

For transparency, certain visual graphics in this presentation were created with the assistance of AI technology for design and communication purposes.

CITY OF JOSEPHINE BUILDING JOSEPHINE'S FUTURE

FY2027 PROPOSED BUDGET

Strategic Investments • Responsible Growth •
Strong Community



Budget Priorities: Building Josephine's Future Together

THE CITY OF **Josephine** FY2027 BUDGET MISSION



Develop a fiscally responsible budget that protects taxpayers while investing in the **infrastructure**, **public services**, and **strategic economic development** needed to support sustainable growth, strengthen Josephine's financial future, and improve the quality of life for our residents through **transparent and accountable** government.



PROTECT FINANCIAL STABILITY

- Maintain a balanced budget.
- Hold the property tax rate steady whenever possible.
- Control expenditures and reduce long-term financial obligations.



INVEST IN CORE INFRASTRUCTURE

- Prioritize water, sewer, streets, and public facilities.
- Ensure infrastructure keeps pace with development.



SUPPORT STRATEGIC ECONOMIC DEVELOPMENT

- Expand retail, restaurants, and commercial investment.
- Grow the tax base to reduce reliance on residential property taxes.



PRACTICE RESPONSIBLE GROWTH

- Align development with infrastructure capacity and community expectations.
- Plan for sustainable service delivery.



PROMOTE TRANSPARENCY & ACCOUNTABILITY

- Improve operational processes, planning, and performance measurement.
- Make financial decisions that are understandable, data-driven, and focused on long-term value.



PLANNING TODAY.

INVESTING TODAY.

BUILDING TOMORROW.

★ *That's Josephine.*

BUDGET OVERVIEW

All Funds • Citywide Budget

A citywide snapshot of estimated revenues, available funding, and major budget expenditures.



CITYWIDE BUDGET SNAPSHOT



SOURCES & FUND BALANCE



TOTAL REVENUE
\$17,907,606

Primary budgeted revenues across all funds.



TOTAL BOND FUNDS
\$18,306,000

Bond proceeds applied to budget.



UNRESTRICTED FUND BALANCE
\$6,110,000

Used in part to balance the budget.



BUDGET USES & INVESTMENTS



TOTAL CAPITAL EXPENDITURES
\$18,681,494

Major capital projects, infrastructure, and equipment.



TOTAL OPERATING EXPENSES
\$11,918,491

Non-employee-specific and recurring operating costs.



TOTAL PERSONNEL BUDGET
\$7,829,095.00

Staffing, wages, and employee-related budget costs.



PROPERTY TAX ROLLS: Certified and finalized by the County.
Portion of the Unrestricted Fund Balance used to Balance the budget.



ALL FUNDS.



CITYWIDE BUDGET.



BALANCED PLAN.

Budget Overview



PROPERTY TAX IMPACT STATEMENT

FY2027 General Fund Budget



Voter Approval Tax Rate-Proposed

0.481878



Current Status



Certified Information: Proposed Tax Rate is equal to the Voter Approval Tax Rate, which is certified and finalized.



Voter Approval Rate Impact

- ★ Lower assessment valuations affected the total taxable value citywide.
- ★ The Voter-Approval Rate increased over the current rate by 0.01.
- ★ The Voter Approval Rate should serve as the City's general minimum benchmark.



Why Long-Term Rate Decisions Matter

- When tax rates are held flat or reduced for multiple years, revenue growth may not keep pace with inflation, infrastructure needs, and public safety demands.
- Delaying needed revenue can push street repairs, capital replacements, and service improvements further into the future.
- Over time, catching up becomes more difficult and more expensive, creating a compounding effect on roads, facilities, equipment, and public safety needs.



Josephine's goal is to remain fiscally responsible while protecting taxpayers, maintaining essential services, and planning for long-term infrastructure and public safety needs.



Budget Summary

The FY2027 Budget is developed using historical trends, current financial data, vendor quotes, documented needs, and available evidence. Municipal budgeting is an evolving process influenced by certified property values, market conditions, inflation, service demands, and project costs. As additional data becomes available, budget estimates may be refined before final adoption.

Category	Current FY Budget	Proposed FY27 Budget	Dollar Change	Percent Change
Total Operating Budget	14,818,873	19,747,586	4,928,713	33%
Total Capital Budget	24,350,916	18,681,494	(5,669,422)	-23%
Total Combined Budget	39,169,789	38,429,080	(740,709)	-2%
Property Tax Rate	0.468097	0.481878	0.01	3%

Property Tax Impact Summary

Scenario	Tax Rate	Annual Impact on \$100,000 Home	Annual Impact on
Current Rate	0.468097	468.10	1,170.24
Proposed Rate	0.481878	481.88	1,204.70
Voter Approval Rate	0.481878	481.88	1,204.70

Certified Voter Approval Rate: Equals a 3% increase in the tax rate. The annual impact is roughly +\$13.78 per year on a \$100,000 home and +\$34.45 per year on a \$250,000 home.

Major Expenditure Areas

Water Purchases	1,770,000	Capital Requests	18,681,494
Sanitation Collection	940,000	Repair & Maintenance	214,080
Interest Expense on Bonds	1,438,183	Building Inspections & Code Enforcement	342,000
Debt Retirement	1,208,000	Engnr/Consulting Fees	871,550
Personnel & Related Expenses	8,422,351		

Contributing Factors in Operating Expense Budget Change

First Year of a Complete Fire Department Budget	TCEQ Safety Net
Current Trending	Funding 50% of the Unfunded Liability-TMRS Change
Fire & Police Dispatch Fees	Mandatory & FLSA Overtime
Cleaning of the Half Million Gallon Tank-WWTP	Engineering & Legal Firm Changes
Personnel Needed to support Operations	New Wastewater Plant coming Online

AUDIT, CONTROLS & FINANCIAL STEWARDSHIP

— STRONG FINANCIAL FOUNDATION. BRIGHT FUTURE FOR JOSEPHINE. —



AWARD-WINNING FINANCIAL MANAGEMENT



GFOA DISTINGUISHED BUDGET PRESENTATION AWARD
Recipient Two Consecutive Years
National recognition for excellence in budgeting, transparency, and financial planning.

STRONG CREDIT RATING



AA- BOND RATING
✓ Lower borrowing costs
✓ Financial stability
✓ Strong long-term outlook

CLEAN AUDIT, STRONG CONTROLS



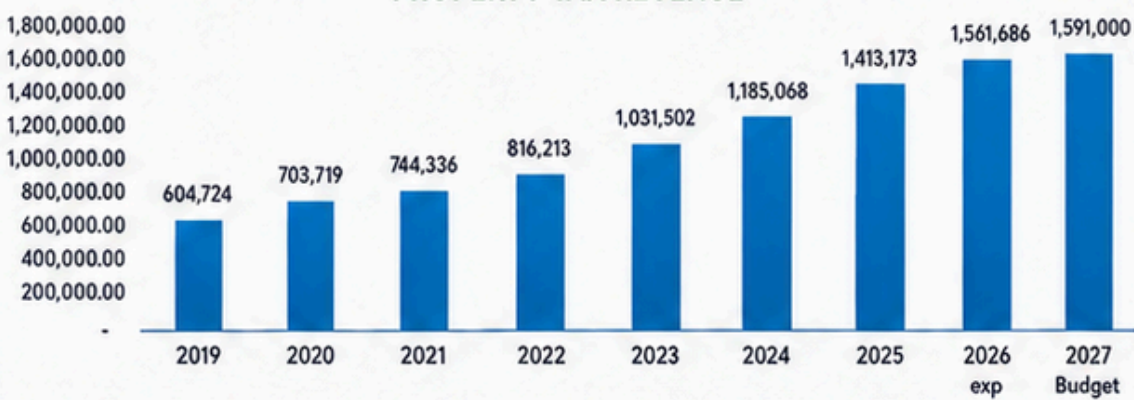
CLEAN (UNMODIFIED) INDEPENDENT AUDIT OPINION
Our annual audit was completed on time with no material findings or weaknesses in internal controls.

REVENUE GROWTH SUPPORTS STRATEGIC INVESTMENTS

GENERAL FUND SALES & USE TAX COLLECTIONS



PROPERTY TAX REVENUE



- ✓ Property Tax Base Continues to Grow
- ✓ Sales Tax Collections Continue Positive Trend
- ✓ Revenue Growth Helps Fund Essential Services

RESPONSIBLE FINANCIAL DECISIONS



VOTER APPROVED TAX RATE
Voter Approved Tax Rate of 0.481878 a 0.01 change due to market flattening.



LONG-TERM FINANCIAL PLANNING
• Multi-year budgeting
• Capital Improvement Planning
• Debt Management
• Reserve Planning



RESPONSIBLE USE OF BOND PROCEEDS
Investing in infrastructure that supports future growth.



STRATEGIC INVESTMENTS FOR OUR COMMUNITY
Focused on projects that enhance reliability, safety, and quality of life for current and future generations.

WHAT THIS MEANS FOR RESIDENTS



TRANSPARENT GOVERNMENT
Open, accountable and dedicated to earning your trust.



RESPONSIBLE STEWARDSHIP
Careful management of taxpayer dollars today and for the future.



FINANCIAL STABILITY
Strong finances and sound policies create a solid foundation for long-term success.



STRATEGIC PLANNING
Proactive planning ensures we are prepared for growth and future needs.



INVESTMENT IN THE FUTURE
Infrastructure and technology investments improve services and quality of life.

FINANCIAL REPORT CARD

GFOA BUDGET AWARD ✓

AA- BOND RATING ✓

BALANCED BUDGET ✓

VOTER APPROVED TAX RATE 0.481878 ✓

GROWING SALES TAX REVENUE ✓

CLEAN INDEPENDENT AUDIT OPINION ✓

LONG-TERM CAPITAL PLANNING ✓

Josephine’s financial strength allows us to invest in today’s priorities while preparing for tomorrow’s opportunities.
Every recommendation in the FY2027 budget reflects our commitment to responsible stewardship, long-term planning, and delivering exceptional service our residents.

