

CITY OF HEATH, TEXAS

ORDINANCE NO. 250923A

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEATH, TEXAS APPROVING AND ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2025 AND ENDING SEPTEMBER 30, 2026, AND MAKING APPROPRIATIONS FOR EACH FUND AND DEPARTMENT; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH SAID BUDGET; REPEALING CONFLICTING ORDINANCES; PROVIDING A SAVINGS AND SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Manager of the City of Heath, Texas (“City”), has submitted to the City Council a proposed budget of the expenditures and revenues of all City Departments, Divisions and Offices (“City Government”) for the Fiscal Year 2025-2026 (“Budget”) and filed the same with the City Secretary for public review more than thirty (30) days prior to the end of the fiscal year 2025, in accordance with provision of Section 8.04 of the City Charter, not less than thirty (30) days prior to September 30, 2025, and in accordance with Section 102.005 of the Local Government Code, Texas Code Annotated; and

WHEREAS, the Budget shows, as definitely as possible, each of the various projects for which appropriations are made in the Budget; and

WHEREAS, the Budget has been available for inspection by any and all taxpayers; and

WHEREAS, the City Manager, as budget officer, has prepared a proposed budget totaling \$111,952,439, including \$5,907,700 for inter-fund transfers, of the City of Heath, Texas, for the fiscal year beginning October 1, 2025 and ending September 30, 2026; and

WHEREAS, the City Council of the City of Heath, Texas (“City Council”) provided the required public notice and held (1) public hearing, as required by Section 102.006 of the Texas Local Government Code, and the public was given an opportunity to speak at the public hearing on the Budget; and

WHEREAS, the City Council, after the public hearing and upon full consideration of the matter, is of the opinion that the budget hereinafter set forth is proper and should be adopted and that such Ordinance is in the best interest of the public health, safety, and welfare of the citizens of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HEATH, TEXAS:

SECTION 1: That all of the above recitals are found to be true and correct and are incorporated into the body of this Ordinance as if copied in their entirety.

SECTION 2: The Budget for the fiscal year beginning October 1, 2025 and ending September 30, 2026, attached to this Ordinance and made a part hereof for all purposes and marked "**Exhibit A**" be and the same is hereby approved and adopted by the City Council as the official budget of the City of Heath, Texas.

SECTION 3: All expenditures during the fiscal year shall be made in accordance with the Budget approved by this Ordinance unless otherwise amended by a duly enacted ordinance of the City.

SECTION 4: That all appropriations shall lapse at the end of the fiscal year.

SECTION 5: That all capital project appropriation balances as of September 30, 2025, shall roll forward to October 1, 2025.

SECTION 6: That the necessity for making and approving a budget for the fiscal year, as required by the laws of the State of Texas, requires that this Ordinance shall take effect immediately from and after its passage, as the law in such cases provides.

SECTION 7: That after the adoption of this budget, the City Manager shall provide for the filing of a true copy of the approved Budget in the City Secretary's Office and on the City's website in compliance with Section 102.008 of the Texas Local Government Code. In addition, the City Manager shall also file or cause to be filed a true and correct copy of this Ordinance along with the Budget of City of Heath, Texas, and any subsequent amendments thereto, in the office of the County Clerk of Rockwall County, Texas, as required by Texas Local Government Code Section 102.009(d).

SECTION 8: Any provision of any prior ordinance of the City, whether codified or uncodified, which in conflict with any provision of this Ordinance, is hereby repealed to the extent of conflict, but all other provisions of the ordinances of the City, whether codified or uncodified, which are not in conflict with provisions of this Ordinance shall remain in full force and effect.

SECTION 9: It is hereby declared to be the intention of the City Council that the words, phrases, clauses, sentences, paragraphs and sections of this Ordinance are severable, and if any word, phrase, clause, sentence, paragraph or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining words, phrases, clauses, sentences, paragraphs and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation of this Ordinance or any such unconstitutional word, phrase, clause, sentence, paragraph or section.

SECTION 10: This ordinance shall take effect immediately from and after its passage and approval, and it is so ordained.

PRESENTED AND APPROVED THIS 23rd DAY OF SEPTEMBER 2025 BY A VOTE OF 6 FOR, 1 AGAINST, 0 ABSTENTIONS AT A MEETING OF THE CITY COUNCIL OF THE CITY OF HEATH, TEXAS.


| Council Member: | For: | Against: | Abstain: |
|---------------------------------|-------------------------------------|-------------------------------------|--------------------------|
| Mayor Jeremiah McClure | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Mayor Pro Tem Scott Dodson | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Councilmember Cindy Horne | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Councilmember Johnny Myers | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Councilmember Ryan Moorman | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Councilmember Michelle Thurgood | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Councilmember Mitch Ownby | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

ATTEST:



NORMA DUNCAN, CITY SECRETARY

APPROVED:



