



**A Premier Outdoor Lifestyle Community**

# **CITY OF HEATH**

PROPOSED BUDGET AND PLAN OF MUNICIPAL SERVICES  
FISCAL YEAR 2025-26

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# City of Heath

## Proposed Budget and Plan of Municipal Services

This budget will raise more revenue from property taxes than last year’s budget by an amount of \$377,887, which is a 3.84% percent increase from last year’s budget. The property tax revenue raised from new property added to the tax roll this year is \$196,850.

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

FOR:

AGAINST:

PRESENT and not voting:

ABSENT:

Tax Rate:	Proposed FY 2025-26*	Adopted FY 2024-25
Property Tax Rate:	\$0.275650/100	\$0.290311/100
No-New-Revenue Tax Rate:	\$0.272010/100	\$0.259649/100
No-New-Revenue Maintenance & Operations Tax Rate:	\$0.179752/100	\$0.173384/100
Voter-Approval Tax Rate:	\$0.275650/100	\$0.293603/100
Debt Rate:	\$0.087014/100	\$0.098936/100

**\*Estimated and will change. Calculation made prior to final tax calculation worksheet being completed by Rockwall Central Appraisal District (RCAD)..**

Total debt obligations for the City of Heath secured by taxes: \$3,142,877.59

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# **Future Budget Presentation Award**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

# **Proposed Budget and Plan of Municipal Services**

**October 1, 2025, through September 30, 2026**

## **Principal Officials**

### **Mayor & City Council**

Jeremiah McClure, Mayor

Scott Dodson, Mayor Pro Tem

Cindy Horne, Council Member – Place 1

Johnny Myers, Council Member – Place 2

Ryan Moorman, Council Member – Place 3

Michelle Thurgood, Council Member – Place 4

Mitch Ownby, Council Member – Place 6

### **City Staff**

Steven Alexander, City Manager

Assistant City Manager (Vacant)

Jay Ayers, CGFO, Director of Finance

Bryan Creed, Director of Public Works

Brandon Seery, Director of Public Safety

David Gonzalez, AICP, Director of Community Development

Norma Duncan, TRMC, City Secretary

Richard Dormier, P.E., City Engineer

Suzanne Brooke, Chief Communications Officer/Events Coordinator

Andy Messer, City Attorney

City of Heath, Texas  
 Fiscal Year 2025-26 Proposed Budget  
 Table of Contents

	Document Page No.
Cover Page (Truth in Taxation Notice).....	1
Award Recognition (Future) .....	2
List of Principal Officials.....	3
Table of Contents .....	5

**Budget Message**

Proposed Budget Transmittal Letter .....	9
Proposed Budget – by Fund.....	26

**Budget Information**

Summary of All Funds -Combined Budget Summary .....	29
Ordinance Adopting the Annual Budget.....	31
Ordinance Adopting the Property Tax Rate .....	35
Ordinance Adopting the Municipal Fee Schedule .....	39
Authorized Personnel – Funding by Division and Fund.....	41
Authorized Personnel – Funding by Function and Fund .....	42

**General Fund**

General Fund.....	43
Summary Statement of Revenues & Expenditures by Division .....	45
Summary Statement of Revenues & Expenditures by Type .....	46
Statements of Revenues .....	47
Division Budgets	
City Council .....	49
City Secretary.....	50
City Manager .....	51
City Attorney.....	52
Community Development Division .....	53
Engineering Division .....	54
Finance Division .....	55
Information Technology Division.....	56
Municipal Court Division .....	57
Parks Department.....	58
Public Safety Division .....	59
Public Works Division .....	60
Streets Division.....	61
Non-Divisional.....	62
Transfers to Other Funds.....	63

## Enterprise Funds

Utility Fund.....	65
Summary Statement of Revenue & Expenses by Division.....	67
Summary Statement of Revenues & Expenses by Type.....	68
Statement of Revenues.....	69
Division Budgets	
Water Distribution Division.....	71
Sewer Collections Division.....	72
Utility Administration Division.....	73
Utility Billing/Customer Service Division.....	74
Non-Divisional.....	75
Debt Service.....	76
Utility Fund Debt Schedules.....	77
Transfers to Other Funds.....	81
 Solid Waste Fund.....	 83
Summary Statement of Revenues & Expenses by Division.....	85
Summary of Revenues & Expenses by Type.....	86
Statement of Revenues.....	87
Division Budgets	
Sanitation Division.....	89
Transfer to Other Funds.....	90

## Debt Service Funds

Debt Service Fund.....	91
Summary Statement of Revenues & Expenditures.....	93
Debt Schedules.....	94

## Other Funds

Other Funds as Defined.....	103
Municipal Court and Public Safety Fund	
Statement of Revenues & Expenditures.....	105
Marsha's Happy Haven Fund	
Statement of Revenues & Expenditures.....	106
Famers' Market Fund	
Statement of Revenues & Expenditures.....	107
Parkland Dedication Fund	
Statement of Revenues & Expenditures.....	108
PATH Fund	
Statement of Revenues & Expenditures.....	109
Drainage Utility Fund	
Statement of Revenues & Expenditures.....	110

Fire Station Building Fund	
Statement of Revenues & Expenditures .....	111
Equipment Replacement Fund	
Statement of Revenues & Expenditures .....	112
Utility Equipment Replacement Fund	
Statement of Revenues & Expenditures .....	114
Tree Mitigation Fund	
Statement of Revenues & Expenditures .....	116
Park CIP Fund	
Statement of Revenues & Expenditures .....	117
Street Escrow Fund	
Statement of Revenues & Expenditures .....	118

**Capital Improvements**

Capital Projects Funds .....	119
General Capital Projects Fund	
Statement of Revenues & Expenditures .....	120
Utility Fund Capital Projects Fund	
Statement of Revenues & Expenditures .....	121
CO 2023 Series Capital Projects Fund	
Statement of Revenues & Expenditures .....	122
CO 2026 Series Utility Capital Projects Fund	
Statement of Revenues & Expenditures .....	123

**Economic Development**

Heath Economic Development Corporation	
Statement of Revenues & Expenditures .....	126
Heath Municipal Benefits Corporation	
Statement of Revenues & Expenditures .....	127

**Appendices**

Pay Plan - Civilian .....	131
Pay Plan - DPS.....	135
Financial Policies .....	139
City Charter – Chapter 8: City Departments and Fiscal Administration .....	147
Fee Schedule .....	153
Tax Calculation Worksheet .....	161

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August 6, 2025

Honorable Mayor McClure, Members of the City Council, and Citizens of the City of Heath:

In accordance with the Texas Local Government Code and the City of Heath’s Charter, it is our honor to present the Proposed Budget and Plan of Municipal Services (“Proposed Budget”) for the fiscal year beginning October 1, 2025, and ending September 30, 2026 (“FY2026”). It is important to remember that this is a proposed budget and is subject to changes throughout the budgetary process. Changes may occur due to identified errors or additions and deletions made by City Staff or the City Council.

The Proposed Budget incorporates a property tax rate of \$0.275650 per \$100 of taxable assessed valuation, reflecting a 5.1% reduction from the FY2025 adopted tax rate of \$0.290311. This decrease is, in part, due to the State’s limitations placed on a City’s ability to raise property tax revenue but also demonstrates the City of Heath’s ongoing commitment to managing costs while maintaining high-quality services for residents.

Developed through collaborative efforts among City Staff, City Council, and community input gathered during strategic planning and budget workshops, the FY2026 Proposed Budget reflects a thoughtful balance between maintaining essential services and making targeted investments to support long-term community goals. The budget priorities include a continued investment in critical infrastructure – including water, wastewater, and roadway improvements – to support both current needs and future growth. Moreover, significant funding is dedicated to advancing public safety through enhancements in personnel, equipment, and facilities to meet the expectations of a growing population.

The City continues to maintain strong reserves and a structurally balanced approach to operations, ensuring that financial stability remains a cornerstone of decision-making. Each allocation within the budget reflects a commitment to responsible stewardship and aligning resources with the community’s shared vision for the future.

Accordingly, the Proposed Budget serves as:

- A fiscal policy document that communicates service delivery expectations and accountability for both residents and staff; and
- A financial plan that outlines projected revenues, planned expenditures, and the strategies for funding operations and capital needs; and
- An operational guide for deploying personnel, equipment, and infrastructure to meet service demands through the fiscal year.

We are grateful for the City Council’s leadership and vision, and for the engagement of all parties who continue to help shape a thriving, well-managed, and forward-looking community.

## Budget Brief

The annual budget is the City of Heath’s primary fiscal and policy document. It reflects the culmination of a comprehensive financial planning process that integrates community priorities, staff expertise, and a commitment to long-term sustainability. The Proposed Budget embodies the City’s fiduciary responsibility, strategic vision, and continued focus on delivering high-quality municipal services. Presentations that will be made to the City Council, as well as other budget-related information, can be found on the City’s website at [www.heathtx.com](http://www.heathtx.com). General highlights of the Proposed Budget are as follows:

### SUMMARY OF ALL FUNDS FOR ALL FUNDS SUBJECT TO APPROPRIATION

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change FY2025 Budget to Proposed
<b>EXPENDITURES/USES OF FUNDS</b>					
Total Personnel	\$ 7,372,004	\$ 9,076,160	\$ 8,112,185	\$ 10,383,280	14.4%
Supplies & Equipment	571,889	549,400	650,353	727,351	32.4%
Services & Charges	12,052,175	16,406,019	15,929,177	14,754,112	-10.1%
Capital Outlay	5,429,078	12,539,016	26,338,569	67,821,157	440.9%
<b>Total Expenditures</b>	<b>\$ 25,425,146</b>	<b>\$ 38,570,595</b>	<b>\$ 51,030,284</b>	<b>\$ 93,685,900</b>	<b>142.9%</b>
<b>Other Uses:</b>					
Debt Service	\$ 6,529,268	\$ 7,585,094	\$ 8,112,579	\$ 12,358,839	62.9%
Grants	-	150,000	-	-	-100.0%
Transfers to Other Funds	7,244,027	4,263,200	4,263,200	5,907,700	38.6%
<b>Total Other Uses</b>	<b>\$ 13,773,295</b>	<b>\$ 11,998,294</b>	<b>\$ 12,375,779</b>	<b>\$ 18,266,539</b>	<b>52.2%</b>
<b>Total Expenditures/Uses</b>	<b>\$ 39,198,441</b>	<b>\$ 50,568,889</b>	<b>\$ 63,406,063</b>	<b>\$ 111,952,439</b>	<b>121.4%</b>

The overall change in personnel costs of 14.4% from FY2025 to FY2026 is a result of the addition of personnel needed to enhance resiliency in service delivery, provide staffing for the new public safety buildings, address pay adjustments, and fund anticipated growth in the cost of employee benefits.