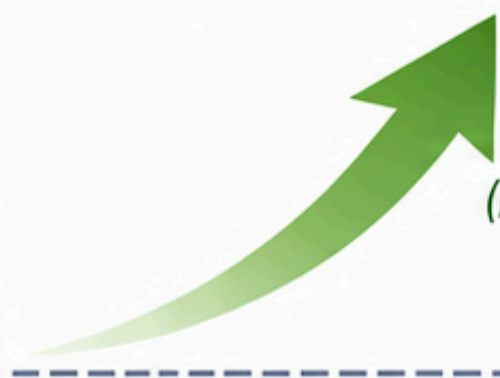
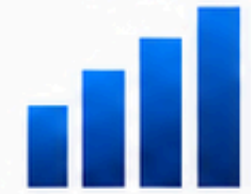


Citywide Revenue Outlook

Current Year Revenue Performance and Year-End Outlook

Fund	 Budget (in Dollars)	 Actual (in Dollars)	% of Budget Collected
 General Fund	\$9,827,358	\$8,814,816	89.7% 
 Water Fund	\$4,762,725	\$5,029,246	105.6% 
 Sewer Fund	\$3,431,000	\$3,572,118	104.1% 
 Debt Svc Fund	\$200,000	\$448,820	224.4% 
 Total	\$18,221,083	\$17,865,000	98.0% 

Current
Actuals



Year-End
Outlook

(Expected to Surpass
Projections)

Budget /
Projection



Year-End Outlook:

Citywide revenue trends indicate the City is expected to **surpass** current-year revenue projections.



Positive revenue performance

will increase Reserve / Fund Balance at fiscal year-end and help support **FY27 budget needs.**



Supports
FY27 Needs



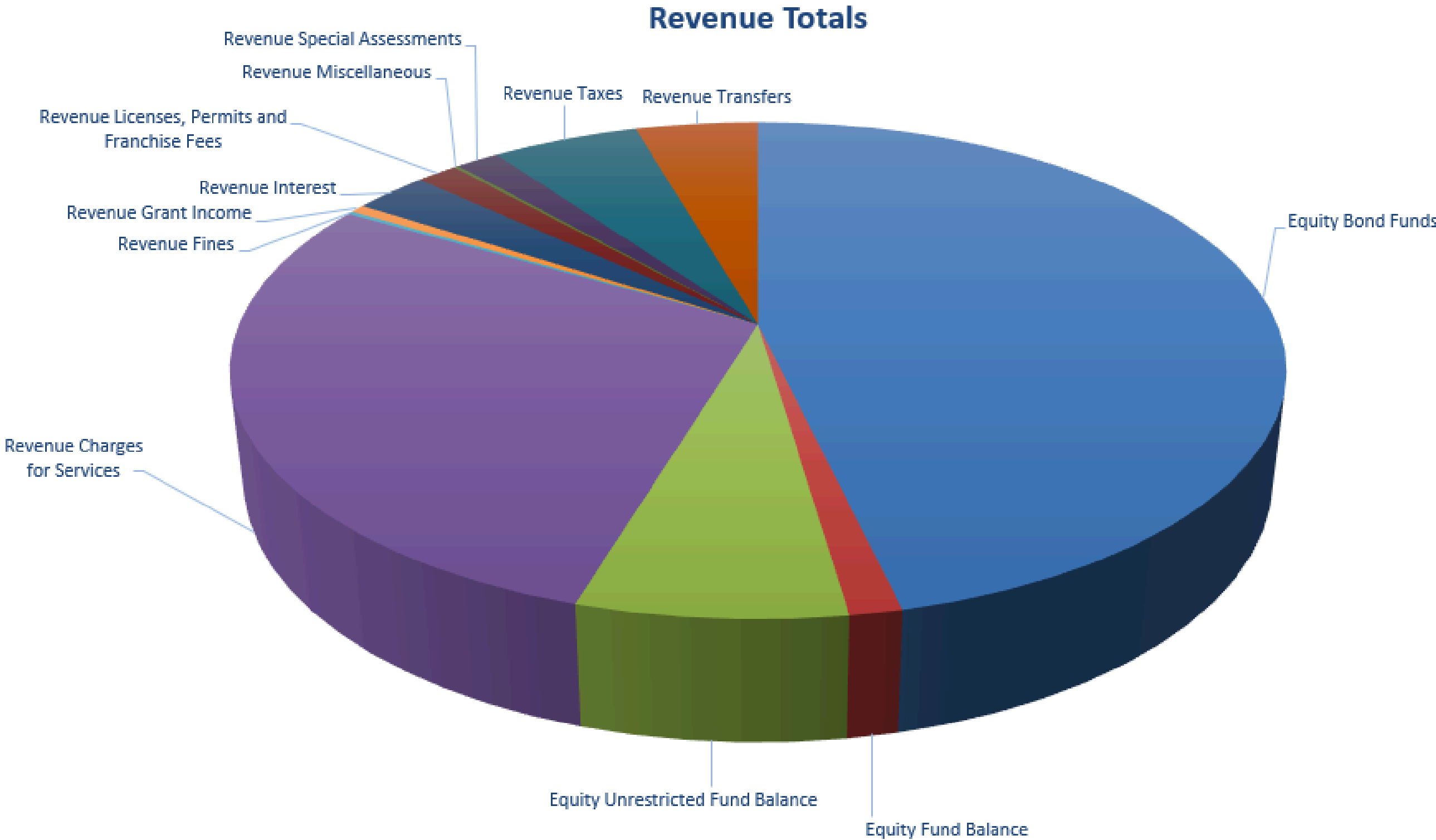
Actuals shown are current-year figures to date.
Year-end results are projected based on citywide revenue trends.



Revenue Sources

Revenue projections for the upcoming year remain conservative. Key unknown: Possible ESD Tax Rebate back for the MUD Districts and how that will impact MUD Public Safety Fees. MUD Public Safety Fee to remain as is this year. Property Tax is Certified. Estimated Revenue is \$17,907,606

Row Labels	Sum of Value - FY27 In Progress
Equity	(21,599,000)
Bond Funds	(18,306,000)
Fund Balance	(540,000)
Unrestricted Fund Balance	(2,753,000)
Revenue	(17,907,606)
Charges for Services	(11,352,000)
Fines	(85,500)
Grant Income	(210,358)
Interest	(1,080,000)
Licenses, Permits and Franchise Fees	(591,600)
Miscellaneous	(70,000)
Special Assessments	(625,000)
Taxes	(2,123,148)
Transfers	(1,770,000)
Grand Total	(39,506,606)

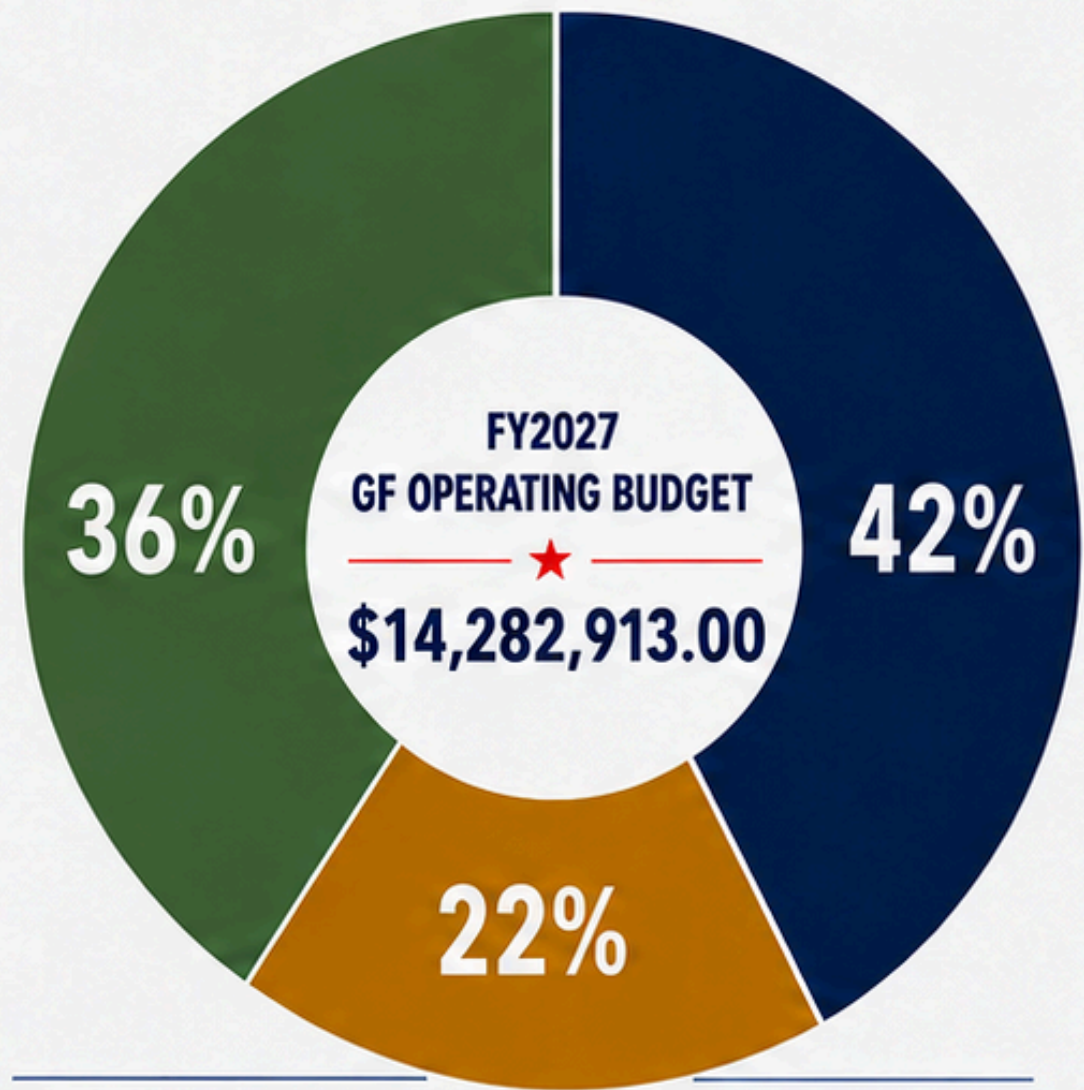


Where Every Dollar Goes- General/Governmental Funds Only

WHERE EVERY OPERATING DOLLAR GOES

FY2027 GENERAL FUND OPERATING BUDGET

Responsible allocation. Essential services. Strong community.



Every dollar supports the services that make Josephine a great place to live.



42% PERSONNEL SERVICES

- Salaries & Wages
- Health Insurance
- Retirement (TMRS)
- Payroll Taxes

\$6,015,171.00

42% of Budget



36% OPERATING EXPENSES

- Utilities
- Supplies & Materials
- Contracts & Services
- Insurance
- Training & Travel
- Fuel & Maintenance
- Technology & Software
- Debt Service Liability

\$5,190,761.00

36% of Budget



22% CAPITAL EXPENDITURES

- Equipment
- Vehicles
- Technology
- Capital Improvements

\$3,076,981.00

22% of Budget



JOSEPHINE COMPARED TO INDUSTRY TYPICAL RANGES

CATEGORY	INDUSTRY TYPICAL RANGE	JOSEPHINE FY2027
 Personnel Services	55% – 70%	42% 
 Operating Expenses	25% – 40%	36% 
 Capital Outlay	2% – 10%	22% 



Josephine's budget aligns with municipal best practices, ensuring resources are balanced to support today's services and prepare for tomorrow.