JEREMIAH MCCLURE, MAYOR

APPROVED AS TO FORM:



MARIE N. JOHNSON, ASSISTANT CITY ATTORNEY



Exhibit A - Option 2

CITY OF HEATH, TEXAS

ORDINANCE NO. 250923A

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEATH, TEXAS APPROVING AND ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2025 AND ENDING SEPTEMBER 30, 2026, AND MAKING APPROPRIATIONS FOR EACH FUND AND DEPARTMENT; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH SAID BUDGET; REPEALING CONFLICTING ORDINANCES; PROVIDING A SAVINGS AND SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Manager of the City of Heath, Texas (“City”), has submitted to the City Council a proposed budget of the expenditures and revenues of all City Departments, Divisions and Offices (“City Government”) for the Fiscal Year 2025-2026 (“Budget”) and filed the same with the City Secretary for public review more than thirty (30) days prior to the end of the fiscal year 2025, in accordance with provision of Section 8.04 of the City Charter, not less than thirty (30) days prior to September 30, 2025, and in accordance with Section 102.005 of the Local Government Code, Texas Code Annotated; and

WHEREAS, the Budget shows, as definitely as possible, each of the various projects for which appropriations are made in the Budget; and

WHEREAS, the Budget has been available for inspection by any and all taxpayers; and

WHEREAS, the City Manager, as budget officer, has prepared a proposed budget totaling \$110,453,669, including \$5,907,700 for inter-fund transfers, of the City of Heath, Texas, for the fiscal year beginning October 1, 2025 and ending September 30, 2026; and

WHEREAS, the City Council of the City of Heath, Texas (“City Council”) provided the required public notice and held (1) public hearing, as required by Section 102.006 of the Texas Local Government Code, and the public was given an opportunity to speak at the public hearing on the Budget; and

WHEREAS, the City Council, after the public hearing and upon full consideration of the matter, is of the opinion that the budget hereinafter set forth is proper and should be adopted and that such Ordinance is in the best interest of the public health, safety, and welfare of the citizens of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HEATH, TEXAS:

SECTION 1: That all of the above recitals are found to be true and correct and are incorporated into the body of this Ordinance as if copied in their entirety.

SECTION 2: The Budget for the fiscal year beginning October 1, 2025 and ending September 30, 2026, attached to this Ordinance and made a part hereof for all purposes and marked "**Exhibit A**" be and the same is hereby approved and adopted by the City Council as the official budget of the City of Heath, Texas.

SECTION 3: All expenditures during the fiscal year shall be made in accordance with the Budget approved by this Ordinance unless otherwise amended by a duly enacted ordinance of the City.

SECTION 4: That all appropriations shall lapse at the end of the fiscal year.

SECTION 5: That all capital project appropriation balances as of September 30, 2025, shall roll forward to October 1, 2025.

SECTION 6: That the necessity for making and approving a budget for the fiscal year, as required by the laws of the State of Texas, requires that this Ordinance shall take effect immediately from and after its passage, as the law in such cases provides.

SECTION 7: That after the adoption of this budget, the City Manager shall provide for the filing of a true copy of the approved Budget in the City Secretary's Office and on the City's website in compliance with Section 102.008 of the Texas Local Government Code. In addition, the City Manager shall also file or cause to be filed a true and correct copy of this Ordinance along with the Budget of City of Heath, Texas, and any subsequent amendments thereto, in the office of the County Clerk of Rockwall County, Texas, as required by Texas Local Government Code Section 102.009(d).

SECTION 8: Any provision of any prior ordinance of the City, whether codified or uncodified, which in conflict with any provision of this Ordinance, is hereby repealed to the extent of conflict, but all other provisions of the ordinances of the City, whether codified or uncodified, which are not in conflict with provisions of this Ordinance shall remain in full force and effect.

SECTION 9: It is hereby declared to be the intention of the City Council that the words, phrases, clauses, sentences, paragraphs and sections of this Ordinance are severable, and if any word, phrase, clause, sentence, paragraph or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining words, phrases, clauses, sentences, paragraphs and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation of this Ordinance or any such unconstitutional word, phrase, clause, sentence, paragraph or section.

SECTION 10: This ordinance shall take effect immediately from and after its passage and approval, and it is so ordained.