Services & Charges show a budget year-over-year decrease primarily to the design contracts for the ground storage and elevated storage tank projects projected to be fully encumbered in FY2025. Construction is anticipated to commence in FY2026. While this reduction contributes to the overall decrease in this category, the City continues to incur significant expenditures in wastewater treatment services provided by the North Texas Municipal Water District (NTMWD).

The most significant increase between FY2025 and FY2026 is a 440.9% increase in Capital Outlay, marking a transformative year for infrastructure delivery. Guided by City Council’s top priorities, this investment accelerates projects in water supply and distribution, road construction, and drainage improvements. These efforts are key components of the City’s Water Bridge Plan and multi-year capital strategy, ensuring long-term service reliability and fiscal responsibility.

## Budgetary Process

Date	Topic
March 28	Budget Work Session #1: Strategic Planning and Budget Priorities
June 4	Budget Work Session #2: Introduction to Budgeting and Finance
July 25	Receive the 2025 Certified Appraisal Roll from the Rockwall County Appraisal District
<b>July 31</b>	Preliminary Proposed Budget for FY2026 delivered to City Council and Finance Board
August 1	Review and discuss the FY2026 Proposed Budget with City Council
August 5	FY2026 Proposed Budget filed with City Secretary
<b>August 11</b>	Record vote on the proposed tax rate Schedule public hearing on tax rate, fee, and rate schedule Schedule a public hearing on budget
September 9	Public Hearing on the Proposed Budget Public Hearing on the Tax Rate.
September 23	Adoption of an ordinance approving the budget for FY2026 (record vote). Adoption of an ordinance authorizing the 2025 property tax rate Adoption of a resolution setting out the pay plan for FY2026 Adoption of the fee schedule for FY2026

## Budget Strategic Planning Process

As part of the City’s commitment to transparency, collaboration, and long-term vision, the development of the FY2026 Proposed Budget includes an intentional and structured strategic planning process designed to gather input from City Staff and the City Council.

One key engagement tool used during this process was a Budget Priorities Exercise, in which participants were asked to provide input guiding the development of the budget. Participants were encouraged to share their priorities across different themes and time horizons. These responses were organized into five tiers (Level 1 through 5) based on frequency, relevance, and strategic alignment.

The process included:

- Facilitating discussions among City Staff and City Council Members to reflect on long-term infrastructure, operations, and service delivery needs.
- Engaging in an exercise that allowed participants to identify both immediate concerns and future opportunities.
- Categorizing of input into priority levels, enabling leadership to assess which issues had the most resonance across the organization and community.

The results of the engagement revealed several consistent themes that directly influenced the structure and priorities of the FY2026 Proposed Budget:

- **Level 1 (Highest Frequency and Urgency):**  
Focused heavily on water-related issues, including water storage, water system expansion, and

long-term reliability. Roads, trail development, and maintaining a stable tax rate also emerged as top-tier concerns.

➤ **Level 2:**

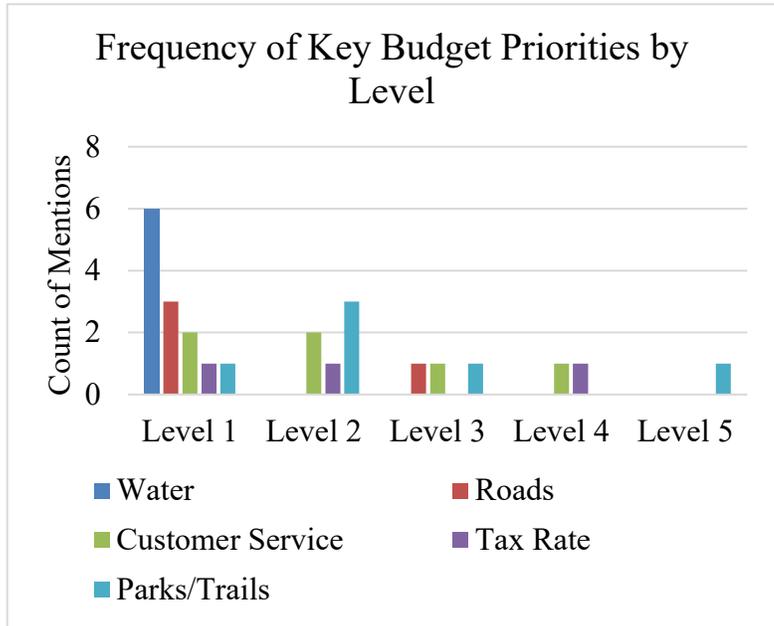
Reflected broader strategic goals such as sustainability, economic development, beautification, and enhancing parks and trails. Participants emphasized hiring in-house expertise (e.g., legal, engineering), increasing code enforcement staff, and securing grant funding.

➤ **Level 3 and 4:**

Captured operational refinements such as improving permitting processes, enhancing customer service, park maintenance, ordinance enforcement, and procurement policy updates.

➤ **Level 5 (Forward-Looking Enhancements):**

Addressed employee satisfaction, training, and retention, consistent performance evaluations, and community safety measures such as park surveillance and better internal feedback opportunities.



This structured and inclusive process ensured that the FY2026 Proposed Budget was rooted in real, community-informed priorities – balancing urgent infrastructure needs with long-term service excellence and organizational health. The budget attempts to reflect those priorities through major investments in water infrastructure, road maintenance, community development, parks maintenance, and financial sustainability.

**Budget Revenue Components**

The City of Heath's total revenues across all funds, including inter-fund transfers and, are projected at \$111.95 million for FY2026. The Proposed Budget continues to reflect the City’s commitment to prudent financial planning and conservative revenue assumptions, ensuring fiscal stability while supporting core municipal services.

Consistent with its character as a residential community with limited commercial activity, the City of Heath does not rely on a highly diversified revenue portfolio. Instead, the budget is supported by stable and recurring revenue sources that are closely aligned with the City’s long-term financial structure and service delivery framework.

Making up 98% of total revenues (excluding inter-fund transfers and anticipated bond proceeds), the City’s primary operating revenues are derived from the following sources:

- Ad Valorem (Property Taxes)
- Sales and Use Taxes

- Development-Related Fees and Permits
- Franchise and Right-of-Way Fees
- Utility Service Charges (Water, Sewer, and Solid Waste)
- Interest Earnings and Intergovernmental Revenue

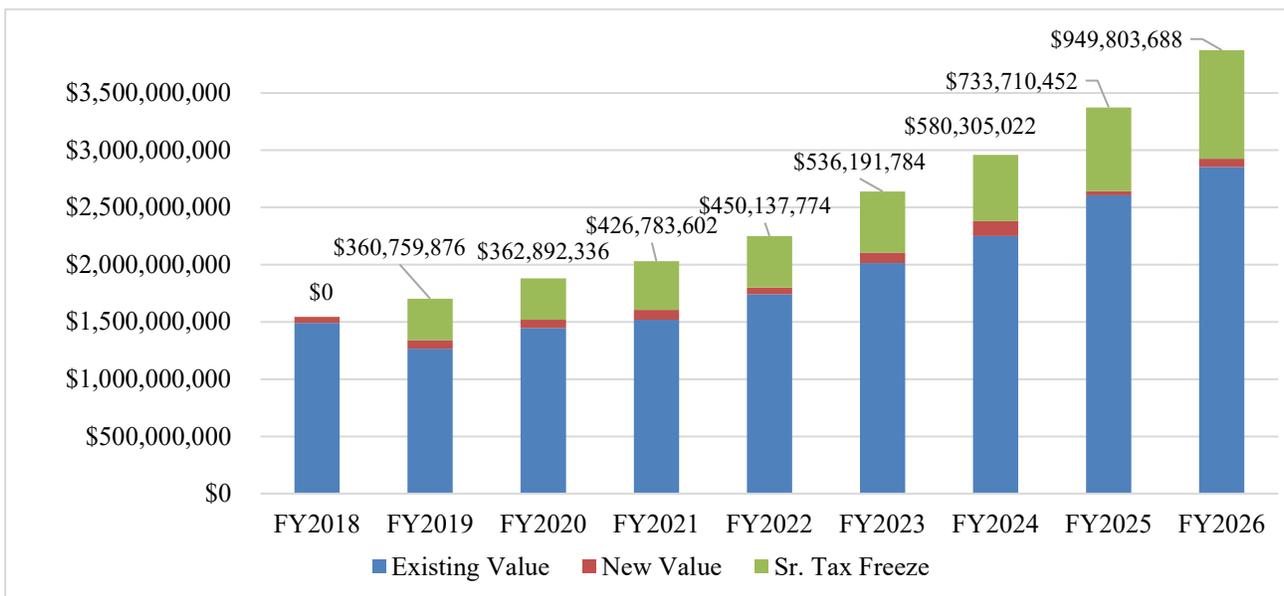
These revenues provide funding for essential municipal operations, including public safety, infrastructure maintenance, community development, parks and trails, and general government administration.