SERVING TODAY

Funding the people and operations that keep our community safe and strong.



PLANNING FOR TOMORROW

Strategic investments in capital and technology build the foundation for future growth.



FISCALLY RESPONSIBLE

Careful stewardship of taxpayer dollars ensures long-term financial sustainability.

**STRONG TEAM.
STRONG COMMUNITY.
STRONG FUTURE.**

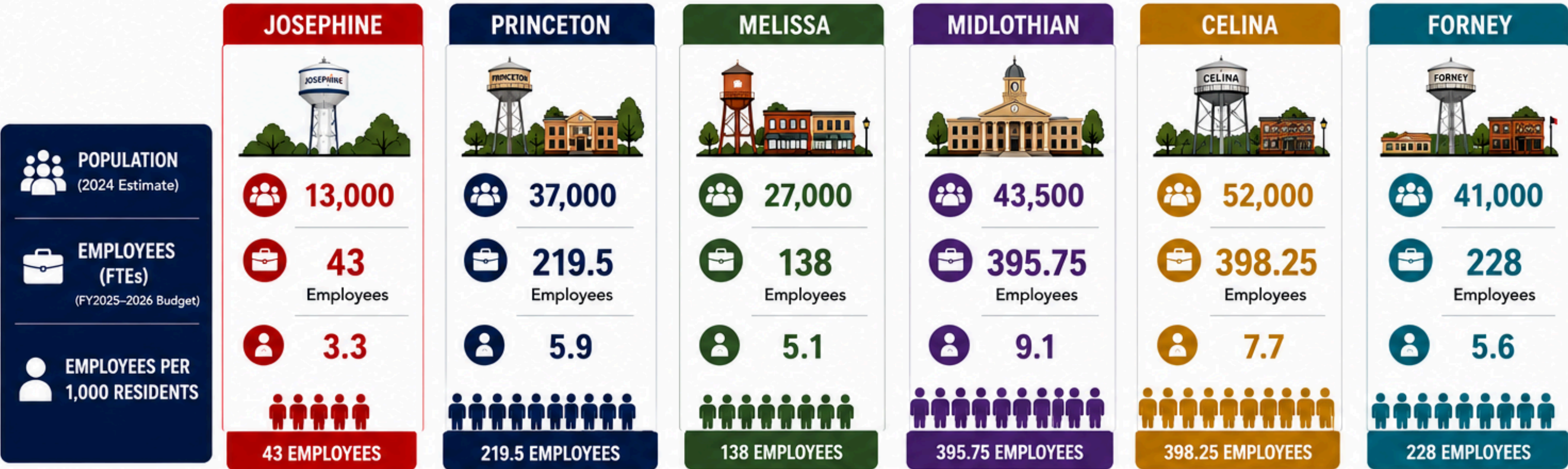


Comparison to Fast Growing North Texas Communities

BENCHMARKING OUR GROWTH

Preparing for Continued Growth

As Josephine continues to experience rapid residential and commercial growth, the demand for municipal services grows alongside it. Benchmarking against other fast-growing North Texas cities provides important context for workforce planning and maintaining service levels.



WHAT DRIVES THE NEED FOR MORE STAFF?

POPULATION GROWTH
New residents increase demand for every City service.

COMMERCIAL & RETAIL DEVELOPMENT
More permits, inspections, planning, engineering, and code enforcement.

PUBLIC SAFETY
Additional police, fire, emergency preparedness, and technology needs.

INFRASTRUCTURE
Water, sewer, streets, drainage, parks, and facility maintenance all expand with growth.

WORKFORCE
Strategic staffing ensures service levels keep pace with community expectations.



Growth doesn't just increase population—it increases the demand for municipal services.

Strategic staffing ensures Josephine continues to provide the high level of service our residents expect.

STRONG TEAM.



STRONG COMMUNITY.



STRONG FUTURE.

That's Josephine.

Josephine at a Glance

Community Profiles

Municipality	City Population	Population Served	Employees	Volunteers (Onb & Payroll Processing)	Employee to Pop Served Ratio	
Josephine	3,312.00	12,993.00	43	30	302.2	
Anna	24,330.00	37,000.00	213.5		173.3	213 in budget and 1PTE (tons of volunteers across the city) pop served is based off water meters
Fairview	11,000.00	11,000.00	88.5		124.3	
Farmersville	5,100.00	7,350.00	52.5		140.0	1 PTE
Fate	27,000.00	27,000.00	104		259.6	
Lavon	17,000.00	17,000.00	63		269.8	14 PTE, 2 Seasonal
Lucas	9,438.00	11,000.00	45		244.4	1 Seasonal
Melissa	34,000.00	34,000.00	140.5		242.0	7 PTE
Princeton	37,000.00	40,000.00	219.5		182.2	1 PT Executive Asst to the Mayor
Royse City	25,000.00	35,000.00	169.5		206.5	5 PTE, 2 Seasonal
Celina	6,300.00	52,000.00	398.25		130.6	

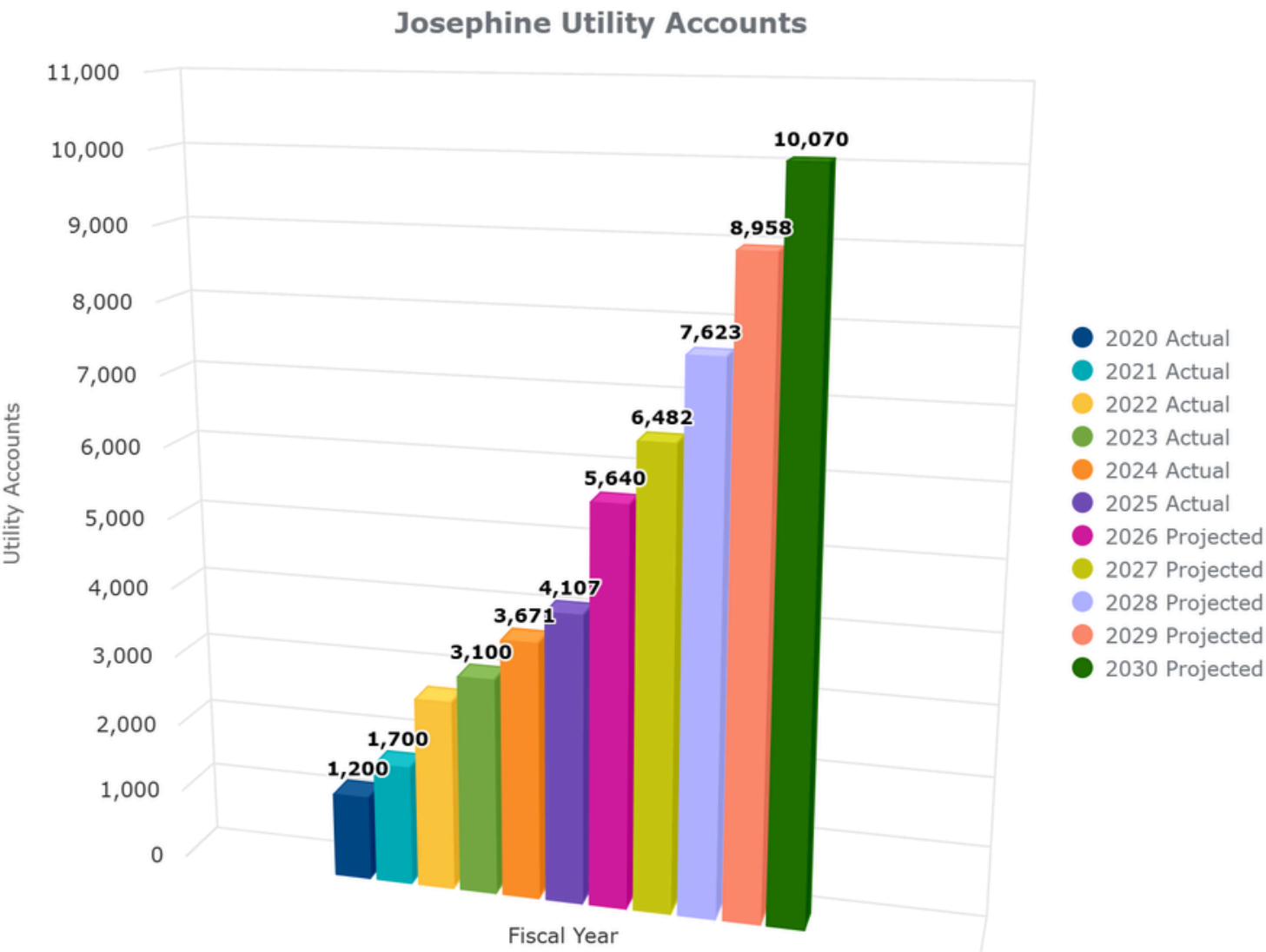
Projected Utility Accounts for FY26 will be surpassed this month

Total Utility Accounts as of 7/10/25: 4,087
Total Utility Accounts as of 5/30/26: 4,482

Utility Account Projections from Kimley Horn
Water Hydraulic Model Update April 2025