PRESENTED AND APPROVED THIS 23rd DAY OF SEPTEMBER 2025 BY A VOTE OF _____ FOR, _____ AGAINST, _____ ABSTENTIONS AT A MEETING OF THE CITY COUNCIL OF THE CITY OF HEATH, TEXAS.

| Council Member: | For: | Against: | Abstain: |
|---------------------------------|-------------|-----------------|-----------------|
| Mayor Jeremiah McClure | _____ | _____ | _____ |
| Mayor Pro Tem Scott Dodson | _____ | _____ | _____ |
| Councilmember Cindy Horne | _____ | _____ | _____ |
| Councilmember Johnny Myers | _____ | _____ | _____ |
| Councilmember Ryan Moorman | _____ | _____ | _____ |
| Councilmember Michelle Thurgood | _____ | _____ | _____ |
| Councilmember Mitch Ownby | _____ | _____ | _____ |

ATTEST:

APPROVED:

NORMA DUNCAN, CITY SECRETARY

JEREMIAH MCCLURE, MAYOR

APPROVED AS TO FORM:

MARIE N. JOHNSON, ASSISTANT CITY ATTORNEY

Exhibit A - Option 2

PROPOSED BUDGET AND PLAN OF MUNICIPAL SERVICES FOR FY 2025-26 STATEMENT OF REVENUES & EXPENDITURES - ALL FUNDS

| | General Fund | Utility Fund | Solid Waste Fund | General Debt Service Fund | Minor Special Revenue Funds ⁽¹⁾ | PATH Fund | Drainage Utility Fund | Fire Station Building Fund |
|---|----------------------|----------------------|---------------------|---------------------------|--|---------------------|-----------------------|----------------------------|
| BEGINNING FUND BALANCE | \$ 6,498,552 | \$ 15,432,630 | \$ 201,759 | \$ 951,694 | \$ 420,694 | \$ 248,424 | \$ 170,548 | \$ 1,576,951 |
| REVENUES/SOURCES OF FUNDS | | | | | | | | |
| Taxes | \$ 8,986,478 | \$ - | \$ - | \$ 3,235,105 | \$ - | \$ - | \$ - | \$ - |
| Franchise Fees | 745,482 | - | - | - | - | - | - | - |
| Licenses & Permits | 842,290 | - | - | - | - | - | - | - |
| Charges for Services | 738,475 | 21,755,720 | 1,315,620 | - | - | - | - | - |
| Fines & Forfeits | 152,910 | 77,722 | 8,250 | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - | - |
| Miscellaneous | 271,344 | 192,594 | 11,500 | 17,300 | 22,061 | 14,950 | 3,100 | 25,000 |
| Total Revenues | \$ 11,736,979 | \$ 22,026,036 | \$ 1,335,370 | \$ 3,252,405 | \$ 22,061 | \$ 14,950 | \$ 3,100 | \$ 25,000 |
| Other Sources: | | | | | | | | |
| Bond Proceeds | - | - | - | - | - | - | - | - |
| Transfers In | \$ 494,300 | \$ 40,000 | \$ - | \$ - | \$ - | \$ - | \$ 248,000 | \$ 128,000 |
| Total Other Sources | \$ 494,300 | \$ 40,000 | \$ - | \$ - | \$ - | \$ - | \$ 248,000 | \$ 128,000 |
| Total Revenues Sources | \$ 12,231,279 | \$ 22,066,036 | \$ 1,335,370 | \$ 3,252,405 | \$ 22,061 | \$ 14,950 | \$ 251,100 | \$ 153,000 |
| EXPENDITURES/USES OF FUNDS | | | | | | | | |
| Personnel Services | | | | | | | | |
| Payroll | \$ 5,830,147 | \$ 1,675,506 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Payroll Taxes | 454,084 | 118,266 | - | - | - | - | - | - |
| Retirement | 773,044 | 206,206 | - | - | - | - | - | - |
| Insurance | 1,079,872 | 246,155 | - | - | - | - | - | - |
| Total Personnel | \$ 8,137,147 | \$ 2,246,133 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Supplies & Equipment | 265,451 | 449,000 | - | - | - | - | - | - |
| Services & Charges | 2,759,225 | 9,237,250 | 1,314,474 | 10,000 | - | 1,000 | - | - |
| Capital Outlay | 57,300 | 18,500 | - | - | - | 200,000 | 125,000 | 1,700,000 |
| Total Expenditures | \$ 11,219,123 | \$ 11,950,883 | \$ 1,314,474 | \$ 10,000 | \$ - | \$ 201,000 | \$ 125,000 | \$ 1,700,000 |
| Other Uses: | | | | | | | | |
| Debt Service | \$ - | \$ 6,739,224 | \$ - | \$ 3,156,109 | \$ - | \$ - | \$ - | \$ - |
| Transfers to Other Funds | 1,270,700 | 2,856,000 | 80,000 | - | - | - | - | - |
| Total Other Uses | \$ 1,270,700 | \$ 9,595,224 | \$ 80,000 | \$ 3,156,109 | \$ - | \$ - | \$ - | \$ - |
| Total Expenditures/Uses | \$ 12,489,823 | \$ 21,546,107 | \$ 1,394,474 | \$ 3,166,109 | \$ - | \$ 201,000 | \$ 125,000 | \$ 1,700,000 |
| Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses | \$ (258,544) | \$ 519,929 | \$ (59,104) | \$ 86,296 | \$ 22,061 | \$ (186,050) | \$ 126,100 | \$ (1,547,000) |
| Fund Balance | \$ 6,240,008 | \$ 15,952,559 | \$ 142,655 | \$ 1,037,990 | \$ 442,755 | \$ 62,374 | \$ 296,648 | \$ 29,951 |
| Ideal Fund Balance | \$ 4,371,438 | \$ 7,749,279 | \$ - | \$ 263,842 | \$ - | \$ - | \$ - | \$ - |
| Fund Balance in Excess of Minimum | \$ 1,868,570 | \$ 8,203,280 | \$ 142,655 | \$ 774,147 | \$ 442,755 | \$ 62,374 | \$ 296,648 | \$ 29,951 |