**Property Taxes** – In accordance with Texas law, the City of Heath’s total ad valorem tax rate is composed of two components: the **Maintenance and Operation (M&O) rate** and the **Interest and Sinking (I&S) rate**. Each serves a distinct purpose and is governed by separate statutory provisions established by the Texas Legislature.

- The **M&O rate** funds the City’s general governmental operations, including public safety (police and fire), public works, parks and trails, community development, and administrative functions. The City Council sets the M&O rate annually based on a detailed cost analysis of resources necessary to deliver the level of service expected by Heath residents.
- The **I&S rate** is used exclusively to pay debt service on the City’s outstanding general obligation bonds and certificates of obligation. These debt instruments are typically issued to finance major capital investments, such as roadway reconstruction, public safety facilities, and other non-utility capital projects. The I&S rate is adjusted annually based on the required debt payments and changes in the City’s certified taxable assessed value, as determined by the Rockwall Central Appraisal District (RCAD).

### Growth in Taxable Assessed Value and Senior Tax Freeze Impact

As adopted by the City of Heath, the property tax ceiling “senior tax freeze” limits the amount of property taxes owed by residents aged 65 and older to the amount paid in the year their freeze was established. This protection reduces the City’s ability to collect additional revenue from taxable value growth within



this demographic and must be factored into annual revenue projections.

The chart above illustrates the growth in the City of Heath's taxable assessed value from FY2018 through the FY2026 Proposed Budget. Over this period, the City has seen consistent increases in existing property value, driven primarily by rising appraisal values and continued residential reinvestment.

While new value—representing new construction and additions to the tax roll—has contributed to overall growth, it remains a relatively modest portion of the City's total taxable base compared to appreciation in existing value.

The chart also highlights the growing impact of the Senior Tax Freeze, shown in green. Since the implementation of the over-65 tax freeze in FY2019, the frozen taxable value has increased significantly. For FY2026, the total frozen value is projected to exceed \$949 million, representing a meaningful portion of the City's tax base that does not generate additional revenue despite rising property values.

As the frozen portion of the tax roll continues to expand, the City must carefully balance service delivery and financial planning to ensure long-term sustainability without placing undue pressure on the remaining taxable base.

### **Proposed Tax Rate**

At 21.9% of total revenues (exclusive of inter-fund transfers and anticipated bond proceeds), ad valorem tax is one of the largest and most stable revenue sources for the City of Heath. The City of Heath is proposing a total tax rate of \$0.275650 per \$100 of taxable assessed valuation, a modest reduction from the FY2025 adopted rate of \$0.290311. This proposed tax rate was developed in conjunction with updated certified values provided by RCAD.

Taxable values including (exclusive of values that have a tax ceiling) values are projected to grow by approximately 5.4%, resulting in an increase of \$151 million over the prior year's certified values. While new construction contributed to the overall increase, totaling \$76,292,236, the majority of value growth continues to be driven by reappraisal of existing properties.

The proposed property tax rate for Fiscal Year 2025–26 is equal to the **Voter Approval Rate (VAR)** of \$0.275650 per \$100 valuation, comprised of a Maintenance & Operations (M&O) rate of \$0.188636 and an Interest & Sinking (I&S) rate of \$0.087014.

The VAR represents the maximum rate a city may adopt under the State's revenue limitations without triggering an automatic election. This framework, established by the Texas Legislature, is intended to control the growth of local property tax revenues while still allowing cities to fund debt service and essential municipal operations.

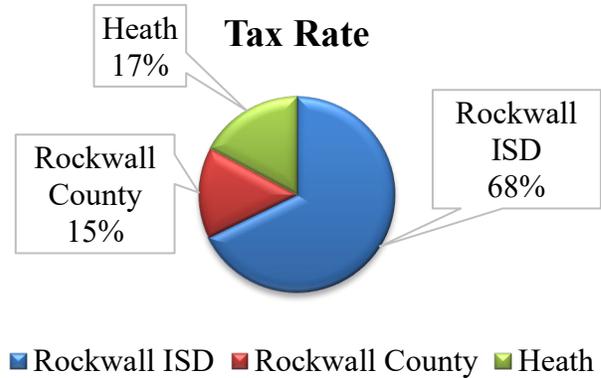
By adopting the VAR, the City of Heath is maintaining compliance with state law while also securing the revenues necessary to continue providing high-quality services, invest in infrastructure, and support community priorities. This approach reflects a balance between fiscal responsibility, service delivery, and the constraints imposed by State Revenue Caps, which are discussed in the following section.

## Impact of State-Imposed Revenue Caps

Revenue constraints imposed by changes to State law in past legislative sessions continue to limit the City’s ability to respond to inflationary pressures, infrastructure needs, and service demands. Under pre-2019 rules, cities could adopt a rate up to 8% above the Effective Rate (now the NNR rate) without triggering an election. The reduction to a 3.5% threshold reduces local flexibility and may restrict future capital planning absent alternative funding mechanisms, such as debt or grants.

## Tax Burden Distribution

As is typical in Texas municipalities, the City of Heath receives only a portion of each property tax dollar paid by residents. The majority of the total tax bill is allocated to overlapping jurisdictions, including Rockwall ISD and Rockwall County. The City’s share of the average residential bill remains comparatively low, at 17% of the aggregate tax rate, particularly in relation to the level of service provided.



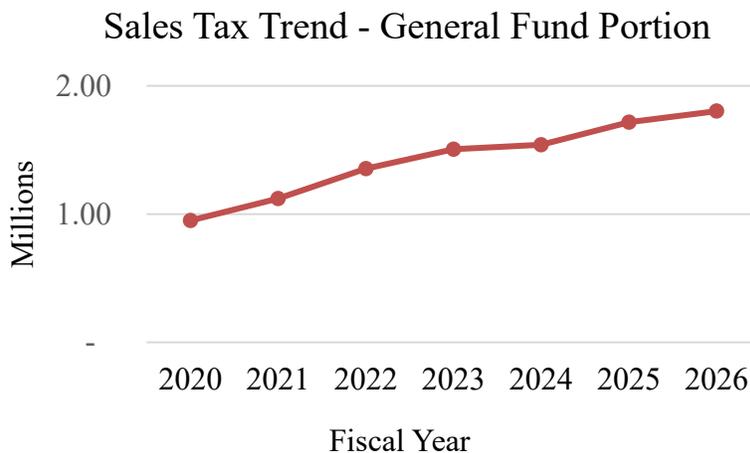
**Sales Taxes** – Sales tax revenue represents a modest but consistent component of the City of Heath’s revenue structure. The FY2026 total sales tax collections are projected at \$3,673,948, with 50% allocated to the City’s General Fund and the remaining 50% distributed equally between the Heath Economic Development Corporation (HEDC) and the Heath Municipal Benefits Corporation (HMBC), in accordance with state law and local ballot authorization.



Revenues allocated to the HEDC and HMBC support initiatives that enhance quality of life, promote responsible economic development, and reduce reliance on the General Fund to support public services and infrastructure long-term.

Sales tax revenue accounts for approximately 7.8% of total operating revenues, excluding interfund transfers. Given Heath’s limited commercial development and its character as a residential community,

sales tax revenues are not a major driver of the City’s overall financial position. The current sales tax base is composed primarily of small-scale, neighborhood-serving businesses, with minimal regional activity.



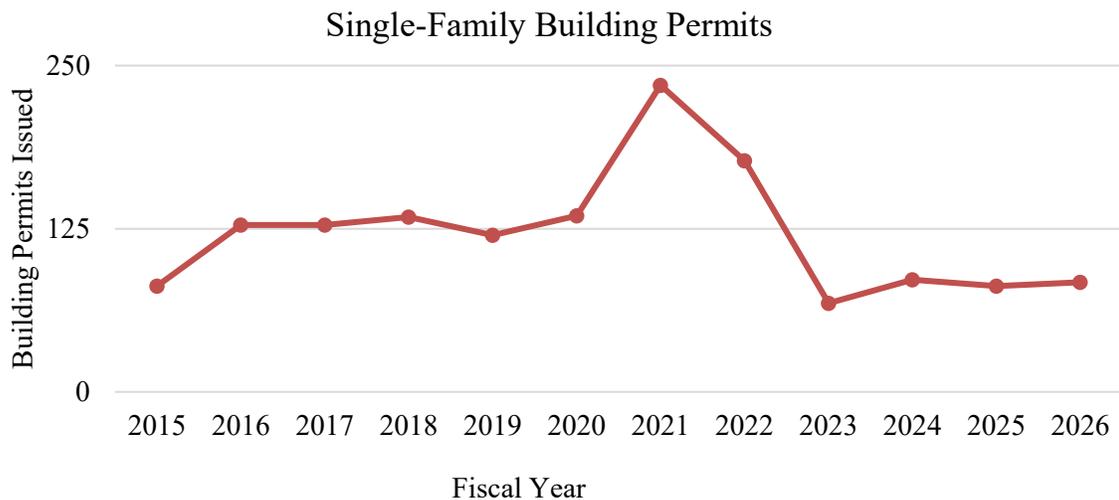
The FY2026 projection assumes a conservative growth outlook based on recent trends and current development activity. While Heath continues to prioritize thoughtful and strategic economic

development, near-term sales growth is expected to remain stable but modest.

**Development and Permit Fees** – Revenues from development activity and permit fees are closely tied to residential construction activity within the City. For FY2026, making up approximately 8% of total operating revenues, these revenues are projected at \$3,848,990, based on recent trends in single-family home permitting and associated development.

The City of Heath continues to maintain its identity as a low-density, predominately residential community with limited commercial development. These development patterns align with the City’s long-term vision and Comprehensive Plan and contribute to the unique character that distinguishes Heath from more urbanized neighboring jurisdictions. As such, the City’s permit activity is driven almost entirely by single-family residential construction, accessory structures, and home improvement projects.