4,482 UB Accounts x 2.9 population multiplier=12,993

217 New Vendor Records added YTD



Josephine at a Glance

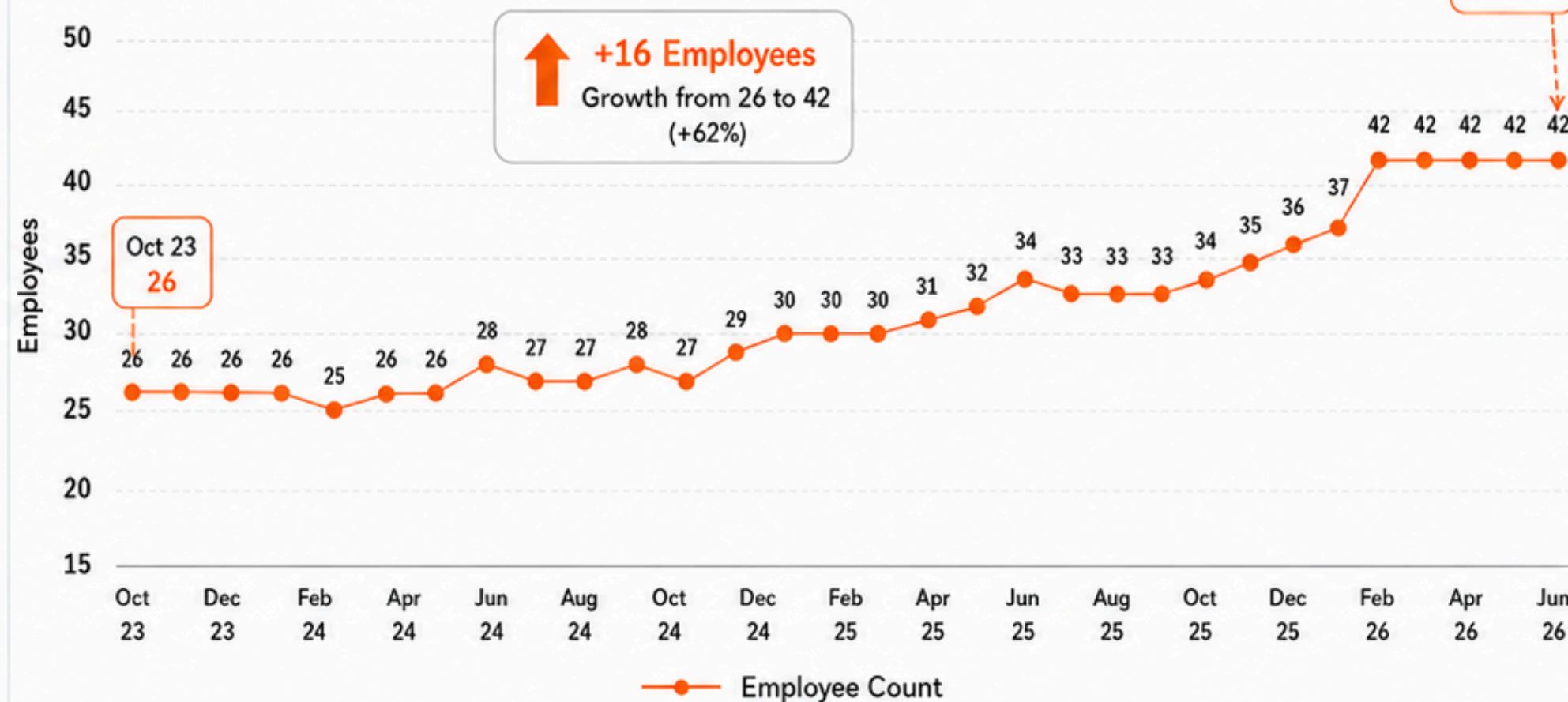


Human Resources Trends

October 2023 through June 2026

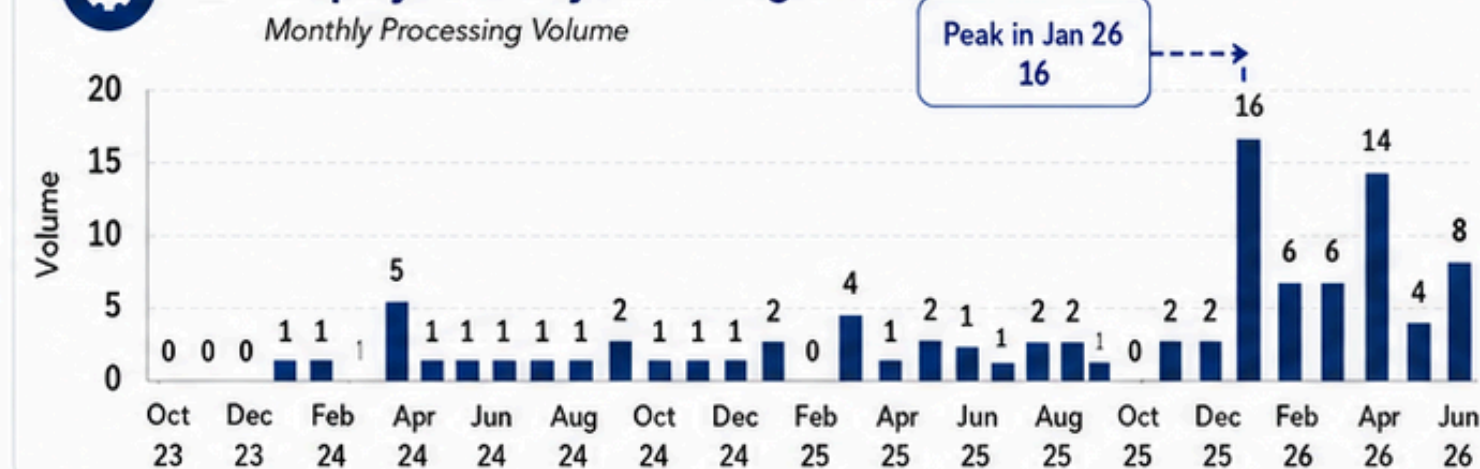


1 Employee Count Over Time



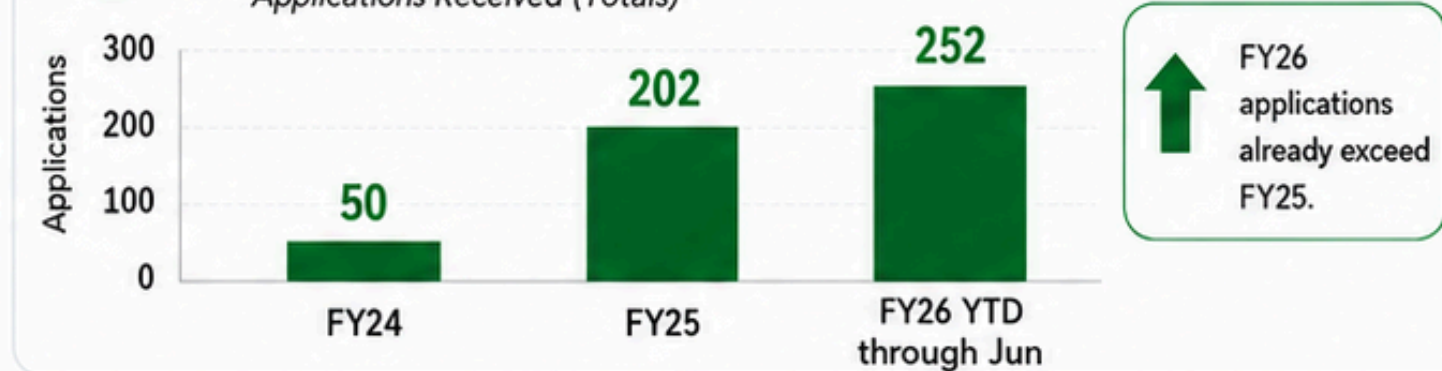
2 Employee Lifecycle Management

Monthly Processing Volume



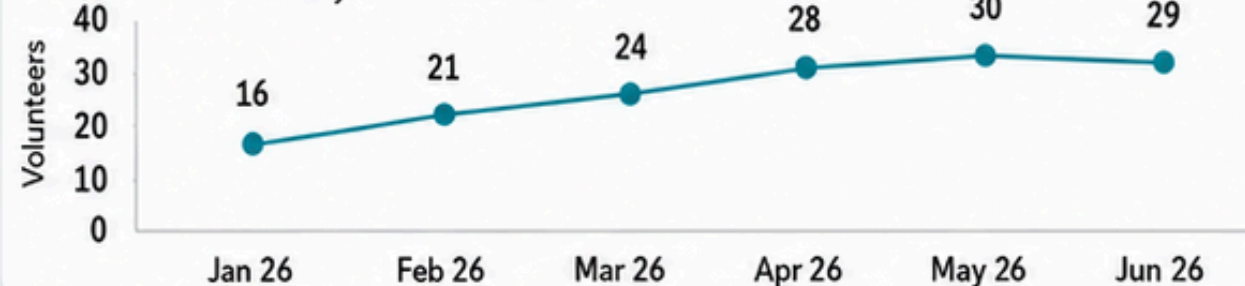
3 Recruitment Activity

Applications Received (Totals)



4 Volunteer Program Growth

Monthly Volunteer Count

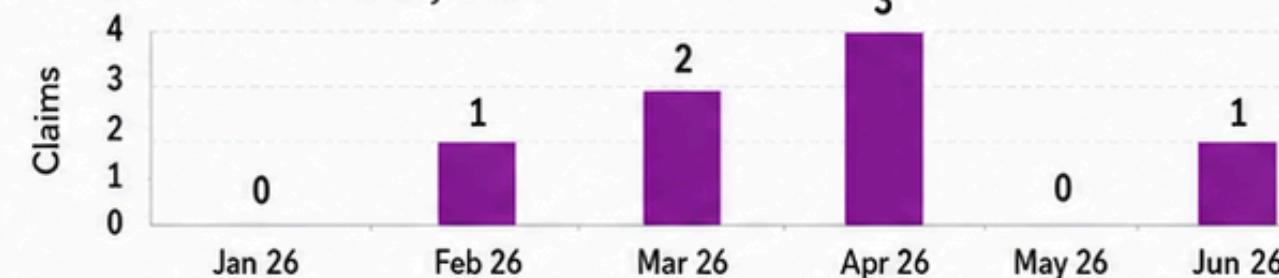


Volunteer activity began in FY26. There were 0 volunteers prior to FY26.



5 Work Comp Claims

FY26 Monthly Claims



Claims remain low overall but increased in FY26, peaking at 3 in Apr 26.



Staffing Growth

Employee count increased from 26 to 42.



HR Demand

Processing volume surged in FY26, peaking at 16 in Jan 26.



Recruitment Strength

FY26 applications already exceed FY25.



Volunteer Support

New volunteer activity expanded rapidly in 2026.