⁽¹⁾ Minor Special Revenue Funds include the Municipal Court & DPS Fund, Marsha's Happy Haven Fund, Farmers' Market Fund, Parkland Dedication Fund & the Tree Mitigation Fund.

| General Equipment Replacement Fund | Utility Equipment Replacement Fund | Parks CIP | Street Escrow Fund | General CIP | 2023 CO Series CIP | Utility Reserve Fund | 2026 CO Series CIP | Heath EDC | Heath MBC | Total |
|---|---|----------------|-----------------------|----------------|-----------------------|-------------------------|-----------------------|--------------|--------------|-----------------|
| \$ 864,958 | \$ 536,902 | \$ 1,471,674 | \$ 288,932 | \$ 11,347,025 | \$ 17,366,360 | \$ 1,564,197 | \$ - | \$ 1,727,387 | \$ 1,494,830 | \$ 62,163,516 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 918,487 | \$ 918,487 | \$ 14,058,557 |
| - | - | - | - | - | - | - | - | - | - | 745,482 |
| - | - | - | - | 848,384 | - | - | - | - | - | 842,290 |
| - | - | - | - | 2,000,000 | - | - | - | - | - | 24,658,199 |
| - | - | - | - | 378,261 | 762,950 | 535,993 | 399,375 | 45,500 | 45,500 | 238,882 |
| 11,050 | - | 1,000 | 3,000 | 2,000,000 | - | - | - | - | - | 2,000,000 |
| \$ 11,050 | \$ - | \$ 1,000 | \$ 3,000 | \$ 3,226,645 | \$ 762,950 | \$ 535,993 | \$ 399,375 | \$ 963,987 | \$ 963,987 | \$ 45,283,888 |
| - | - | - | - | - | - | - | 40,500,000 | - | - | 40,500,000 |
| \$ 545,700 | \$ 215,700 | \$ - | \$ - | \$ 725,000 | \$ 1,200,000 | \$ 2,311,000 | \$ - | \$ - | \$ - | \$ 5,907,700 |
| \$ 545,700 | \$ 215,700 | \$ - | \$ - | \$ 725,000 | \$ 1,200,000 | \$ 2,311,000 | \$ 40,500,000 | \$ - | \$ - | \$ 46,407,700 |
| \$ 556,750 | \$ 215,700 | \$ 1,000 | \$ 3,000 | \$ 3,951,645 | \$ 1,962,950 | \$ 2,846,993 | \$ 40,899,375 | \$ 963,987 | \$ 963,987 | \$ 91,691,588 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 7,505,653 |
| - | - | - | - | - | - | - | - | - | - | 572,350 |
| - | - | - | - | - | - | - | - | - | - | 979,250 |
| - | - | - | - | - | - | - | - | - | - | 1,326,027 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 10,383,280 |
| - | - | - | - | - | - | - | - | 7,200 | 5,700 | 727,351 |
| - | - | - | - | 131,959 | - | 367,000 | 807,120 | 56,542 | 69,542 | 14,754,112 |
| 1,311,357 | 190,000 | 75,000 | - | 9,766,000 | 15,000,000 | 3,878,000 | 35,500,000 | - | - | 67,821,157 |
| \$ 1,311,357 | \$ 190,000 | \$ 75,000 | \$ - | \$ 9,897,959 | \$ 15,000,000 | \$ 4,245,000 | \$ 36,307,120 | \$ 63,742 | \$ 75,242 | \$ 93,685,900 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 490,811 | \$ 473,925 | \$ 10,860,069 |
| - | - | 1,200,000 | - | 373,000 | 128,000 | - | - | - | - | 5,907,700 |
| \$ - | \$ - | \$ 1,200,000 | \$ - | \$ 373,000 | \$ 128,000 | \$ - | \$ - | \$ 490,811 | \$ 473,925 | \$ 16,767,769 |
| \$ 1,311,357 | \$ 190,000 | \$ 1,275,000 | \$ - | \$ 10,270,959 | \$ 15,128,000 | \$ 4,245,000 | \$ 36,307,120 | \$ 554,553 | \$ 549,167 | \$ 110,453,669 |
| \$ (754,607) | \$ 25,700 | \$ (1,274,000) | \$ 3,000 | \$ (6,319,314) | \$ (13,165,050) | \$ (1,398,007) | \$ 4,592,255 | \$ 409,434 | \$ 414,820 | \$ (18,762,081) |
| \$ 110,351 | \$ 562,602 | \$ 197,674 | \$ 291,932 | \$ 5,027,711 | \$ 4,201,310 | \$ 166,190 | \$ 4,592,255 | \$ 2,136,821 | \$ 1,909,650 | \$ 43,401,435 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| \$ 110,351 | \$ 562,602 | \$ 197,674 | \$ 291,932 | \$ 5,027,711 | \$ 4,201,310 | \$ 166,190 | \$ 4,592,255 | \$ 2,136,821 | \$ 1,909,650 | \$ 43,401,435 |