From FY2015 to FY2021, Heath experienced sustained growth in new residential construction, peaking at 235 single-family permits in FY2021. Since then, permitting volumes have moderated in response to broader market conditions, with 81 permits issued so far in FY2025, consistent with FY2024 levels.



Development-related revenues include fees for plan reviews, building inspections, engineering services, erosion control, tree mitigation, contractor registration, development fees and impact fees. These revenues help offset the operational costs associated with administering and enforcing development regulations as well as meeting capital needs resulting from growth of the community.

**Franchise Fees**

Totaling \$740,310, franchise fees make up approximately 1.6% of operating revenues, franchises fees are paid by publicly franchised utilities that operate in the City’s right-of-way. Companies paying fees for the use of the City’s public right-of-way include Atmos, Oncor, and AT&T to name a few. The methods of payment differ among the type of utility. For example, Oncor pays a per kilowatt hour fee based on the amount of kilowatt hours used within the community, while Atmos gas pays a percentage of gross receipts and telecommunication providers pay a per access line fee.

## ***Water, Sewer, Solid Waste Fees***

The City provides full-service utility operations, including water distribution, wastewater collection, and residential solid waste services. Utility Fund revenues and Solid Waste Fund revenues are generated from customer user charges and are dedicated to supporting operations, infrastructure investment, and contractual service obligations.

The City is continuing to work with a water and wastewater rate consultant, Willdan, to develop a comprehensive utility rate model to ensure that future rate structures reflect these capital investments and long-term operating costs. This model will guide future rate decisions, evaluate system equity across customer classes, and ensure the Utility Fund remains financially self-sustaining.

### **Water Revenues**

Total revenues included in the Proposed Budget for FY2026 anticipated to be generated from water rates are \$10,775,492, or 23%, of total operating revenues. Revenues proposed are 47.1% higher than revenues anticipated in the FY2025 Adopted Budget. The increase in revenues is primarily driven by a planned rate increase necessary to address growing costs charged by the North Texas Municipal Utility District and a planned debt issuance by the City of Heath to fund the Water Bridge Plan.

Based on the rate study mentioned above, water rates would need to be adjusted by 25% in FY2026 along with future increases over the next two years ranging between 20-21%. To the extent the proposed rate is approved, the monthly financial impact to the average homeowner using 10,000 gallons of water per month is approximately \$25.37 per month.

### **Wastewater Revenues**

Wastewater revenues are generated from wastewater rates charged on utility bills and total \$9,973,071 in the Proposed Budget for FY2026 making up 21.4% of the total operating revenues. Total wastewater revenue proposed for FY2026 is \$3,033,471, or 43.7%, higher than those included in the FY 2025 Adopted Budget. The increase in these revenues are driven predominately by increases in charges assessed by the NTMWD that will be recovered through rate adjustments to the City's wastewater rates.

It is anticipated, based on Willdan's rate analysis, that rates will need to increase by 24% to recover these growing costs. The City uses winter-average billing for residential customers, which calculates a ceiling in the volume of wastewater billed for each month. If the proposed rate adjustments are approved, the average residential customer with a wastewater ceiling of 10,000 gallons will see an increase in their monthly utility bill of approximately \$18.92 per month.

### **Solid Waste Fees**

The City of Heath contracts with Waste Connections to provide residential solid waste and recycling services. Monthly fees assessed to the customers are structured to fully recover the cost of service, including curbside, bulk waste pickup, and contract administration. Revenues generated by these fees total \$1,315,620 and make up approximately 2.8% of the total operating revenues.

Revenues for FY2026 are anticipated to grow by \$55,620 or 4.4%, predominately due to a rate adjustment needed to accommodate increased charges from Waste Connection. As such, it is anticipated that the average residential customer will see an increase of \$0.64 per month on their utility bill in

connection with solid waste services.

**Interest Revenue** - Interest earnings remain an important source of non-recurring revenue for the City of Heath, contributing approximately 6% of total projected operating revenues in the FY2026 Proposed Budget. However, interest income is expected to decline in the upcoming fiscal year due to market-driven factors and the planned expenditure of previously issued bond proceeds.

In FY2024, the City realized \$3.4 million in interest earnings—driven by elevated short-term interest rates and substantial investment balances, particularly from unspent proceeds related to the 2023 Certificates of Obligation. Interest revenue decreased to \$3.0 million in FY2025 and is projected to fall further to \$2.8 million in FY2026, reflecting the drawdown of bond proceeds and anticipated easing of interest rates through actions of the Federal Reserve. Current projections suggest that average yields on short-duration investments may range between 3.75% and 4.25%, depending on Federal Reserve monetary policy adjustments and broader economic conditions.

A substantial portion of the City's recent interest income can be attributed to bond proceeds from the 2023 Certificate of Obligation, which provided funding for the Public Works Facility, Public Safety Facilities, Towne Center Park enhancements, and the potential acquisition of a fire ladder truck. To ensure compliance with federal arbitrage regulations, the City has retained Hilltop Securities to actively monitor arbitrage rebate and yield restriction requirements related to the 2023 issuance. Their oversight ensures that the City complies with IRS rules governing investment earnings on tax-exempt bond proceeds.

The City continues to take a conservative approach to forecasting interest revenue, recognizing the volatility of this income stream. As earnings normalize, interest revenue will continue to supplement the General Fund and other major funds, but the City remains focused on sustaining core services through structurally recurring revenue sources.

## **Budget Expenditures**

Overall, total operating and capital expenditures for the City of Heath, exclusive of inter-fund transfers and anticipated debt service, are projected to increase by \$55,115,305, or 142.9%, compared to the FY2025 Adopted. This year-over-year increase is primarily attributed to the progression of major capital projects outlined in the City's Water Bridge Plan, scheduled equipment and infrastructure replacements, utility cost escalations, and strategic personnel investments.

Looking at just operational costs exclusive of engineering fees associated with capital projects, the overall increase between the FY2026 Proposed Budget and the FY2025 Adopted Budget amounts to 7.5%.

For FY2026, approximately 91.4% of total operating expenditures are made up of compensation and benefits, water, wastewater and solid waste third-party contracts, new programs and services and capital expenditures.

## **Compensation and Benefits**

Personnel costs account for approximately 11.1% of the total FY2026 Proposed Budget exclusive of interfund transfers and debt service. Removing capital expenditures from the equation, personnel costs

make up 40% of proposed operating cost, underscoring the City of Heath’s commitment to investing in its workforce as the foundation of municipal service delivery. The budget supports strategic adjustments to compensation and benefits that reflect both market conditions and the City’s priorities in retaining qualified employees.

The FY2026 budget includes a 4% adjustment for all civilian employees. This adjustment is consistent with regional inflationary indicators, such as the 2.7% Consumer Price Index (CPI) projected for the U.S. Bureau of Labor Statistics in FY2026, and similar adjustment planned by neighboring jurisdictions. The ATB not only furthers the City’s retention and recruitment efforts but aims to preserve employee purchasing power in the face of rising costs for housing, transportation, and consumer goods, while also reinforcing the City’s long-term compensation strategy. Over the next year City Staff will be updating the City’s employee performance evaluations, which will be used in future years to provide for annual merit adjustments.

The Proposed Budget continues the implementation of the City’s Public Safety Step Pay Plan, which provides an average 5% step increase for sworn Police and Fire personnel each year. This structured pay progression rewards years of service, encourages retention, and ensures the City remains competitive in recruiting and retaining public safety professionals in a highly competitive North Texas labor market. In furtherance of this, the Proposed Budget for FY2026 includes modifying this pay plan to accommodate an additional step.

Overall, the increase in salaries, (not inclusive of payroll taxes, TMRS, etc.) amounts to \$271,313 in the FY2026 Proposed Budget.

Wellness benefits for employees make up \$1,326,027, or 5.1% the FY2026 Proposed Budget (exclusive of capital, transfer and debt service). It is expected that the City will experience increases in the cost of dental and health insurance provided to employees as follows.

- Medical insurance premiums are expected to rise by 5%, reflecting market conditions and plan utilization.
- Dental insurance premiums are projected to increase by 9%, based on updated provider rates.

These adjustments ensure the City’s total compensation package remains competitive and sustainable, while supporting workforce stability and excellence in service delivery.

## **FY2026 Compensation and Benefits Summary**

<b>Category</b>	<b>Change</b>	<b>Notes</b>
<b>Pay Adjustments for Civilians</b>	+4%	Applied to general employee salaries where no structured progression exists
<b>Public Safety Step Plan</b>	+5%	Structured progression of sworn Public Safety personnel
<b>Medical Insurance Premiums</b>	+5%	Based on market projections and will depend on overall utilization of the current plan
<b>Dental Insurance Premiums</b>	+9%	Reflects updated provider costs

The City participates in the Texas Municipal Retirement System (TMRS). The City's pension liability represents the single largest liability, with the exception of outstanding debt, reflected in the City's annual financial statements amounting to \$19,733,729. Fortunately, this liability is currently 92.1% funded as of December 31, 2024. The City's contribution rate for FY2026 is increasing slightly from 11.95% to 12.55% of payroll expenses. The new contribution rate has been incorporated into the FY2026 Proposed Budget.

### **Water, Sewer & Solid Waste Charges**

The cost of treated water makes up \$4,151,800, or 16.1%, of the FY2026 Proposed Budget (exclusive of capital, transfer and debt service). This cost is proposed to be \$196,000, or .05%, higher than the amount included in the FY2025 Adopted Budget. Compared to projected year-end costs of treated water, the Proposed Budget for FY2026 is growing by 7.6%.