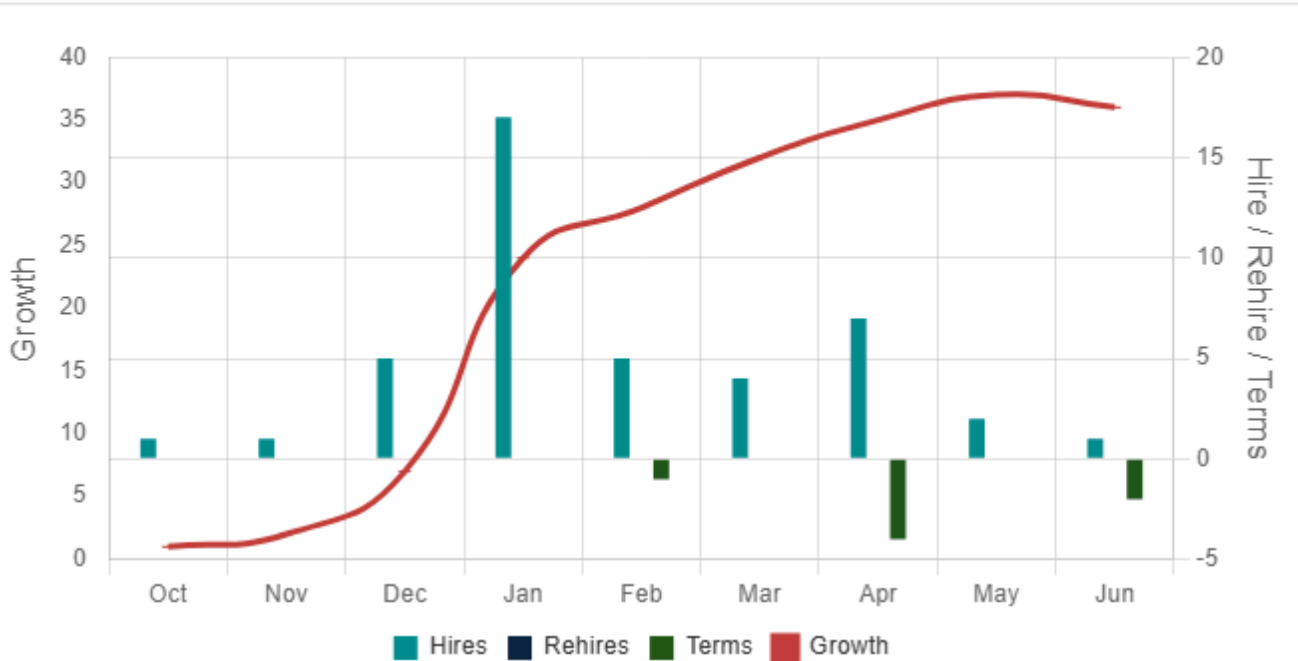


Risk Monitoring

Work comp claims remain low but increased in FY26.

Josephine at a Glance

Employee Turnover



Utility Applications and Disconnects Processed end of Q3

	Applications	Disconnects	Total
Oct 25	55	13	68
Nov 25	33	9	42
Dec 25	43	10	53
Jan 26	41	10	51
Feb 26	52	13	65
Mar 26	70	12	82
Apr 26	79	17	96
May 26	75	10	85
Jun 26	98	18	116

Total Utility Accounts as of 7/10/25: 4,087

Total Utility Accounts as of 5/30/26: 4,482

Payables Processed YTD 2,590. Avg 288 per Mo

Oct-June 25 Police Calls for Service 9,329
Oct-June 26 Calls for Service 10,052
an Increase of 723 calls or 7.8%

Fire avg 98 calls per mo

Receipts Processed YTD

Payment Method	Pmt. Count
CASH - CASH	941
CC-OFF - CREDIT CARD OFFLINE	198
CC-ON - CREDIT CARD ONLINE	316
CH - CHANGE	340
CHECK - CHECK	5,610
LOCKBOX - LOCKBOX MANUAL	2
MAIL CHECK - BILL PAY CHECKS	1
MO - MONEY ORDER	1
OP - ONLINE PAYMENTS	25,442
Payment Method Total:	32,511

Service Orders YTD
an Increase of 548 or 19.8%

Issued by User

User	Issued
Jerrica Allgood	156
Kourtney Block	1,900
Lana Klemcke	1
Office	1,253
Grand Totals	3,310

Completed by User

User	Completed
jose.gjohnson	190
jose.jallgood	402
jose.kblock	430
kclay	718
nfortner	55
ratchley	160
tbrooks	1,245
vholley	93
Grand Totals	3,293

Investing in Our Employees

Personnel are Allocated to the Departments they serve by percentage. From the ClearGov FY27 Personnel Budget Module
Additional personnel related costs not tied to individual employees are included in the Operational Budget



Total Personnel Budget (FY2027)	Total Positions	FTEs	Filled Positions	Vacant Positions	New Positions
\$7,829,095	62	63.0000	46	2	14



Personnel Budget Changes

FY27 Proposed Personnel Adjustments Included in the Budget



All Employees

8% TMRS

Retirement contribution enhancement included citywide.



Police Department (PD)

- LIC / Certificate Pay
- Laterals
- Top Out / Lump Sum paid in October (3%) for employees with no disciplinary record
- New scale includes 2.8% COLA + 1.2% base increase to support a higher top-out pay scale to better align with competing Police Departments



Fire Department (FD)

- Top Out / Lump Sum paid in October (3%) for employees with no disciplinary record
- New scale includes 2.8% COLA + 1.2% base increase to support a higher top-out pay scale
- PTO accrual increased by 1.5x for all shift FD staff to align with Texas cities



Other Staff

Employees not in PD or FD

- 2.8% COLA
- 2%–5% merit increase based on performance evaluations



Retention & Recruitment



Market Competitiveness



Performance-Based Adjustments



Personnel changes shown reflect proposed FY27 budget adjustments for transparency.



Investing in Our Employees



INVESTING IN JOSEPHINE'S FUTURE WORKFORCE

WHY THE CITY OF JOSEPHINE SHOULD ADOPT AN 8% TMRS EMPLOYEE CONTRIBUTION RATE

★ Competitive salaries attract employees. ★
Competitive retirement benefits help keep them.

56★

TEXAS CITIES
HAVE ALREADY MADE
THE MOVE TO 8%.

★ Across Texas, 56 cities have already adopted an 8% TMRS employee contribution rate, and a growing number of those communities are smaller cities competing for talent against larger municipalities.

For many smaller cities, an enhanced retirement benefit is one of the few recruitment and retention tools available that larger organizations often find difficult and expensive to implement after the fact.

THE BENEFITS TO JOSEPHINE



ATTRACT HIGHER-QUALITY CANDIDATES

Job seekers increasingly compare retirement benefits when evaluating public-sector opportunities. An 8% TMRS plan immediately positions Josephine as a more competitive employer and demonstrates a long-term commitment to its workforce.



IMPROVE EMPLOYEE RETENTION

Turnover is expensive. Recruiting, onboarding, training, and lost productivity can cost thousands of dollars for every employee who leaves. Strong retirement benefits encourage employees to build long-term careers with Josephine rather than viewing the City as a stepping stone.



INVEST IN LONG-TERM EMPLOYEE SUCCESS

Retirement benefits are a critical component of a competitive compensation package. An 8% TMRS contribution rate provides meaningful long-term value to employees, supports financial security, and demonstrates Josephine's commitment to investing in the people who serve our community.



KEEP PACE WITH OTHER TEXAS CITIES

The trend is clear: cities across Texas are utilizing enhanced TMRS benefits to remain competitive. Josephine has an opportunity to position itself alongside forward-thinking municipalities that recognize workforce stability as a critical component of organizational success.

★ THE BOTTOM LINE ★

People are Josephine's greatest asset.

Moving to an 8% TMRS employee contribution rate is more than a benefit enhancement—it is a strategic investment in workforce stability, employee loyalty, recruitment success, and the City's reputation as a premier employer.



INVEST IN
EMPLOYEES



STRENGTHEN
RETENTION



RECRUIT
THE BEST



BUILD
JOSEPHINE'S
FUTURE

THE REAL COST OF TURNOVER

THE COST OF EMPLOYEE TURNOVER

\$10,000 – \$20,000+
PER EMPLOYEE

Recruiting, hiring, onboarding,
training, and lost productivity
add up quickly.

VS.

THE INVESTMENT IN AN 8% TMRS RATE

A predictable, long-term
investment per employee
per pay period

A modest investment in
retention can cost far less
than replacing experienced
employees.



RETAINING EXPERIENCED EMPLOYEES COSTS LESS THAN REPLACING THEM.



A STRONGER RETIREMENT BENEFIT TODAY =
A Stronger Workforce Tomorrow

STRONG TEAM. ★ STRONG COMMUNITY. ★ STRONG FUTURE.



Thank You
for investing in the people
who make Josephine a
great place to live, work and serve!

That's Josephine.

Investing in Our Employees



Plan Change Study

FOR CITIES

2027 Rates • Josephine (00677)

June 22, 2026

Plan Provisions	Current	Option 1
Employee Contribution Rate	7%	8%
City Matching Ratio	2 to 1	2 to 1
Updated Service Credit (USC)	100% (Repeating)	100% (Repeating)
Transfer USC *	Yes	Yes
COLA	None	None
Retroactive COLA	No	No
Retirement Eligibility	20 years	20 years
Vesting	5 years	5 years
Supplemental Death Benefit	Actives + Retirees	Actives + Retirees
City Contribution Rates	2027	2027
Normal Cost Rate	10.94%	12.76%
Prior Service Rate	<u>0.63%</u>	<u>1.66%</u>
Retirement Rate	11.57%	14.42%
Supplemental Death Rate	<u>0.11%</u>	<u>0.11%</u>
Total Contribution Rate	11.68%	14.53%
Unfunded Actuarial Liability	\$214,942	\$571,756
Funded Ratio	92.7%	82.8%
Benefit Increase Amortization Period	20 years	20 years

By strategically phasing the remaining unfunded liability over two fiscal years, the City can preserve approximately \$285,878 in FY2027 cash flow while continuing its commitment to achieving a fully funded retirement system. This approach supports responsible financial stewardship and provides a meaningful investment in the City's most valuable asset—its employees.

* As of the December 31, 2025 valuation date, there were 12 employees with service in other TMRS cities eligible for transfer USC.

Texas Municipal Retirement System (TMRS): The system-wide funded ratio for the more than 940 participating TMRS cities is 89.4%. While exact figures fluctuate, only a subset of these cities (such as Cedar Hill, Grand Prairie, and Mansfield) hit the 100% fully funded mark, while others average between 70% and 90%.



A 1% INVESTMENT CREATES A LIFETIME BENEFIT

Strengthening Today. Securing Tomorrow.



NEW JOSEPHINE POLICE OFFICER
STARTING SALARY: **\$76,000** | ANNUAL STEP INCREASE: **3%**

TMRS MATCHING RATIO: **2:1**

EMPLOYEE INVESTS
By contributing
1% more to TMRS

+\$36,000
OVER A 30-YEAR CAREER

That's approximately
+\$1,200
more per year on average

+

CITY INVESTS
The City's 2:1 match
amplifies your investment

+\$72,000
OVER A 30-YEAR CAREER

That's approximately
+\$2,400
more per year on average

=

**TOGETHER THAT'S
A TOTAL OF**

+\$108,000+
IN ADDITIONAL RETIREMENT
CONTRIBUTIONS

OVER A 30-YEAR CAREER
Before any TMRS investment
earnings or interest are applied.