**SUMMARY OF ALL FUNDS
STATEMENT OF REVENUES & EXPENDITURES**

| | FY 2024 Actual | FY 2025 Budget | FY 2025 Projected | FY 2026 Proposed |
|---|----------------------|-----------------------|------------------------|------------------------|
| BEGINNING FUND BALANCE | \$ 54,156,296 | \$ 87,371,095 | \$ 87,371,095 | \$ 62,163,516 |
| REVENUES/SOURCES OF FUNDS | | | | |
| Taxes | \$ 11,844,746 | \$ 12,000,566 | \$ 13,104,515 | \$ 14,058,557 |
| Franchise Fees | 722,806 | 685,000 | 727,204 | 745,482 |
| Licenses & Permits | 449,310 | 781,300 | 796,821 | 842,290 |
| Charges for Services | 17,931,293 | 16,974,700 | 20,494,113 | 24,658,199 |
| Fines & Forfeits | 249,265 | 209,000 | 236,384 | 238,882 |
| Intergovernmental | - | - | - | 2,000,000 |
| Miscellaneous | 3,778,217 | 944,500 | 4,139,424 | 2,740,478 |
| Total Revenues | \$ 34,975,637 | 31,595,066 | \$ 39,498,461 | \$ 45,283,888 |
| Other Sources: | | | | |
| Bond Proceeds | \$ 30,661,649 | \$ 34,600,000 | \$ - | \$ 40,500,000 |
| Transfers In | 6,775,954 | 4,257,200 | 4,263,200 | 5,907,700 |
| Total Other Sources | \$ 37,437,603 | \$ 38,857,200 | \$ 4,263,200 | \$ 46,407,700 |
| Total Revenues Sources | \$ 72,413,240 | \$ 70,452,266 | \$ 43,761,661 | \$ 91,691,588 |
| EXPENDITURES/USES OF FUNDS | | | | |
| Personnel Services | | | | |
| Payroll | \$ 5,243,655 | \$ 6,567,800 | \$ 5,938,758 | \$ 7,505,653 |
| Payroll Taxes | 433,701 | 551,600 | 478,676 | 572,350 |
| Retirement | 736,113 | 834,400 | 739,725 | 979,250 |
| Insurance | 958,535 | 1,122,360 | 955,026 | 1,326,027 |
| Total Personnel | \$ 7,372,004 | \$ 9,076,160 | \$ 8,112,185 | \$ 10,383,280 |
| Supplies & Equipment | 571,889 | 549,400 | 650,353 | 727,351 |
| Services & Charges | 12,052,175 | 16,406,019 | 15,929,177 | 14,754,112 |
| Capital Outlay | 5,429,078 | 12,539,016 | 31,901,746 | 67,821,157 |
| Total Expenditures | \$ 25,425,146 | \$ 38,570,595 | \$ 56,593,461 | \$ 93,685,900 |
| Other Uses: | | | | |
| Debt Service | \$ 6,529,268 | \$ 7,585,094 | \$ 8,112,579 | \$ 10,860,069 |
| Grants | - | 150,000 | - | - |
| Transfers to Other Funds | 7,244,027 | 4,263,200 | 4,263,200 | 5,907,700 |
| Total Other Uses | \$ 13,773,295 | \$ 11,998,294 | \$ 12,375,779 | \$ 16,767,769 |
| Total Expenditures/Uses | \$ 39,198,441 | \$ 50,568,889 | \$ 68,969,240 | \$ 110,453,669 |
| Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses | \$ 33,214,799 | \$ 19,883,377 | \$ (25,207,579) | \$ (18,762,081) |
| Fund Balance | \$ 87,371,095 | \$ 107,254,472 | \$ 62,163,516 | \$ 43,401,435 |