The City purchases treated water from the City of Rockwall at a member rate, plus an upcharge of \$0.10 per 1,000 gallons. Rockwall's current member rate is \$3.85 per 1,000 gallons, bringing effective costs to \$3.95 per 1,000 gallons. The City's water contract includes a "take or pay" minimum of 983,839,800 gallons for FY2025, which requires the City to pay for that volume regardless of actual consumption. Preliminary projections indicate a 10-12% increase in the City of Rockwall's member rate in FY2026, which would raise Heath's cost proportionally. The City intends to maintain the \$0.10 upcharge, resulting in an expected cost of approximately \$4.33 to \$4.42 per 1,000 gallons in FY2026. Also, the upcharge may increase to a \$0.15 upcharge after contract renewal negotiations are finalized. This increase should be offset by the anticipated reduction in the take or pay amount currently reflected in the recently approved Memorandum of Understanding (MOU) with the City of Rockwall at 945,804,000.

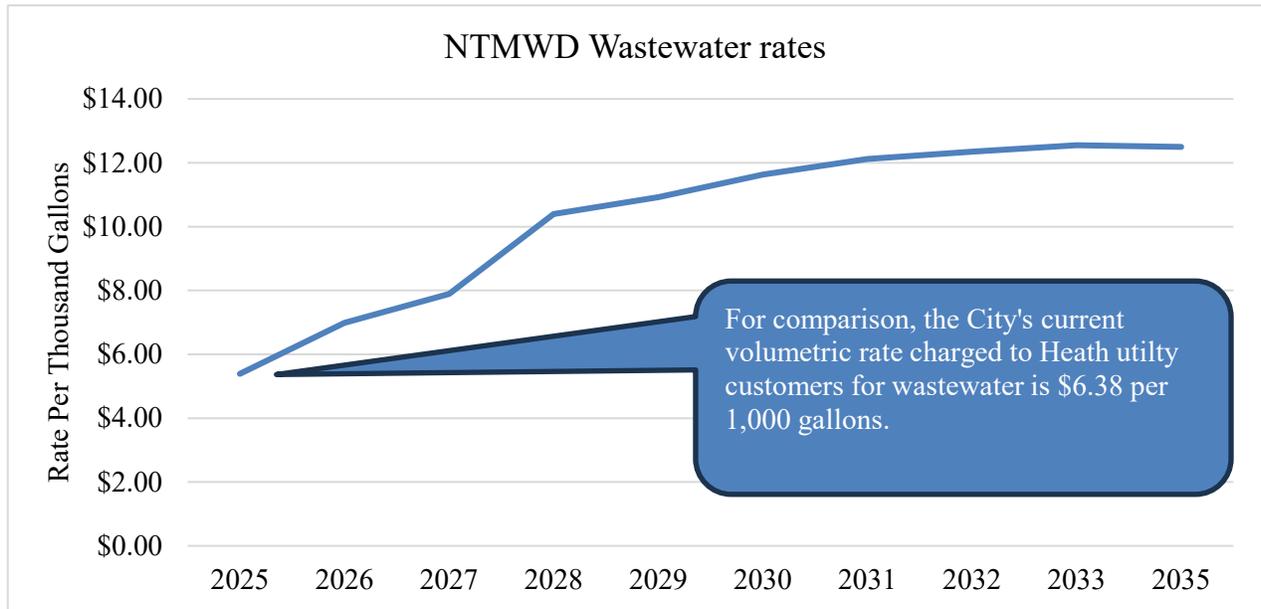
In parallel with rising wholesale costs, the City is preparing for substantial investments related to the Water Bridge Plan – a long-term capital strategy to enhance water reliability through redundancy and operational flexibility, capacity to meet future demand, and sustainability.

Upcoming major projects under the plan include:

- Six (6) new water wells
- 3.0 million-gallon (MG) Ground Storage Tank
- 1.5 MG Elevate Storage Tank
- Shared 3.0 MG Ground Storage Facility in partnership with the City of Rockwall

These projects are anticipated to be funded through the issuance of certificates of obligation during FY2026. It is expected that the debt necessary to fund these projects will be approximately \$72M; however, cost estimates are still being developed.

Costs charged by the NTMWD for the treatment of wastewater are proposed to be \$3,756,350, or 14.5% of total operating expenditures for FY2026. Related to the City's participation in NTMWD's regional wastewater system, these charges are expected to be \$415,650, or 12.4%, higher than the amount included in the FY2025 Adopted Budget. This amount does not include rates charged by the NTMWD for debt service associated with the construction of the Buffalo Creek Interceptor. The City's costs for the Buffalo Creek Interceptor are anticipated to be \$3,750,850 in FY2026, which is \$1,679,750, or 44.8%, higher than the amount included in the FY2025 Adopted Budget. Moreover, these charges are expected to continue increasing in the future as depicted in the chart below.



For FY2026, the NTMWD is increasing their regional system rates to the City of Heath by 13%, and increasing the rates associated with the Buffalo Creek Interceptor by 57%.

Wastewater treatment services are provided through the NTMWD, with two primary components:

- Regional Wastewater Treatment is currently billed at \$3.33 per 1,000 gallons, with a projected 13% increase in FY2026.
- Buffalo Creek Interceptor, which services a portion of Heath’s sewer system, is projected to increase 57% from its current rate of \$2.06 per 1,000 gallons

These escalating treatment costs are driven by NTMWD’s regional capital investments and increased operating expenses.

As for solid waste rates charged by Waste Connections as part of their contract with the City, the Proposed Budget for FY2026 anticipates total expenditures of \$1,314,474, or 5.1%, of the City’s total operating expenditures. Moreover, the amount proposed for FY2026 is \$164,474, or 14.3%, higher than the amount included in the FY2025 Adopted Budget; however, the increase is only \$42,066, or 3.3%, higher than year-end projects for FY2025.

Under the terms of the City’s agreement with Waste Connections, the service contract includes an annual price adjustment tied to the Consumer Price Index (CPI). For FY2026, a 2.7% CPI-based adjustment is anticipated to be applied, consistent with national inflation forecasts and allowable under the contract.

This adjustment reflects rising industry costs associated with labor, fuel, equipment, and disposal services. Although the increase is modest, it ensures the City can maintain uninterrupted, high-quality service without mid-year contract negotiations.

The updated solid waste rate typically goes into effect between the 1<sup>st</sup> and 2<sup>nd</sup> quarter of the fiscal year and is reflected on utility statements after the effective date.

## New Programs and Services

As the City continues to grow and adapt to evolving service demands, the FY2026 Proposed Budget introduces several strategic additions and enhancements aimed at strengthening core municipal functions, modernizing organizational structure, and proactively addressing infrastructure needs. These changes reflect priorities identified during budget workshops and align with the Comprehensive Plan and Council direction.

Notably, the City has established a dedicated Engineering Division to oversee infrastructure design and project delivery, while the former Engineering & Inspections Division has been renamed the Public Works Administration Division to more accurately reflect its function and responsibilities. These organizational adjustments are supported by targeted personnel increases and funding for street and drainage projects that directly respond to resident needs and operational capacity.

The FY2026 Proposed Budget also continues the City’s internal street repair and maintenance program with a dedicated allocation, ensuring the City can proactively address roadway issues in parallel with its capital street improvement plan. Enhanced support for park maintenance, public safety staffing, and ordinance modernization further demonstrates the City’s focus on sustaining high service levels as the community continues to grow.

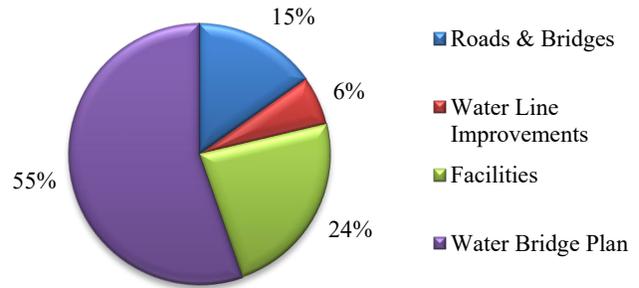
The following table summarizes the new or expanded programs and services incorporated into the FY2026 Proposed Budget:

Program/Service	Description	Budgeted Cost
<b>Two Parks Maintenance Worker Positions</b>	Conversion of two seasonal positions to full-time staff to ensure consistent, year-round park maintenance and upkeep	\$135,000
<b>Three Public Safety Officers Positions</b>	Additional staffing to support public safety operations and meet growing community service demands	\$472,500
<b>Ordinance Updates &amp; Consulting</b>	Funding for updates to zoning and development ordinances aligned with the Comprehensive Plan, including legal and planning consultation	\$280,000
<b>City Engineer Position</b>	New position to lead the City’s infrastructure planning, project review, and technical oversight under the newly formed Engineering Department	\$220,000
<b>HR Consultant</b>	Professional services to support recruitment, personnel policy updates, and organizational development	\$30,000
<b>Streets Maintenance Worker Position</b>	New position to initiate the development of an in-house street repair and maintenance program	\$70,000
<b>Drainage Repair Program</b>	Targeted funding to address localized drainage issues and improve stormwater management infrastructure	\$75,000

## Capital Improvements

The City maintains essentially three capital projects funds. Making up \$29,142,959, or 31.1%, of the overall operating budget, these funds consist of the General Capital Projects Fund, the 2023 CO Series Capital Projects Fund and the Utility Reserve Fund. A new Utility Capital Projects Fund has been added for FY2026 to accommodate funding the City’s Water Bridge Plan. Directed by the City Council, this plan was developed to expand the City’s supply of water to address both short-term water shortages during the summer months and to accommodate future growth of the City. To fulfill this plan, and based on discussions held in a prior budget work session with the City Council, the FY2026 Proposed Budget includes the planned issuance of \$72M in Certificates Obligation. This funding is not only anticipated to pay for the construction of Well #1, located at Towne Park Center, but will also provide the City 6MG of additional water storage, and five additional water wells with an expected yield of 750K-1M gallons of potable water each day. Each of these funds provide for various capital projects throughout the community.

### Capital Budget by Category



The FY2026 Proposed Budget has the following projects anticipated for each of these funds.

