Code restricts this practice and requires (beyond certain limits) that earnings be rebated (paid) to the IRS.

**Assessed Valuation:** A value assigned to real estate or other property by a government as the basis for levying taxes.

**Assets:** Items owned by an organization that have economic value, such as cash, investments, property, and equipment.

**Audit:** An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool in evaluating the fiscal performance of a community.

**Audit Report:** Prepared by an independent auditor, an audit report includes: (a) a statement of the scope of the audit; (b) explanatory comments as to application of auditing procedures; (c) findings and opinions. It is almost always accompanied by a management letter which contains supplementary comments and recommendations.

**Available Funds:** Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other one-time costs.

**Balance Sheet:** A statement that discloses the assets, liabilities, reserves and equities of a fund or governmental unit at a specified date.

**Betterments (Special Assessments):** Whenever a specific area of a community receives benefit from a public improvement (e.g., water, sewer, sidewalk, etc.), special property taxes may be assessed to reimburse the governmental entity for all or part of the costs it incurred. Each parcel receiving benefit from the improvement is assessed for its proportionate share of the cost of such improvements. The proportionate share may be paid in full or the property owner may request that the assessors apportion the betterment over 20 years. Over the life of the betterment, one year's

apportionment along with one year's committed interest computed from October 1 to October 1 is added to the tax bill until the betterment has been paid.

**Bond:** A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year. (See Note)

**Bond and Interest Record:** (Bond Register) – The permanent and complete record maintained by a treasurer for each bond issue. It shows the amount of interest and principal coming due each date and all other pertinent information concerning the bond issue.

**Bonds Authorized and Unissued:** Balance of a bond authorization not yet sold. Upon completion or abandonment of a project, any remaining balance of authorized and unissued bonds may not be used for other purposes, but must be rescinded by the community's legislative body to be removed from community's books.

**Bond Issue:** Generally, the sale of a certain number of bonds at one time by a governmental unit.

**Bond Rating (Municipal):** A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

**Budget:** A plan for allocating resources to support particular services, purposes and functions over a specified period of time. (See Performance Budget, Program Budget)

**Capital Assets:** All real and tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost. (See Fixed Assets)

**Capital Budget:** An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended. (See Capital Assets, Fixed Assets)

**Cash:** Currency, coin, checks, postal and express money orders and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

**Cash Flow:** The movement of money into or out of an organization, showing its liquidity and ability to meet financial obligations.

**Cash Management:** The process of monitoring the ebb and flow of money in an out of municipal accounts to ensure cash availability to pay bills and to facilitate decisions on the need for short- term borrowing and investment of idle cash.

**Certificate of Deposit (CD):** A bank deposit evidenced by a negotiable or non-negotiable instrument, which provides on its face that the amount of such deposit plus a specified interest payable to a bearer or to any specified person on a certain specified date, at the expiration of a certain specified time, or upon notice in writing.

**Classification of Real Property:** Assessors are required to classify all real property according to use into one of four classes: residential, open space, commercial, and industrial. Having classified its real properties, local officials are permitted to

determine locally, within limitations established by statute and the Commissioner of Revenue, what percentage of the tax burden is to be borne by each class of real property and by personal property owners.

**Collective Bargaining:** The process of negotiating workers' wages, hours, benefits, working conditions, etc., between an employer and some or all of its employees, who are represented by a recognized labor union, regarding wages, hours and working conditions.

**Compliance:** Adherence to relevant laws, regulations, and internal policies governing financial reporting and operations.

**Consumer Price Index:** The statistical measure of changes, if any, in the overall price level of consumer goods and services. The index is often called the "cost-of-living index."

**Cost-Benefit Analysis:** A decision-making tool that allows a comparison of options based on the level of benefit derived and the cost to achieve the benefit from different alternatives.

**Debt Burden:** The amount of debt carried by an issuer usually expressed as a measure of value (i.e., debt as a percentage of assessed value, debt per capita, etc.). Sometimes debt burden refers to debt service costs as a percentage of the total annual budget.