Exhibit A - Option 2

UTILITY FUND STATEMENT OF REVENUES AND EXPENDITURES BY DEPARTMENT

| | FY 2024 Actual | FY 2025 Budget | FY 2025 Projected | FY 2026 Proposed |
|---|----------------------|-----------------------|----------------------|----------------------|
| BEGINNING FUND BALANCE | \$ 14,042,394 | \$ 15,447,170 | \$ 15,447,170 | \$ 15,432,630 |
| REVENUES/SOURCES OF FUNDS | | | | |
| Charges for Services | \$ 15,374,312 | \$ 15,321,000 | \$ 17,925,013 | \$ 21,755,720 |
| Fines & Forfeits | 73,810 | 62,000 | 78,975 | 77,722 |
| Miscellaneous | 240,740 | 134,800 | 211,727 | 192,594 |
| Total Revenues | \$ 15,688,861 | 15,517,800 | \$ 18,215,715 | \$ 22,026,036 |
| Other Sources: | | | | |
| Transfers In | \$ 40,000 | \$ 40,000 | \$ 40,000 | \$ 40,000 |
| Total Other Sources | \$ 40,000 | \$ 40,000 | \$ 40,000 | \$ 40,000 |
| Total Revenues Sources | \$ 15,728,861 | \$ 15,557,800 | \$ 18,255,715 | \$ 22,066,036 |
| EXPENDITURES/USES OF FUNDS | | | | |
| Water Distribution | \$ 4,454,452 | \$ 5,143,900 | \$ 4,891,875 | \$ 5,264,349 |
| Sewer Collections | 2,670,583 | 3,970,000 | 4,469,042 | 4,419,637 |
| Utility Administration | 798,904 | 1,049,100 | 972,988 | 1,258,790 |
| Utility Billing/Customer Servi | 260,228 | 350,400 | 246,327 | 308,107 |
| Non-Departmental | 505,502 | 556,700 | 649,103 | 700,000 |
| Total Expenditures | \$ 8,689,667 | \$ 11,070,100 | \$ 11,229,335 | \$ 11,950,883 |
| Other Uses: | | | | |
| Debt Service | \$ 3,549,943 | \$ 3,942,700 | \$ 4,356,920 | \$ 6,739,224 |
| Transfers to Other Funds | 2,084,475 | 2,684,000 | 2,684,000 | 2,856,000 |
| Total Other Uses | \$ 5,634,418 | \$ 6,626,700 | \$ 7,040,920 | \$ 9,595,224 |
| Total Expenditures/Uses | \$ 14,324,086 | \$ 17,696,800 | \$ 18,270,255 | \$ 21,546,107 |
| Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses | \$ 1,404,776 | \$ (2,139,000) | \$ (14,540) | \$ 519,929 |
| Fund Balance | \$ 15,447,170 | \$ 13,308,170 | \$ 15,432,630 | \$ 15,952,559 |
| Ideal Fund Balance | \$ 5,013,430 | \$ 6,193,880 | \$ 6,394,589 | \$ 7,541,137 |
| Fund Balance in Excess of Minimum | \$ 10,433,740 | \$ 7,114,290 | \$ 9,038,041 | \$ 8,411,422 |