LIFETIME CONTRIBUTIONS COMPARISON WITH 3% ANNUAL STEP INCREASE			
CONTRIBUTIONS OVER 30 YEARS	7% TMRS	8% TMRS	ADDITIONAL
EMPLOYEE CONTRIBUTIONS	\$266,461	\$302,614	+\$36,153
CITY MATCH (2:1)	\$532,922	\$605,228	+\$72,306
TOTAL CONTRIBUTIONS	\$799,383	\$907,842	+\$108,459

THE REAL IMPACT IS EVEN GREATER
Because TMRS invests these contributions throughout
your career, the actual increase in retirement value is
expected to be substantially greater than \$108,000.
Early contributions have decades to grow.

IMPORTANT NOTE
This example assumes a 3% annual step increase and 30 years of service for illustration purposes.
In reality, salaries may increase more due to promotions, cost-of-living adjustments, merit increases,
certification pay, longevity pay, and overtime. As your salary grows, so does both your contribution
and the City's match—resulting in a significantly greater lifetime benefit.

Competitive benefits help us recruit and retain
dedicated professionals who keep our community
safe and strong.
Investing in our officers is an investment in Josephine.

Compliance: Protecting Josephine and the Employees



MODERNIZING JOSEPHINE'S WORKFORCE MANAGEMENT

Investing in Technology That Improves Accountability, Efficiency & Compliance

WHY THIS INVESTMENT MATTERS

A modern, integrated system strengthens operations, improves compliance, and gives leadership the data needed to make informed decisions.

KEY FEATURES

- Multiple ways to track time (integrates with security badges)
- Advanced scheduling
- Seamless ERP/Payroll integration
- FMLA & leave tracking
- Electronic approvals
- Real-time reporting & dashboards
- Secure data & audit readiness

FROM THIS (TODAY)

- Multiple ways to track time
- Payroll Re-entry
- Leave Request Errors
- Manual FMLA Tracking
- Manual Police Scheduling
- Limited Reporting and Visibility

TO THIS (WITH TCP SOFTWARE)

- Digital Timekeeping for All Employees
- Direct Integration with ERP/Payroll System
- Electronic Approvals & Workflows
- Automated FMLA & Leave Management
- Advanced Police Scheduling & Shift Management
- Real-Time Dashboards & Custom Reporting
- Complete Electronic Audit Trail

TIMEKEEPING & COMPLEX SCHEDULING SOFTWARE



Eliminates several current manual methods and disconnected systems for timekeeping and scheduling.

- Time Clocks
- Paper Timesheets
- Spreadsheets
- Manual Schedules
- Multiple Standalone Systems

BENEFITS TO JOSEPHINE



REDUCE ADMINISTRATIVE WORK

Eliminates duplicate data entry and manual corrections, reduces payroll errors and shortens payroll processing time.



STRENGTHEN ACCOUNTABILITY & AUDIT READINESS

Electronic approvals, detailed audit trails, and automated reporting improve transparency and support financial, labor, and grant compliance audits.



BETTER WORKFORCE MANAGEMENT

Tracking time for all employees—including salaried staff—provides workload analysis, staffing metrics, productivity data, and supports budget planning.



IMPROVE REGULATORY COMPLIANCE

Integrated FMLA management and leave tracking help the City comply with federal regulations while reducing admin burden.



ENHANCE PUBLIC SAFETY SCHEDULING

Advanced scheduling tools improve staffing levels, overtime monitoring, training coordination, and shift management for the Police Department.

★ PROJECTED RETURN ON INVESTMENT ★



ESTIMATED PAYBACK PERIOD

33 MONTHS



AVERAGE ANNUAL SAVINGS

\$12,365



PROJECTED 5-YEAR SAVINGS

\$55,141

Based on the vendor's ROI analysis. **Source:** TCP Software ROI Summary



THE BOTTOM LINE

Implementing an integrated timekeeping, scheduling, and FMLA solution is a strategic investment that improves efficiency, strengthens compliance, and provides the data needed to lead with confidence.

- ✓ Improve payroll accuracy
- ✓ Reduce administrative workload
- ✓ Strengthen internal controls and audit trails
- ✓ Enhance legal and regulatory compliance
- ✓ Provide leadership with better workforce data
- ✓ Support informed staffing and budgeting decisions



INVESTING IN BETTER TECHNOLOGY TODAY



CREATES BETTER GOVERNMENT TOMORROW.



That's Josephine.



INVESTING IN JOSEPHINE'S WATER FUTURE

Planning Today. Building Tomorrow.

Reliable water infrastructure is the foundation of every thriving community. Josephine is proactively pursuing funding opportunities to ensure our infrastructure keeps pace with the City's continued residential and commercial growth.

The City of
Josephine
TEXAS



Texas Water
Development Board

WATER SUPPLY & INFRASTRUCTURE GRANT



GRANT ADMINISTRATOR
Jeremy White, SPI



CURRENT STATUS
Grant application currently in development.

PURPOSE

- ✓ Expand long-term water capacity
- ✓ Support future residential growth
- ✓ Support future commercial development
- ✓ Improve system reliability
- ✓ Reduce long-term infrastructure costs

BUDGET IMPACT



No grant revenue has been budgeted in FY2027.

The City has intentionally taken a conservative budgeting approach.

Should funding be awarded, Council will be presented with a budget amendment and project implementation plan.

LOOKING BEYOND FY2027



This application reflects Josephine's commitment to seeking outside funding whenever possible to reduce the burden on local taxpayers while investing in critical infrastructure.

WHY THIS MATTERS



WATER INFRASTRUCTURE DRIVES ECONOMIC DEVELOPMENT.

Strong infrastructure attracts businesses and investment.



INFRASTRUCTURE SUPPORTS NEW HOMES AND BUSINESSES.

Ensuring capacity for continued growth.



PLANNING AHEAD REDUCES FUTURE COSTS.

Proactive investment today saves taxpayers tomorrow.



RELIABLE UTILITIES IMPROVE QUALITY OF LIFE.

Safe, dependable water for our community.

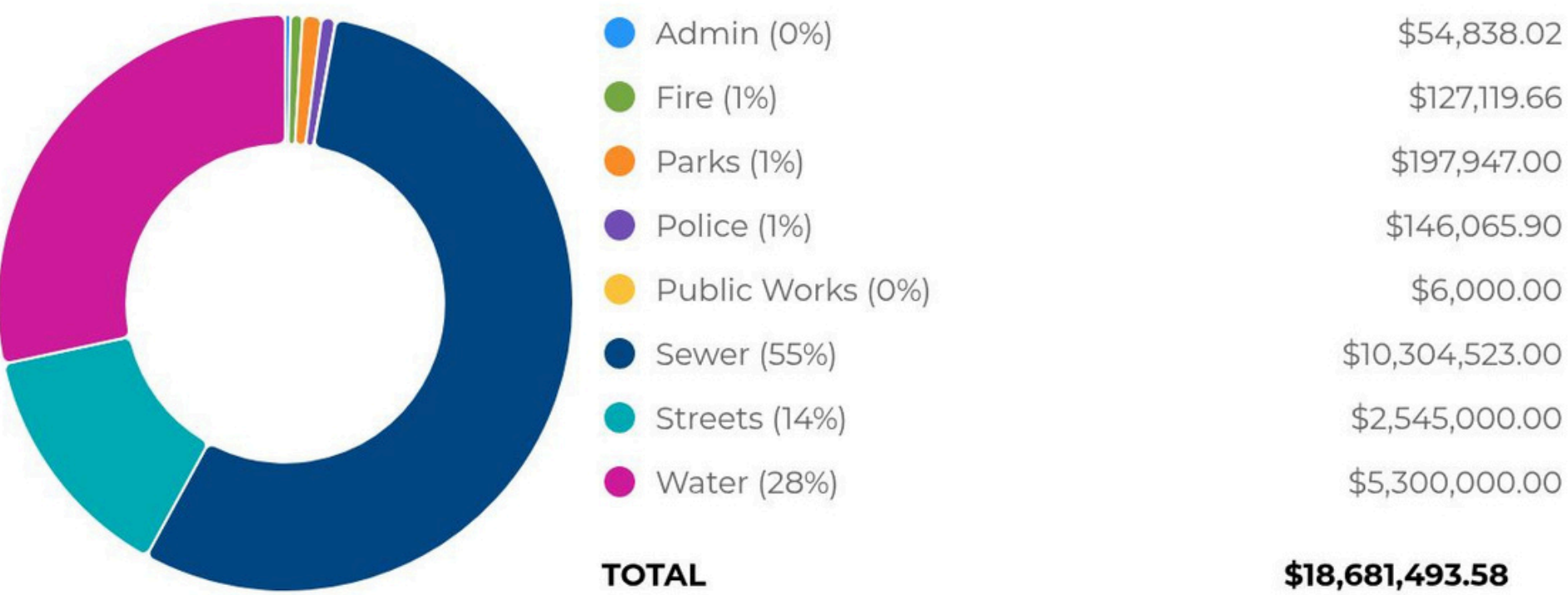
“The best time to build infrastructure is before you desperately need it.”