**Debt Service:** The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

**Encumbrance:** A reservation of funds to cover obligations arising from purchase orders, contracts, or salary commitments that are chargeable to, but not yet paid from, a specific appropriation account.

**Enterprise Funds:** An enterprise fund is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery — direct, indirect, and capital costs — are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the "surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.

**Equalized Valuations (EQVs):** The determination of the full and fair cash value of all property in the community that is subject to local taxation.

**Equity:** The residual interest in the assets of an organization after deducting liabilities, representing the owners' stake in the business.

**Estimated Receipts:** A term that typically refers to anticipated local revenues often based on the previous year's receipts and represent funding sources necessary to support a community's annual budget. (See Local Receipts)

**Exemptions:** A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular categories of property or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and cultural institutions. Persons who may qualify for exemptions include disabled veterans, blind individuals, surviving spouses, and seniors.

**Expenditure:** An outlay of money made by municipalities to provide the programs and services within their approved budget.

**Fiduciary Funds:** Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include pension (and other employee benefit) trust funds, investment trust funds, private- purpose trust funds, and agency funds.

**Financial Statements:** Reports summarizing an organization's financial activities and position, including the balance sheet, income statement, and cash flow statement.

**Fiscal Year:** The 12-month period for which an organization plans the use of its funds, typically not the same as the calendar year.

**Fixed Assets:** Long-lived, assets such as buildings, equipment and land obtained or controlled as a result of past transactions or circumstances.

**Fixed Costs:** Costs that are legally or contractually mandated such as retirement, FICA/Social Security, insurance, debt service costs or interest on loans.

**Float:** The difference between the bank balance for a local government's account and its book balance at the end of the day. The primary factor creating float is clearing time on checks and deposits. Delays in receiving deposit and withdrawal information also influence float.

**Full Faith and Credit:** A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.

**Fund:** An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

**Fund Accounting:** Organizing financial records into multiple, segregated locations for money. A fund is a distinct entity within the municipal government in which financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently in accordance with specific regulations, restrictions or limitations. Examples of funds include the general fund and enterprise funds. Communities whose accounting records are organized according to the Uniform Municipal Accounting System (UMAS) use multiple funds.

**GAAP:** Generally Accepted Accounting Principles - Standard accounting principles, standards, and procedures that companies use to compile their financial statements.

**GASB 34:** A major pronouncement of the Governmental Accounting Standards Board that establishes new criteria on the form and content of governmental financial statements. GASB 34 requires a report on overall financial health, not just on individual funds. It requires more complete information on the cost of delivering value estimates on public infrastructure assets, such as bridges, road, sewers, etc. It also requires the presentation of a narrative statement the government's financial performance, trends and prospects for the future.

**GASB 45:** This is another Governmental Accounting Standards Board major pronouncement that each public entity account for and report other postemployment benefits in its accounting statements. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of actual service.

**General Fund:** The fund used to account for most financial resources and activities governed by the normal appropriation process.

**General Obligation Bonds:** Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority.

**Governing Body:** A board, committee, commission, or other executive or policymaking body of a municipality or school district.



**Indirect Cost:** Costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these costs is necessary to analyze the total cost of service delivery. The matter of indirect costs arises most often in the context of enterprise funds.

**Internal Controls:** Policies and procedures implemented by an organization to ensure the reliability of financial reporting and compliance with laws and regulations, aiming to prevent fraud and errors.

**Interest:** Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

**Interest Rate:** The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

**Investments:** Securities and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in governmental operations.

**Liabilities:** Debts or obligations owed by an organization, including loans, accounts payable, and accrued expenses.

**Line Item Budget:** A budget that separates spending into categories, or greater detail, such as supplies, equipment, maintenance, or salaries, as opposed to a program budget.