UTILITY FUND
STATEMENT OF REVENUES & EXPENDITURES BY TYPE

| | FY 2024 Actual | FY 2025 Budget | FY 2025 Projected | FY 2026 Proposed |
|---|----------------------|----------------------|----------------------|----------------------|
| BEGINNING FUND BALANCE | \$ 14,042,394 | \$ 15,447,170 | \$ 15,447,170 | \$ 15,432,630 |
| REVENUES/SOURCES OF FUNDS | | | | |
| Charges for Services | \$ 15,374,312 | \$ 15,321,000 | \$ 17,925,013 | \$ 21,755,720 |
| Fines & Forfeits | 73,810 | 62,000 | 78,975 | 77,722 |
| Miscellaneous | 240,740 | 134,800 | 211,727 | 192,594 |
| Total Revenues | <u>\$ 15,688,861</u> | <u>15,517,800</u> | <u>\$ 18,215,715</u> | <u>\$ 22,026,036</u> |
| Other Sources: | | | | |
| Transfers In | \$ 40,000 | \$ 40,000 | \$ 40,000 | \$ 40,000 |
| Total Other Sources | <u>\$ 40,000</u> | <u>\$ 40,000</u> | <u>\$ 40,000</u> | <u>\$ 40,000</u> |
| Total Revenues Sources | <u>\$ 15,728,861</u> | <u>\$ 15,557,800</u> | <u>\$ 18,255,715</u> | <u>\$ 22,066,036</u> |
| EXPENDITURES/USES OF FUNDS | | | | |
| Personnel Services | | | | |
| Payroll | \$ 1,021,378 | \$ 1,474,900 | \$ 1,276,305 | \$ 1,675,506 |
| Payroll Taxes | 79,295 | 117,200 | 94,304 | 118,266 |
| Retirement | 134,816 | 178,800 | 141,381 | 206,206 |
| Insurance | 168,582 | 256,100 | 167,705 | 246,155 |
| Total Personnel | <u>\$ 1,404,072</u> | <u>\$ 2,027,000</u> | <u>\$ 1,679,695</u> | <u>\$ 2,246,133</u> |
| Supplies & Equipment | 321,576 | 288,800 | 405,527 | 449,000 |
| Services & Charges | 6,927,949 | 8,735,300 | 9,130,149 | 9,237,250 |
| Capital Outlay | 36,071 | 19,000 | 13,964 | 18,500 |
| Total Expenditures | <u>\$ 8,689,667</u> | <u>\$ 11,070,100</u> | <u>\$ 11,229,335</u> | <u>\$ 11,950,883</u> |
| Other Uses: | | | | |
| Debt Service | \$ 3,549,943 | \$ 3,942,700 | \$ 4,356,920 | \$ 6,739,224 |
| Transfers to Other Funds | 2,084,475 | 2,684,000 | 2,684,000 | 2,856,000 |
| Total Other Uses | <u>\$ 5,634,418</u> | <u>\$ 6,626,700</u> | <u>\$ 7,040,920</u> | <u>\$ 9,595,224</u> |
| Total Expenditures/Uses | <u>\$ 14,324,086</u> | <u>\$ 17,696,800</u> | <u>\$ 18,270,255</u> | <u>\$ 21,546,107</u> |
| Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses | \$ 1,404,776 | \$ (2,139,000) | \$ (14,540) | \$ 519,929 |
| Fund Balance | \$ 15,447,170 | \$ 13,308,170 | \$ 15,432,630 | \$ 15,952,559 |
| Ideal Fund Balance | \$ 5,013,430 | \$ 6,193,880 | \$ 6,394,589 | \$ 7,541,137 |
| Fund Balance in Excess of Minimum | \$ 10,433,740 | \$ 7,114,290 | \$ 9,038,040 | \$ 8,411,421 |

**UTILITY FUND
STATEMENT OF REVENUES**

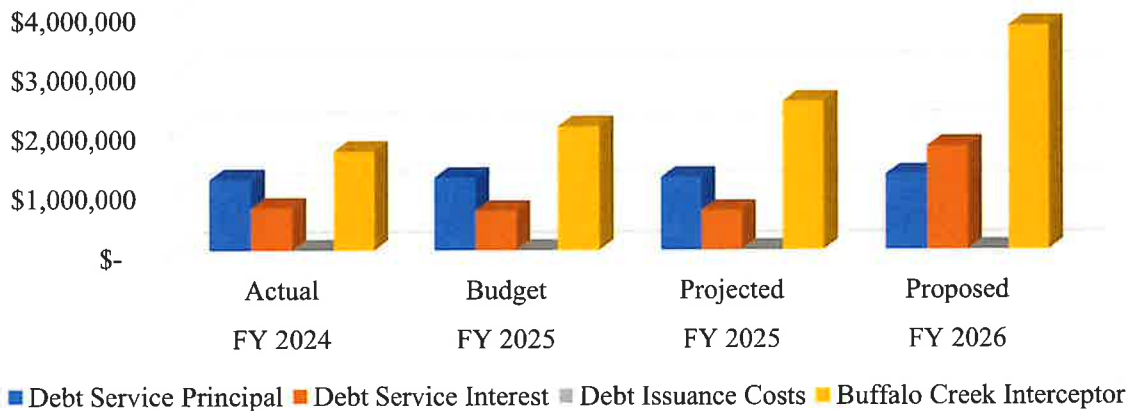
| | FY 2024 Actual | FY 2025 Budget | FY 2025 Projected | FY 2026 Proposed |
|-----------------------------|---------------------------|---------------------------|------------------------------|-----------------------------|
| Charges for Services | | | | |
| Water Sales | \$ 7,291,013 | \$ 7,458,600 | \$ 7,900,525 | \$ 9,796,651 |
| Meter Installation Charges | 2,456 | 3,500 | 2,583 | 3,500 |
| Sewer Charges | 7,040,659 | 6,939,600 | 8,309,192 | 9,973,071 |
| Line Extension Charges | 51,274 | 45,000 | 123,253 | 160,578 |
| Impact Fees | 783,595 | 723,200 | 1,305,930 | 1,505,091 |
| Transaction Fees | 124,455 | 110,000 | 118,548 | 130,402 |
| Reconnect Fees | 3,600 | 11,100 | 4,500 | 11,100 |
| Tap Fees | 75,439 | 29,000 | 158,479 | 174,327 |
| NSF Check Fees | 1,820 | 1,000 | 2,003 | 1,000 |
| <i>Subtotal</i> | \$ 15,374,312 | \$ 15,321,000 | \$ 17,925,013 | \$ 21,755,720 |
| Fines & Forfeits | | | | |
| Administrative Penalties | \$ - | \$ - | \$ 11,700 | \$ - |
| Late Payment Penalties | 73,810 | 62,000 | 67,275 | 77,722 |
| <i>Subtotal</i> | \$ 73,810 | \$ 62,000 | \$ 67,275 | \$ 77,722 |
| Miscellaneous | | | | |
| Interest Earnings | \$ 232,555 | \$ 125,000 | \$ 199,454 | \$ 179,509 |
| Miscellaneous | 8,185 | 9,800 | 12,273 | 13,085 |
| <i>Subtotal</i> | \$ 240,740 | \$ 134,800 | \$ 211,727 | \$ 192,594 |
| Total Revenues | \$ 15,688,861 | \$ 15,517,800 | \$ 18,204,015 | \$ 22,026,036 |