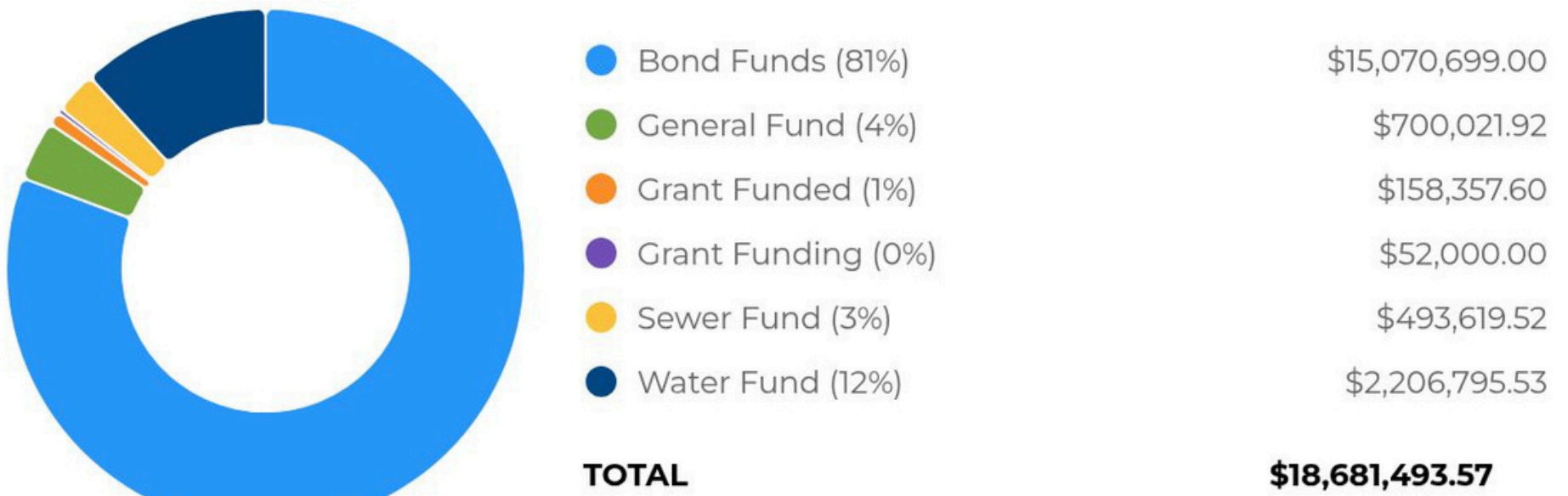
★ STRONG STEWARDSHIP. ★ STRATEGIC INVESTMENT. ★ SUSTAINABLE FUTURE. ★ *That's Josephine.* ★

Infrastructure & Capital Improvements

Budgeted Capital Costs By Department (FY2027)



Budgeted Funding Source



Requested

32 Capital Requests **\$35,812,685** Total Budgeted Capital Costs

Included

32 Capital Requests **\$18,681,494** Total Budgeted Capital Costs

PUBLIC SAFETY INVESTMENTS

Protecting Today. Preparing for Tomorrow.

These investments enhance officer and firefighter safety, improve response times, and strengthen our ability to serve and protect our community.

★ ★ ★ FY2027 PUBLIC SAFETY INVESTMENTS ★ ★ ★

2 NEW OFFICERS



Strengthening patrol coverage and community presence.

2 OFFICERS EQUIPPED WITH NEW HANDHELD RADIOS



Reliable communication for safer, more effective operations.

2 NEW IN CAR RADIOS



Improved communication and interoperability while on the road.

LASER RADAR FOR PATROL UNIT



Enhancing traffic enforcement and promoting roadway safety.

3 FIREFIGHTERS/ EMT's



Adding critical emergency response personnel.

3 ADDITIONAL FIREFIGHTERS/ EMT's IF SAFER GRANT IS AWARDED



Expanding fire suppression and emergency medical response capacity.

CONTINUED BODY CAM & IN CAR CAMERAS CONTRACT



Promoting transparency, accountability, and evidence collection.

2 CRUISER LAPTOP REPLACEMENTS



Keeping technology current to support officer productivity and safety.

FLOCK CAMERA & DRONE PACKAGE IF GRANT IS AWARDED



Advanced technology to deter crime, aid investigations, and enhance situational awareness.

The City of
Josephine
TEXAS



STRONG COMMUNITY

SAFE COMMUNITY

★ THE IMPACT ★



Improved officer and firefighter safety



Faster response times and better outcomes



Stronger community trust and accountability



Strategic investments for long-term public safety excellence



SAFE PEOPLE. ★ SAFE HOMES. ★ SAFE STREETS. ★ SAFE COMMUNITY.

That's Josephine.

Infrastructure & Capital Improvements

— BUILDING A STRONGER TOMORROW —

STRATEGIC INFRASTRUCTURE INVESTMENTS

Targeted investments today for a more resilient, reliable and sustainable Josephine tomorrow.



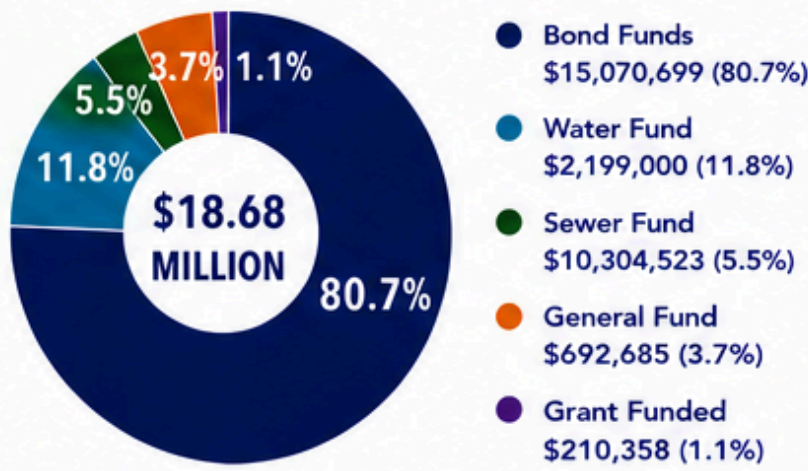
FY2027 CAPITAL IMPROVEMENTS FOCUS

Key infrastructure projects that strengthen our community, protect critical assets and support future growth.



\$18,681,494
TOTAL INVESTMENT

INVESTMENT BY FUNDING SOURCE



PLANNING FOR OUR FUTURE

The City plans to conduct an updated **Water and Sewer Rate Study** with Wildan to ensure our rates are aligned with industry standards and adequately support future capital investments and long-term system reliability.

KEY CAPITAL IMPROVEMENTS AT A GLANCE



STREETS
\$2,545,000
13.6%

- Drainage Improvements / Flood Mitigation \$2,145,000
- Road Rehab \$400,000



WATER
\$5,306,000
28.4%

- Ground Water Storage Tank (Bond Funds) \$3,107,000
- Ground Water Storage Tank (Water Fund) \$2,193,000
- Welding Machine \$6,000



SEWER
\$10,304,523
55.2%

- North WWTP – Construction/Maintenance \$9,586,149
- North WWTP – Engineering \$232,550
- Fence Surrounding NWWTP \$295,000
- Fountainview Lift Station SCADA \$79,715
- Surge Protector & Seal Connections at All Lift Stations \$44,400
- Hubbard Street Lift Station Elec Panel Upgrade \$5,993
- Ford 250 Work Truck \$60,716



ADMIN
\$31,910
0.2%

- New City Hall Host Server \$22,000
- Replacement Microphones for Council Chambers (4) \$9,910



INVESTING IN A RESILIENT JOSEPHINE

These capital improvements enhance public safety, improve reliability of essential services, protect critical infrastructure, and prepare Josephine for continued growth.



STRONGER INFRASTRUCTURE

Investing in critical systems that protect our community and support growth.



RELIABLE SERVICES

Ensuring dependable water, sewer, and stormwater services for residents and businesses.



SAFE & RESILIENT COMMUNITY

Reducing flood risk, improving wastewater operations, and strengthening public assets.



PLANNED FOR THE FUTURE

Smart investments today to meet tomorrow's needs sustainably.



FISCALLY RESPONSIBLE

Strategic use of funds to maximize value and long-term community benefit.



INVESTING IN QUALITY OF LIFE

Strong Community. Stronger Tomorrow.

Parks and recreation play an essential role in creating a healthy, connected, and vibrant community. Josephine is committed to enhancing our parks, expanding amenities, and improving accessibility for all residents.



APPLIED FOR COLLIN COUNTY PARKS GRANT

We have applied for the Collin County Parks Grant to upgrade the City Park and enhance amenities.



The upgrades will focus on improving ADA accessibility—identified as a high priority in our recent resident survey.



INVESTING IN OUR COMMUNITY'S FUTURE

We are adding a new Parks Employee to support park operations, maintenance, and future growth.



Compensation will be subsidized by the developer as they create Riverfield Park and amenities, expanding recreational opportunities for our residents.

WHY PARKS MATTER



STRONGER COMMUNITY

Parks bring people together and build community pride.



HEALTHIER LIFESTYLES

Access to parks encourages outdoor activity and well-being for all ages.



HIGHER PROPERTY VALUES

Quality parks and amenities enhance neighborhoods and support local investment.



BEAUTIFUL, SUSTAINABLE CITY

Well-maintained parks create a welcoming, attractive place to live.

“ Investing in our parks today invests in the health, happiness, and future of Josephine. ”



Quality of Life

Events Overview

- Community ISD Homecoming Parade (PD & FD)
- Community ISD Back to School Bash
- Open Community Center Time/Trivia Nights
- Angel Tree (Organize & Employee Time)
- Christmas Tree Lighting
- Christmas in the Park
- *Shop with a Cop (PD)
- Firetruck Santa (FD)
- Annual Staff Appreciation Event
- Easter Egg Hunt (FD)
- Summer Movie in the Park (PD)
- Fireworks in the Park
- Josephine First Responder's Night
- Bike Ride to school PD Escort



Thank You, Team Josephine

Every employee plays an important role in making Josephine a great place to work, live, and serve. Thank you for your hard work, dedication, and the effort you bring each day to support our residents, strengthen our organization, and build a better future for our community. It is truly an honor to be part of this incredible team and this great City.