<b>Fund/Project</b>	<b>Amount</b>
<b><u>General Capital Projects Fund</u></b>	
Street Maintenance Program	\$966,000
Terry Lane	2,000,000
Hubbard Drive – Phase 4	<u>6,800,000</u>
<b>Total</b>	<b>\$9,766,000</b>
<b><u>Utility Capital Reserve Fund</u></b>	
Hubbard Drive – Phase 4 (Water Line)	\$900,000
Fire Flow Improvement No. 2 – Candlelite Park	<u>2,978,000</u>
<b>Total</b>	<b>\$3,878,000</b>
<b><u>2023 CO Series Capital Projects Fund</u></b>	
Public Safety Facility No. 1	\$5,550,000
Public Safety Facility No. 2	<u>9,450,000</u>
<b>Total</b>	<b>\$15,000,000</b>
<b><u>2026 CO Series Utility Capital Projects Fund</u></b>	
Well #1 @ Towne Park Center	\$8,000,000
1.5MG Elevated Water Tank	14,000,000
3.0 MG Ground Storage Tank	9,000,000
3.0MG Heath/Rockwall Shared GST	<u>4,500,000</u>
<b>Total</b>	<b>\$35,500,000</b>
<b>Total Capital Improvements</b>	<b><u>\$64,144,000</u></b>

Funding for these projects comes from a variety of sources including Rockwall County, impact fees, developer fees and proceeds from debt issuances.

## Fund Balances

Each fund maintained by the City of Heath has a fund balance, which represents the net accumulation of revenues over expenditures from prior fiscal years. Fund balances serve as a key indicator of financial health and provide necessary reserves for cash flow, emergencies, and one-time funding needs.

The City's adopted financial policies require the General Fund and Utility Fund to maintain a minimum fund balance equal to 35% of annual operating expenditures. The FY2026 Proposed Budget meets this requirement in both funds, ensuring continued fiscal stability and adherence to sound financial management practices.

The various capital projects funds are also projected to maintain a positive balance throughout the fiscal year, with funding aligned to planned construction schedules and long-term capital planning.

Overall, the City's total fund balance across all funds is projected to increase from \$67.726 million in FY2025 to \$80.255 million in FY 2026.

## Conclusion

In closing, it is important to express appreciation to the Mayor and City Council for their continued leadership, vision, and dedication to the City of Heath. Local governance succeeds when it is rooted in strong relationships, clear policy direction, and a shared commitment to the community's values. The FY2026 Proposed Budget reflects those values—emphasizing sound financial stewardship, sustained investment in infrastructure, premier service delivery, and long-term sustainability of City operations.

As Heath continues to evolve, it remains critical that we prepare for the challenges associated with growth, aging infrastructure, service demand, and talent retention. The City's commitment to maintaining a high quality of life for its residents depends on the dedication, professionalism, and compassion of its employees. We recognize that our most important asset is our people--those who operate and maintain critical infrastructure, ensure public safety, manage resources, and serve as stewards of our parks, neighborhoods, and shared spaces.

This budget was prepared collaboratively, and special thanks is extended to the department directors, division managers, and support staff who contributed their time, expertise, and energy to its development. Their efforts ensure that this document is not just a financial plan, but a blueprint for responsible governance and service excellence.

To the City Council, thank you for your continued guidance and service to the residents of Heath. Your support empowers staff to deliver on the City's mission and vision. We are proud to serve this remarkable community and remain energized by the opportunity to protect and enhance the unique character that makes Heath a place to call home for a lifetime.

Respectfully Submitted



Steven Alexander  
City Manager



Jay Ayers, CGFO  
Director of Finance

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

	<u>General Fund</u>	<u>Utility Fund</u>	<u>Solid Waste Fund</u>	<u>General Debt Service Fund</u>	<u>Minor Special Revenue Funds<sup>(1)</sup></u>	<u>PATH Fund</u>	<u>Drainage Utility Fund</u>	<u>Fire Station Building Fund</u>
<b>BEGINNING FUND BALANCE</b>	\$ 6,563,952	\$ 15,432,630	\$ 201,759	\$ 951,694	\$ 420,694	\$ 248,424	\$ 170,548	\$ 1,576,951
<b>REVENUES/SOURCES OF FUNDS</b>								
Taxes	\$ 8,986,478	\$ -	\$ -	\$ 3,235,105	\$ -	\$ -	\$ -	\$ -
Franchise Fees	745,482	-	-	-	-	-	-	-
Licenses & Permits	842,290	-	-	-	-	-	-	-
Charges for Services	738,475	22,734,561	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
<b>Total Revenues</b>	<b>\$ 11,736,979</b>	<b>\$ 23,004,877</b>	<b>\$ 1,335,370</b>	<b>\$ 3,252,405</b>	<b>\$ 22,061</b>	<b>\$ 14,950</b>	<b>\$ 3,100</b>	<b>\$ 25,000</b>
<b>Other Sources:</b>								
Bond Proceeds	-	-	-	-	\$ -	-	-	-
Transfers In	\$ 494,300	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 248,000	\$ 128,000
<b>Total Other Sources</b>	<b>\$ 494,300</b>	<b>\$ 40,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 248,000</b>	<b>\$ 128,000</b>
<b>Total Revenues Sources</b>	<b>\$ 12,231,279</b>	<b>\$ 23,044,877</b>	<b>\$ 1,335,370</b>	<b>\$ 3,252,405</b>	<b>\$ 22,061</b>	<b>\$ 14,950</b>	<b>\$ 251,100</b>	<b>\$ 153,000</b>
<b>EXPENDITURES/USES OF FUNDS</b>								
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	-	-	-	-	-	-
<b>Total Personnel</b>	<b>\$ 8,137,147</b>	<b>\$ 2,246,133</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
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
<b>Total Expenditures</b>	<b>\$ 11,219,123</b>	<b>\$ 11,950,883</b>	<b>\$ 1,314,474</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ 201,000</b>	<b>\$ 125,000</b>	<b>\$ 1,700,000</b>
<b>Other Uses:</b>								
Debt Service	\$ -	\$ 8,237,994	\$ -	\$ 3,156,109	\$ -	\$ -	\$ -	\$ -
Transfers to Other Funds	1,270,700	2,856,000	80,000	-	-	-	-	-
<b>Total Other Uses</b>	<b>\$ 1,270,700</b>	<b>\$ 11,093,994</b>	<b>\$ 80,000</b>	<b>\$ 3,156,109</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenditures/Uses</b>	<b>\$ 12,489,823</b>	<b>\$ 23,044,877</b>	<b>\$ 1,394,474</b>	<b>\$ 3,166,109</b>	<b>\$ -</b>	<b>\$ 201,000</b>	<b>\$ 125,000</b>	<b>\$ 1,700,000</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ (258,544)</b>	<b>\$ -</b>	<b>\$ (59,104)</b>	<b>\$ 86,296</b>	<b>\$ 22,061</b>	<b>\$ (186,050)</b>	<b>\$ 126,100</b>	<b>\$ (1,547,000)</b>
<b>Fund Balance</b>	<b>\$ 6,305,408</b>	<b>\$ 15,432,630</b>	<b>\$ 142,655</b>	<b>\$ 1,037,990</b>	<b>\$ 442,755</b>	<b>\$ 62,374</b>	<b>\$ 296,648</b>	<b>\$ 29,951</b>
<b>Ideal Fund Balance</b>	<b>\$ 4,371,438</b>	<b>\$ 8,065,707</b>	<b>\$ -</b>	<b>\$ 263,842</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balance in Excess of Minimum</b>	<b>\$ 1,933,970</b>	<b>\$ 7,366,923</b>	<b>\$ 142,655</b>	<b>\$ 774,147</b>	<b>\$ 442,755</b>	<b>\$ 62,374</b>	<b>\$ 296,648</b>	<b>\$ 29,951</b>

<sup>(1)</sup> 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	\$ 7,061,974	\$ -	\$ 1,727,387	\$ 1,494,830	\$ 67,726,693
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 918,487	\$ 918,487	\$ 14,058,557
-	-	-	-	-	-	-	-	-	-	745,482
-	-	-	-	-	-	-	-	-	-	842,290
-	-	-	-	848,384	-	-	-	-	-	25,637,040
-	-	-	-	-	-	-	-	-	-	238,882
-	-	-	-	2,000,000	-	-	-	-	-	2,000,000
11,050	-	1,000	3,000	378,261	762,950	535,993	710,000	45,500	45,500	3,051,103
\$ 11,050	\$ -	\$ 1,000	\$ 3,000	\$ 3,226,645	\$ 762,950	\$ 535,993	\$ 710,000	\$ 963,987	\$ 963,987	\$ 46,573,354
-	-	-	-	-	-	-	72,000,000	-	-	72,000,000
\$ 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	\$ 72,000,000	\$ -	\$ -	\$ 77,907,700
\$ 556,750	\$ 215,700	\$ 1,000	\$ 3,000	\$ 3,951,645	\$ 1,962,950	\$ 2,846,993	\$ 72,710,000	\$ 963,987	\$ 963,987	\$ 124,481,054
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 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	\$ 12,358,839
-	-	1,200,000	-	373,000	128,000	-	-	-	-	5,907,700
\$ -	\$ -	\$ 1,200,000	\$ -	\$ 373,000	\$ 128,000	\$ -	\$ -	\$ 490,811	\$ 473,925	\$ 18,266,539
\$ 1,311,357	\$ 190,000	\$ 1,275,000	\$ -	\$ 10,270,959	\$ 15,128,000	\$ 4,245,000	\$ 36,307,120	\$ 554,553	\$ 549,167	\$ 111,952,439
\$ (754,607)	\$ 25,700	\$ (1,274,000)	\$ 3,000	\$ (6,319,314)	\$ (13,165,050)	\$ (1,398,007)	\$ 36,402,880	\$ 409,434	\$ 414,820	\$ 12,528,615
\$ 110,351	\$ 562,602	\$ 197,674	\$ 291,932	\$ 5,027,711	\$ 4,201,310	\$ 5,663,967	\$ 36,402,880	\$ 2,136,821	\$ 1,909,650	\$ 80,255,308
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 110,351	\$ 562,602	\$ 197,674	\$ 291,932	\$ 5,027,711	\$ 4,201,310	\$ 5,663,967	\$ 36,402,880	\$ 2,136,821	\$ 1,909,650	\$ 80,255,308