Debt Service

EXPENDITURE SUMMARY

| | FY 2024 Actual | FY 2025 Budget | FY 2025 Projected | FY 2026 Proposed | % Change 2025 to 2026 |
|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------------|
| Debt Service Principal | \$ 1,185,640 | \$ 1,213,800 | \$ 1,213,800 | \$ 1,258,661 | 3.70% |
| Debt Service Interest | 706,874 | 657,300 | 657,300 | 1,729,213 | 163.08% |
| Debt Issuance Costs | - | 500 | 500 | 500 | 0.00% |
| Buffalo Creek Interceptor | <u>1,657,429</u> | <u>2,071,100</u> | <u>2,485,320</u> | <u>3,750,850</u> | 81.10% |
| Total Department | <u>\$ 3,549,943</u> | <u>\$ 3,942,700</u> | <u>\$ 4,356,920</u> | <u>\$ 6,739,224</u> | 70.93% |



SIGNIFICANT BUDGETARY ITEMS/CHANGES

| Utility Debt Service | Principal | Interest | Total P & I |
|---|------------|--------------|--------------|
| Combo Tax and Surplus Revenue , CO Series 2013 | 205,000.00 | 214,100.00 | 419,100.00 |
| GO Refunding, Series 2015 | 395,000.00 | 12,129.25 | 407,129.25 |
| Combo Tax and Surplus Revenue , CO Series 2017 | 650,000.00 | 377,400.00 | 1,027,400.00 |
| Combo Tax and Surplus Revenue , CO Series 2019 | 2,453.80 | 1,462.72 | 3,916.52 |
| Combo Tax and Surplus Revenue PID, CO Series 2019 | 6,206.27 | 3,889.64 | 10,095.91 |
| CO Tax and Surplus Revenue, CO Series 2026 (Proposed) | - | 1,120,230.00 | 1,120,230.00 |

**Buffalo Creek Interceptor payments are calculated based on flow through the interceptor.

**CO SERIES 2026 CAPITAL
STATEMENT OF REVENUES & EXPENDITURES BY TYPE**

| | FY 2024 Actual | FY 2025 Budget | FY 2025 Projected | FY 2026 Proposed |
|---|-------------------|----------------------|----------------------|----------------------|
| BEGINNING FUND BALANCE | \$ - | \$ - | \$ - | \$ - |
| REVENUES/SOURCES OF FUNDS | | | | |
| Bond Proceeds | \$ - | \$ 34,600,000 | \$ - | \$ 40,500,000 |
| Interest Earnings | - | - | - | 399,375 |
| Total Revenues | - | 34,600,000 | - | 40,899,375 |
| Other Sources: | | | | |
| Transfers In | \$ - | \$ - | \$ - | \$ - |
| Total Other Sources | \$ - | \$ - | \$ - | \$ - |
| Total Revenues Sources | <u>\$ -</u> | <u>\$ 34,600,000</u> | <u>\$ -</u> | <u>\$ 40,899,375</u> |
| EXPENDITURES/USES OF FUNDS | | | | |
| Supplies & Equipment | - | - | - | - |
| Services & Charges | \$ - | \$ - | \$ - | \$ 807,120 |
| Capital Outlay | - | 6,800,000 | - | 35,500,000 |
| Total Expenditures | \$ - | \$ 6,800,000 | \$ - | \$ 36,307,120 |
| Other Uses: | | | | |
| Transfers to Other Funds | \$ - | \$ - | \$ - | \$ - |
| Total Other Uses | \$ - | \$ - | \$ - | \$ - |
| Total Expenditures | <u>\$ -</u> | <u>\$ 6,800,000</u> | <u>\$ -</u> | <u>\$ 36,307,120</u> |
| Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses | \$ - | \$ 27,800,000 | \$ - | \$ 4,592,255 |
| Fund Balance | \$ - | \$ 27,800,000 | \$ - | \$ 4,592,255 |