Municipal Development District

MDD Approved Budget from 6/29/26-For Council Approval-to be added to Budget Public Hearing

Option 1: One meeting per Month-No City Employee Subsidizing

(152,358.53) (214,283.18) 0.00

Account	Name	Category	Type	Activity	Ending Balance	FY27 BUDGET
95-092-3080-0000000	Fund Balance	Reserves	Equity	-	(61,924.65)	(285,083.18)
95-092-4450-0000000	Sales Tax Revenue	Revenue	Revenue	(152,355.79)	(152,355.79)	(212,400.00)
95-092-4720-0000000	Interest Revenue	Revenue	Revenue	(2.74)	(2.74)	
95-092-4201-0000000	Miscellaneous Revenue	Revenue	Revenue	-	-	
95-092-6200-0000000	License Fees (MDD)	Operating Exp	Expense	-	-	750.00
95-092-6201-0000000	Accounting & Auditing (MDD)	Operating Exp	Expense	-	-	1,000.00
95-092-6220-0000000	Bank Service Charges (MDD)	Operating Exp	Expense	-	-	
95-092-6225-0000000	Marketing (MDD)	Operating Exp	Expense	-	-	25,000.00
95-092-6320-0000000	Dues & Subscriptions (MDD)	Operating Exp	Expense	-	-	875.00
95-092-6350-0000000	TEDC Membership Fee	Operating Exp	Expense	-	-	875.00
95-092-6440-0000000	Legal & Professional Fees	Operating Exp	Expense	-	-	28,800.00
95-092-6500-0000000	Supplies-Office,Postage	Operating Exp	Expense	-	-	800.00
95-092-6505-0000000	Supplies - Other (MDD)	Operating Exp	Expense	-	-	5,000.00
95-092-6640-0000000	Travel & Meetings (MDD)	Operating Exp	Expense	-	-	6,000.00
95-092-6740-0000000	Contract Labor (MDD)	Operating Exp	Expense	-	-	8,700.00
95-092-6940-0000000	Insurance-Workers Comp	Operating Exp	Expense			3,000.00
95-092-7680-0000000	Community Projects (MDD)	Projects/Incentives	Expense	-	-	320,169.07
95-092-7680-0000000	Community Projects (MDD)	Reserves	Expense	-	-	96,514.11
95-092-7820-0000000	Miscellaneous Expense	Operating Exp	Expense	-	-	
95-092-7815-0000000	Administrative Services	Operating Exp	Expense			-

95-092-3070-0000000	Current Year Surplus(Deficit)	Reserves	Equity			(96,514.11)
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CATEGORY	RATIO	Target Amount	Row Labels	Sum of FY27 BUDGET	RATIO
OPERATIONS	15%	74,622.48	Operating Exp	80,800.00	16%
PROJECTS/INCENTIVES	70%	348,238.23	Projects/Incentives	320,169.07	64%
RESERVES	15%	31,860.00	Reserves	96,514.11	19%
			Grand Total	497,483.18	

PROJECT FOCUS	
LGC 505.152	RECREATIONAL, COMMUNITY, TOURISM, ENTERTAINMENT, CONVENTION, AND PUBLIC PARK FACILITIES
LGC 505.158	BUSINESS DEVELOPMENT IN MUNICIPALITIES OF 20,000 OR LESS

Note
15% of this total every year to roll into Fund Balance for Reserves
Email Licensing Year End Audit-Fox & Byrd
Marketing & Branding ICSC \$175 ea Board Member (FT Staff from City Budget) TEDC \$175 ea Appointed Official (FT Staff from City Budget) Legal Fees \$240 per hr/\$2,400 per mo (1 mtg per mo)
Placer AI ICSC Conference & TEDC Conference (2 Board Members) & 1 Staff Member from City Budget Justin Weiss \$150/Hr- Avg \$725 per mo TML Coverage-Travel/Bodily Injury Coverage during Official City Business This will rollover every year and increase/decrease based on Fund Balance This will rollover every year and increase/decrease based on Fund Balance
\$64k to roll into Reserves/Fund Balance instead of subsidizing City Staff's Time TOTAL cost of the employees supporting the economic development efforts % of Total Compensation of the following Staff: Finance 5%, Planner 10%, Economic Development Manager 25% Revenue toawrds Reserves-will roll into Fund Balance

Municipal Development District

Option 4: One meeting per Qtr, % of two City Employees Subsidized

				(152,358.53)	(214,283.18)	-
Account	Name	Category	Type	Activity	Ending Balance	FY27 BUDGET
95-092-3080-0000000	Fund Balance	Reserves	Equity	-	(61,924.65)	(285,083.18)
95-092-4450-0000000	Sales Tax Revenue	Revenue	Revenue	(152,355.79)	(152,355.79)	(212,400.00)
95-092-4720-0000000	Interest Revenue	Revenue	Revenue	(2.74)	(2.74)	
95-092-4201-0000000	Miscellaneous Revenue	Revenue	Revenue	-	-	
95-092-6200-0000000	License Fees (MDD)	Operating Exp	Expense	-	-	750.00
95-092-6201-0000000	Accounting & Auditing (MDD)	Operating Exp	Expense	-	-	1,000.00
95-092-6220-0000000	Bank Service Charges (MDD)	Operating Exp	Expense	-	-	
95-092-6225-0000000	Marketing (MDD)	Operating Exp	Expense	-	-	12,000.00
95-092-6320-0000000	Dues & Subscriptions (MDD)	Operating Exp	Expense	-	-	875.00
95-092-6350-0000000	TEDC Membership Fee	Operating Exp	Expense	-	-	875.00
95-092-6440-0000000	Legal & Professional Fees	Operating Exp	Expense	-	-	10,000.00
95-092-6500-0000000	Supplies-Office,Postage	Operating Exp	Expense	-	-	500.00
95-092-6505-0000000	Supplies - Other (MDD)	Operating Exp	Expense	-	-	5,000.00
95-092-6640-0000000	Travel & Meetings (MDD)	Operating Exp	Expense	-	-	6,000.00
95-092-6740-0000000	Contract Labor (MDD)	Operating Exp	Expense	-	-	
95-092-6940-0000000	Insurance-Workers Compensation	Operating Exp	Expense			3,000.00
95-092-7680-0000000	Community Projects (MDD)	Projects/Incentives	Expense	-	-	342,967.98
95-092-7680-0000000	Community Projects (MDD)	Reserves	Expense	-	-	74,622.48
95-092-7820-0000000	Miscellaneous Expense	Operating Exp	Expense	-	-	
95-092-7815-0000000	Administrative Services	Operating Exp	Expense			39,892.72

95-092-3070-0000000	Current Year Surplus(D	Reserves	Equity			(342,967.98)
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CATEGORY	RATIO	Target Amount	Row Labels	Sum of FY27 BUDGET	
OPERATIONS	15%	74,622.48	Operating Exp	79,892.72	16%
PROJECTS/INCENTIVES	70%	348,238.23	Projects/Incentiv	342,967.98	69%
RESERVES	15%	31,860.00	Reserves	74,622.48	15%
			Grand Total	497,483.18	

PROJECT FOCUS	
LGC 505.152	RECREATIONAL, COMMUNITY, TOURISM, ENTERTAINMENT, CONVENTION, AND PUBLIC PARK FACILITIES
LGC 505.158	BUSINESS DEVELOPMENT IN MUNICIPALITIES OF 20,000 OR LESS

Note
15% of this total every year to roll into Fund Balance for Reserves
Email Licensing Year End Audit-Fox & Byrd
Marketing & Branding ICSC \$175 ea Board Member (FT Staff from City Budget) TEDC \$175 ea Appointed Official (FT Staff from City Budget) Legal Fees \$240 per hr/\$2,400 per mo (1 mtg per qtr)
Placer AI ICSC Conference & TEDC Conference (2 Board Members) & 1 Staff Member from City Budget Removing-Justin Weiss \$150/Hr- Avg \$725 per mo TML Coverage-Travel/Bodily Injury Coverage during Official City Business This will rollover every year and increase/decrease based on Fund Balance This will rollover every year and increase/decrease based on Fund Balance
Council Directed subsidizing City Staff's Time (reduced) TOTAL cost of the employees supporting the economic development efforts (This does not Include Miguel, Jerrica, Patti & Lisa's time) % of Total Compensation of the following Staff: Finance 5% (8.6 hrs per mo), Economic Development Manager 20% (34.6 hrs per mo) Revenue toawrds Reserves-will roll into Fund Balance

Municipal Development District

Option 5: One meeting per Qtr, % of two City Employees Subsidized, Reduced & No Projects-Allow Account Balance to build for Future Incentives

				(152,358.53)	(214,283.18)	-
Account	Name	Category	Type	Activity	Ending Balance	FY27 BUDGET
95-092-3080-0000000	Fund Balance	Reserves	Equity	-	(61,924.65)	(285,083.18)
95-092-4450-0000000	Sales Tax Revenue	Revenue	Revenue	(152,355.79)	(152,355.79)	(212,400.00)
95-092-4720-0000000	Interest Revenue	Revenue	Revenue	(2.74)	(2.74)	
95-092-4201-0000000	Miscellaneous Revenue	Revenue	Revenue	-	-	
95-092-6200-0000000	License Fees (MDD)	Operating Exp	Expense	-	-	750.00
95-092-6201-0000000	Accounting & Auditing (MDD)	Operating Exp	Expense	-	-	1,000.00
95-092-6220-0000000	Bank Service Charges (MDD)	Operating Exp	Expense	-	-	
95-092-6225-0000000	Marketing (MDD)	Operating Exp	Expense	-	-	10,000.00
95-092-6320-0000000	Dues & Subscriptions (MDD)	Operating Exp	Expense	-	-	875.00
95-092-6350-0000000	TEDC Membership Fee	Operating Exp	Expense	-	-	875.00
95-092-6440-0000000	Legal & Professional Fees	Operating Exp	Expense	-	-	9,600.00
95-092-6500-0000000	Supplies-Office,Postage	Operating Exp	Expense	-	-	500.00
95-092-6505-0000000	Supplies - Other (MDD)	Operating Exp	Expense	-	-	5,000.00
95-092-6640-0000000	Travel & Meetings (MDD)	Operating Exp	Expense	-	-	6,000.00
95-092-6740-0000000	Contract Labor (MDD)	Operating Exp	Expense	-	-	
95-092-6940-0000000	Insurance-Workers Comp	Operating Exp	Expense			3,000.00
95-092-7680-0000000	Community Projects (MDD)	Projects/Incentives	Expense	-	-	-
95-092-7680-0000000	Community Projects (MDD)	Reserves	Expense	-	-	419,990.46
95-092-7820-0000000	Miscellaneous Expense	Operating Exp	Expense	-	-	
95-092-7815-0000000	Administrative Services	Operating Exp	Expense			39,892.72
95-092-3070-0000000	Current Year Surplus(Deficit)	Reserves	Equity			(419,990.46)

CATEGORY	RATIO	Target Amount	Row Labels	Sum of FY27 BUDGET
OPERATIONS	15%	74,622.48	Operating Exp	77,492.72
PROJECTS/INCENTIVES	70%	348,238.23	Projects/Incentives	-
RESERVES	15%	31,860.00	Reserves	419,990.46
			Grand Total	497,483.18

PROJECT FOCUS	
LGC 505.152	RECREATIONAL, COMMUNITY, TOURISM, ENTERTAINMENT, CONVENTION, AND PUBLIC PARK FACILITIES
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Note
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Marketing & Branding ICSC \$175 ea Board Member (FT Staff from City Budget) TEDC \$175 ea Appointed Official (FT Staff from City Budget) Legal Fees \$240 per hr/\$2,400 per mo (1 mtg per qtr)
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QUESTIONS & FEEDBACK

FY2027 Proposed Budget

Council Direction Needed



MDD Budget



TMRS Change



Personnel
Requests



Capital Requests &
Fire Replacement
Schedule



(Future Planning)
Continued investment
in fire equipment to
ensure readiness
for our community



Line item details are attached separately from the presentation for Council review.

Your feedback will guide final budget revisions before adoption.