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

	<b>FY 2024 Actual</b>	<b>FY 2025 Budget</b>	<b>FY 2025 Projected</b>	<b>FY 2026 Proposed</b>
<b>BEGINNING FUND BALANCE</b>	\$ 54,156,296	\$ 87,371,095	\$ 87,371,095	\$ 67,726,693
<b>REVENUES/SOURCES OF FUNDS</b>				
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	25,637,040
Fines & Forfeits	249,265	209,000	236,384	238,882
Intergovernmental	-	-	-	2,000,000
Miscellaneous	3,778,217	944,500	4,139,424	3,051,103
<b>Total Revenues</b>	<b>\$ 34,975,637</b>	<b>31,595,066</b>	<b>\$ 39,498,461</b>	<b>\$ 46,573,354</b>
<b>Other Sources:</b>				
Bond Proceeds	\$ 30,661,649	\$ 34,600,000	\$ -	\$ 72,000,000
Transfers In	6,775,954	4,257,200	4,263,200	5,907,700
<b>Total Other Sources</b>	<b>\$ 37,437,603</b>	<b>\$ 38,857,200</b>	<b>\$ 4,263,200</b>	<b>\$ 77,907,700</b>
<b>Total Revenues Sources</b>	<b>\$ 72,413,240</b>	<b>\$ 70,452,266</b>	<b>\$ 43,761,661</b>	<b>\$ 124,481,054</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
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
<b>Total Personnel</b>	<b>\$ 7,372,004</b>	<b>\$ 9,076,160</b>	<b>\$ 8,112,185</b>	<b>\$ 10,383,280</b>
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	26,338,569	67,821,157
<b>Total Expenditures</b>	<b>\$ 25,425,146</b>	<b>\$ 38,570,595</b>	<b>\$ 51,030,284</b>	<b>\$ 93,685,900</b>
<b>Other Uses:</b>				
Debt Service	\$ 6,529,268	\$ 7,585,094	\$ 8,112,579	\$ 12,358,839
Grants	-	150,000	-	-
Transfers to Other Funds	7,244,027	4,263,200	4,263,200	5,907,700
<b>Total Other Uses</b>	<b>\$ 13,773,295</b>	<b>\$ 11,998,294</b>	<b>\$ 12,375,779</b>	<b>\$ 18,266,539</b>
<b>Total Expenditures/Uses</b>	<b>\$ 39,198,441</b>	<b>\$ 50,568,889</b>	<b>\$ 63,406,063</b>	<b>\$ 111,952,439</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ 33,214,799</b>	<b>\$ 19,883,377</b>	<b>\$ (19,644,402)</b>	<b>\$ 12,528,615</b>
<b>Fund Balance</b>	<b>\$ 87,371,095</b>	<b>\$ 107,254,472</b>	<b>\$ 67,726,693</b>	<b>\$ 80,255,308</b>

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**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, 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 and filed the same with the City Secretary for public review and 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, and not less than thirty (30) days prior to October 1, 2025, 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 caused to be 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;

**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 in compliance with Section 102.009(d) of the Local Government Code.

**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.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HEATH, TEXAS, on this the \_\_\_\_\_ day of September 2025.**

**ATTEST:**

**APPROVED:**

\_\_\_\_\_  
NORMA DUNCAN, CITY SECRETARY

\_\_\_\_\_  
JEREMIAH MCCLURE, MAYOR

**APPROVED TO FORM:**

\_\_\_\_\_  
ANDY MESSER, CITY ATTORNEY

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**CITY OF HEATH, TEXAS**

**ORDINANCE NO. 250923B**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEATH, TEXAS, LEVYING AD VALOREM TAXES FOR THE USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2025, AND ENDING SEPTEMBER 20, 2026; PROVIDING FOR THE APPORTIONING OF SAID LEVY AMOUNT, MAINTENANCE AND OPERATIONS, AND INTEREST AND SINKING FUND; PROVIDING A REPEALING CLAUSE AND AN EFFECTIVE DATE.**

**WHEREAS**, the City of Heath, Texas (the “City”), is authorized by law to levy ad valorem taxes each year upon taxable property within the City’s corporate limits in an amount not to exceed the limits established by the Texas Constitution and the Texas Tax Code; and

**WHEREAS**, the City Council has conducted a thorough and transparent budget development process for Fiscal Year 2026, including strategic planning, public work sessions, and detailed revenue and expenditure forecasting aligned with the City’s long-term financial goals and capital planning initiatives; and

**WHEREAS**, the Proposed Budget for FY2026 was filed with the City Secretary on August 1, 2025, in accordance with Section 102.005 of the Texas Local Government Code and has been made available for public inspection, ensuring compliance with all legal notice requirements; and

**WHEREAS**, the City has conducted all required public hearings on the Proposed Budget and the Proposed Tax Rate, including public notices and Truth-in-Taxation compliance as required by Chapter 26 of the Texas Tax Code; and

**WHEREAS**, the Rockwall Central Appraisal District has provided the certified taxable assessed valuation for the City of Heath in accordance with statutory deadlines, and the City has calculated its No-New-Revenue Tax Rate and Voter-Approval Tax Rate as required by law; and

**WHEREAS**, the proposed ad valorem tax rate for FY2026 of \$0.275650 per \$100 of taxable assessed valuation includes a Maintenance and Operations (M&O) rate of \$0.188636 and an Interest and Sinking (I&S) rate of \$0.087014, which will generate revenue sufficient to fund municipal services and meet scheduled debt service obligations for outstanding bonds and certificates of obligation; and

**WHEREAS**, the City has adopted a senior tax freeze pursuant to Section 1-b(h) of Article VIII of the Texas Constitution and applicable provisions of the Tax Code, which limits ad valorem taxes for residents age 65 and older to the amount paid in the year their freeze was established, resulting in a significant portion of the City’s tax base being

exempt from annual valuation increases; and

**WHEREAS**, the City has carefully evaluated the financial impact of the proposed tax rate on the overall fund structure and has determined that the tax rate, as adopted, will maintain a structurally balanced budget, preserve the minimum required fund balances for the General and Utility Funds, and provide for sustainable service delivery to residents; and

**WHEREAS**, the adoption of the tax rate is necessary to provide for essential services including public safety, street maintenance, water and wastewater infrastructure, parks and recreation, community development, and administrative operations; and

**WHEREAS**, the City Council finds that the adoption of this ordinance is in the best interest of the residents of the City of Heath and is necessary to promote the public health, safety, and welfare;

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

**SECTION 1:** That there is hereby levied and shall be assessed and collected for the use and support of the municipal government of the City of Heath, Texas, and to provide for the payment of debt service for the fiscal year beginning October 1, 2025, and ending September 30, 2026, upon all taxable property, real and personal, within the corporate limits of said City on January 1, 2025, and not exempt by the Constitution of the State of Texas and duly enacted legislation, a total tax rate of **\$0.275650 per \$100.00 of taxable assessed valuation**, which rate is apportioned as follows:

- **\$0.188636 per \$100 of taxable valuation** for the **maintenance and operation** of the City government and support of its general fund services; and
- **\$0.087014 per \$100 of taxable valuation** for the **payment of principal and interest** on the City's outstanding general obligation bonds and certificates of obligation (the Interest & Sinking Fund).

**SECTION 2:** Taxes levied under this ordinance shall become due and payable on October 1, 2025. If not paid on or before January 31, 2026, such taxes shall become delinquent and shall incur all penalties and interest authorized by state law, including but not limited to those imposed by Sections 33.01 and 33.07 of the Texas Tax Code.

**SECTION 3:** All taxes levied by this ordinance shall become a lien upon the property against which assessed, and the City shall have all the rights and remedies provided by law to enforce the collection of such taxes, including the right to enforce the lien by foreclosure and to recover the interest and penalties authorized by law.

**SECTION 4:** If any section, paragraph, clause, or provision of this ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this ordinance, and it is hereby declared to be the intention of the City Council that the remainder of the ordinance shall be and remain in full force and effect.

**SECTION 5:** All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict. This repeal shall not be construed to revive any ordinance or part thereof that has been previously repealed.

**SECTION 6:** The City Secretary is hereby directed to publish the caption and effective date of this ordinance in the official newspaper of the City of Heath, as required by the City Charter and applicable state law.

**SECTION 7:** This ordinance shall become effective immediately upon its passage and publication as provided by law

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HEATH, TEXAS**, on this the \_\_\_\_\_ day of September 2025.

ATTEST:

APPROVED:

\_\_\_\_\_  
NORMA DUNCAN, CITY SECRETARY

\_\_\_\_\_  
JEREMIAH MCCLURE, MAYOR

APPROVED TO FORM:

\_\_\_\_\_  
ANDY MESSER, CITY ATTORNEY

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**CITY OF HEATH, TEXAS**  
**ORDINANCE NO. 250923C**

**AN ORDINANCE OF THE CITY COUNCIL OF HEATH, TEXAS, ADOPTING A FEE SCHEDULE FOR THE CITY OF HEATH FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2025 AND ENDING ON SEPTEMBER 30, 2026 AND REPLACING ALL OTHER FEE SCHEDULES AND FEES APPROVED UNDER OTHER CITY ORDINANCES OR RESOLUTIONS IN CONFLICT WITH THIS ORDINANCE; PROVIDING AN EFFECTIVE DATE; PROVIDING FOR A SEVERABILITY CLAUSE.**

**WHEREAS**, the City Council has the authority to establish fees relating to City applications, permits and services; and

**WHEREAS**, the City Council finds it necessary to make changes to the fee schedule in order to better reflect the cost of certain services provided by the City; and

**WHEREAS**, such list is intended to repeal and replace all existing fees in conflict with the fee schedule listed on “Exhibit A” attached and incorporated as part of this Ordinance;

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

**SECTION 1:** That the findings above are found to be true and correct and are incorporated herein. The City Council further finds and determines the rules, regulations, terms, conditions, provisions and requirements of this ordinance or reasonable and necessary to protect the public health, safety, and quality of life in the City.