**Local Aid:** Revenue allocated by the state or counties to municipalities and school districts.

**Maturity Date:** The date that the principal of a bond becomes due and payable in full.

**Municipal(s):** (As used in the bond trade) "Municipal" refers to any state or subordinate governmental unit. "Municipals" (i.e., municipal bonds) include not only the bonds of all political subdivisions, such as cities, towns, school districts, special districts, counties but also bonds of the state and agencies of the state.

**Net Income:** The difference between an organization's revenues and expenses, representing its profit or loss for a specific period.

**Note:** A short-term loan, typically with a maturity date of a year or less.

**Objects of Expenditures:** A classification of expenditures that is used for coding any department disbursement, such as "personal services," "expenses," or "capital outlay."

**Official Statement:** A document prepared for potential investors that contains information about a prospective bond or note issue and the issuer. The official statement is typically published with the notice of sale. It is sometimes called an offering circular or prospectus.

**Operating Budget:** A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

**Overlapping Debt:** A community's proportionate share of the debt incurred by an overlapping government entity, such as a regional school district, regional transit authority, etc.

**Performance Budget:** A budget that stresses output both in terms of economy and efficiency.

**Principal:** The face amount of a bond, exclusive of accrued interest.

**Program:** A combination of activities to accomplish an end.

**Program Budget:** A budget that relates expenditures to the programs they fund. The emphasis of a program budget is on output.

**Proprietary Funds:** Funds used to record the financial transactions of governmental entities when they engage in activities that are intended to recover the cost of providing goods or services to the general public on a user-fee basis.

**Purchased Services:** The cost of services that are provided by a vendor.

**Refunding of Debt:** Transaction where one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer.

**Reserve Fund:** An amount set aside annually within the budget of a town to provide a funding source for extraordinary or unforeseen expenditures.

**Revaluation:** The assessors of each community are responsible for developing a reasonable and realistic program to achieve the fair cash valuation of property in accordance with constitutional and statutory requirements. The nature and extent of that program will depend on the assessors' analysis and consideration of many factors, including, but not limited to, the status of the existing valuation system, the results of an in-depth sales ratio study, and the accuracy of existing property record information.

**Revenues:** Inflows of resources or other enhancements of assets of an organization, usually from sales of goods or services.

**Revenue Anticipation Note (RAN):** A short-term loan issued to be paid off by revenues, such as tax collections and state aid. RANs are full faith and credit obligations.

**Revenue Bond:** A bond payable from and secured solely by specific revenues and thereby not a full faith and credit obligation.

**Revolving Fund:** Allows a community to raise revenues from a specific service and use those revenues without appropriation to support the service.

**Sale of Real Estate Fund:** A fund established to account for the proceeds of the sale of municipal real estate other than proceeds acquired through tax title foreclosure.

**Stabilization Fund:** A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose.

**Surplus Revenue:** The amount by which cash, accounts receivable, and other assets exceed liabilities and reserves.

**Tax Rate:** The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$14.80 per \$1,000 of assessed valuation of taxable real and personal property.

**Tax Title Foreclosure:** The procedure initiated by a municipality to obtain legal title to real property already in tax title and on which property taxes are overdue.

**Trust Fund:** In general, a fund for money donated or transferred to a municipality with specific instructions on its use. As custodian of trust funds, the treasurer invests and expends such funds as stipulated by trust agreements, as directed by the commissioners of trust funds or by the community's legislative body. Both principal and interest may be used if the trust is established as an expendable trust. For nonexpendable trust funds, only interest (not principal) may be expended as directed.

**Uncollected Funds:** Recently deposited checks included in an account's balance but drawn on other banks and not yet credited by the Federal Reserve Bank or local clearinghouse to the bank cashing the checks. (These funds may not be

loaned or used as part of the bank's reserves and they are not available for disbursement.)

**Undesignated Fund Balance:** Monies in the various government funds as of the end of the fiscal year that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash.

**Unreserved Fund Balance (Surplus Revenue Account):** The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)

**Valuation (100 Percent):** The legal requirement that a community's assessed value on property must reflect its market, or full and fair cash value.