**SECTION 2:** The Fee Schedule for fiscal year October 1, 2025 through September 30, 2026 be adopted, as shown in Exhibit A.

**SECTION 3:** This ordinance shall take effect on October 1, 2025.

**SECTION 4:** The City Council hereby repeals and replaces all fees levied by the City of Heath in conflict with the fee schedule attached and incorporated as “Exhibit A”. Said repeal and replacement shall be effective as of the Effective Date under Section 3.

**SECTION 5:** It is the express intent of the City Council that the sections, paragraphs, clauses and phrases of this ordinance are severable and, if any phrase, sentence, paragraph or section should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentence, paragraphs and sections of this ordinance of any such invalid phrase, clause, sentence, paragraph or section. If any provision of this ordinance shall be adjudged by a court of competent jurisdiction to be invalid, the invalidity shall not affect other provisions or applications of this ordinance which can be given effect without the

invalid provision, and to this end the provision of this ordinance are hereby declared to be severable.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HEATH, TEXAS**, on this the \_\_\_\_\_ day of September 2025.

ATTEST:

APPROVED:

\_\_\_\_\_  
NORMA DUNCAN, CITY SECRETARY

\_\_\_\_\_  
JEREMIAH MCCLURE, MAYOR

APPROVED TO FORM:

\_\_\_\_\_  
ANDY MESSER, CITY ATTORNEY



**City of Heath, Texas Authorized Personnel**  
**Funding by Division and Fund**  
 (Expressed in Full-Time Equivalents)

	Budget FY2024		Budget FY2025		Budget FY2026	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
<b>General Fund</b>						
City Manager	1.50	0.00	1.50	0.00	1.50	0.00
City Secretary	1.00	0.00	2.00	0.00	2.00	0.00
Community Development	3.50	0.00	5.50	0.00	5.50	0.00
Engineering	0.00	0.00	0.00	0.00	0.50	0.00
Finance	2.75	0.125	3.50	0.00	3.50	0.00
Information Technology	0.50	0.00	0.50	0.00	0.50	0.00
Municipal Court	0.50	0.125	1.00	0.00	1.00	0.00
Parks	2.50	0.00	2.50	1.00	4.50	0.00
Public Safety	35.00	0.50	35.00	0.50	38.00	0.50
Public Works Administration	2.00	0.50	2.50	0.50	2.50	0.50
Streets	1.50	0.00	1.50	0.00	2.50	0.00
<b>Sub-Total General Fund</b>	<b>50.75</b>	<b>1.25</b>	<b>55.50</b>	<b>2.00</b>	<b>62.00</b>	<b>1.00</b>
<b>Utility Fund</b>						
Sewer Collections	4.50	0.00	4.50	0.00	4.50	0.00
Water Distribution	4.50	0.00	4.50	0.00	4.50	0.00
Utility Billing	2.25	0.25	3.00	0.00	3.00	0.00
Utility Administration	6.00	0.00	6.50	0.00	7.00	0.00
<b>Sub-Total Utility Fund</b>	<b>17.25</b>	<b>0.25</b>	<b>18.50</b>	<b>0.00</b>	<b>19.00</b>	<b>0.00</b>
<b>Total</b>	<b>68.00</b>	<b>1.50</b>	<b>74.00</b>	<b>2.00</b>	<b>81.00</b>	<b>1.00</b>

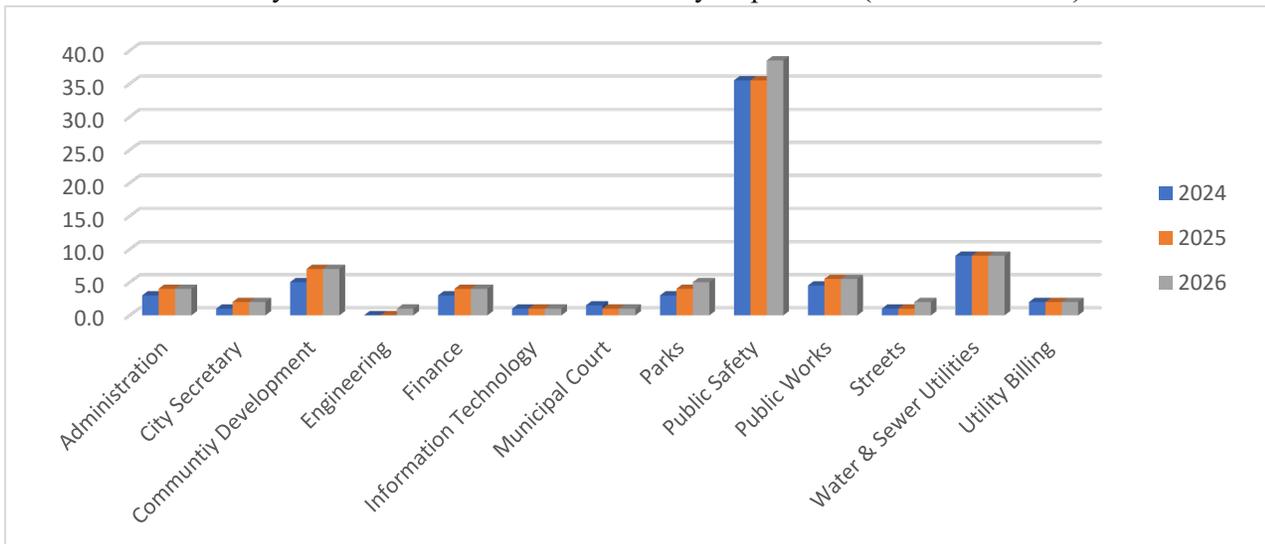
This chart presents Full-Time Equivalents (FTE) positions based on their funding source, categorized by fund and division. This layout demonstrates how personnel costs are allocated within the City's financial structure. To complement this financial perspective, a separate chart is provided that organizes FTEs by function. This functional view highlights how staffing aligns with service delivery areas and supports the City's operational goals.



## City of Heath, Texas Authorized Personnel By Function and Fund (Expressed in Full-Time Equivalents)

	Budget FY2024		Budget FY2025		Budget FY2026	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
<b>General Fund</b>						
Administration	3.0	0.0	4.0	0.0	4.0	0.0
City Secretary	1.0	0.0	2.0	0.0	2.0	0.0
Community Development	5.0	0.0	7.0	0.0	7.0	0.0
Engineering	0.0	0.0	0.0	0.0	1.0	0.0
Finance	3.0	0.0	4.0	0.0	4.0	0.0
Information Technology	1.0	0.0	1.0	0.0	1.0	0.0
Municipal Court	1.0	0.5	1.0	0.0	1.0	0.0
Parks	3.0	0.0	3.0	1.0	5.0	0.0
Public Safety	35.0	0.5	35.0	0.5	38.0	0.5
Public Works Administration	4.0	0.5	5.0	0.5	5.0	0.5
Streets	1.0	0.0	1.0	0.0	2.0	0.0
<b>Sub-Total General Fund</b>	57.0	1.5	63.0	2.0	70.0	1.0
<b>Utility Fund</b>						
Water & Sewer Utilities	9.0	0.0	9.0	0.0	9.0	0.0
Utility Billing	2.0	0.0	2.0	0.0	2.0	0.0
<b>Sub-Total Utility Fund</b>	11.0	0.0	11.0	0.0	11.0	0.0
<b>Total</b>	68.0	1.5	74.0	2.0	81.0	1.0

City of Heath - Authorized Personnel by Department (FY2024-FY2026)



## GENERAL FUND

The General Fund serves as the City of Heath's primary operating fund and accounts for the collection and use of financial resources to support core governmental services. These services reflect the City's commitment to maintaining a safe, well-planned, and high-quality community, consistent with Heath's vision as a *premiere outdoor lifestyle community of spacious, upscale neighborhoods with open spaces, parks, and trails, cultural amenities, and exemplary public services*.

Functions supported by the General Fund include:

- **Public Safety** – Police, Fire, and Emergency Medical Services
- **Public Works** – Street Maintenance, Right-of-Way Management, Traffic Control, Drainage, Building Maintenance, and Engineering
- **Community Development** – Planning & Zoning, Building Permits & Inspections, and Code Compliance
- **Parks and Recreation** – Park Maintenance, facilities, and community programming
- **General Government** – Administrative Services, Finance, Human Resources, Information Technology, and Municipal Court Operations

These services are funded primarily through ad valorem taxes, sales tax, franchise fees, licenses and permits, fines, and intergovernmental revenue.

### Basis of Accounting

The General Fund is reported and budgeted using the modified accrual basis of accounting, which recognizes revenues when they become both measurable and available, and expenditures when the related liabilities are incurred. This approach aligns with the City's financial reporting standards under generally accepted accounting principles (GAAP) for governmental entities.

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**GENERAL FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES BY DIVISON**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ 6,085,748	\$ 5,139,865	\$ 5,139,865	\$ 6,563,952
<b>REVENUES/SOURCES OF FUNDS</b>				
Taxes	\$ 7,393,991	\$ 7,748,500	\$ 8,228,287	\$ 8,986,478
Franchise Fees	722,806	685,000	727,204	745,482
Licenses & Permits	449,310	781,300	796,821	842,290
Charges for Services	680,703	393,700	710,404	738,475
Fines & Forfeits	166,303	140,000	149,187	152,910
Miscellaneous	335,371	246,900	211,739	271,344
<b>Total Revenues</b>	<b>\$ 9,748,483</b>	<b>9,995,400</b>	<b>\$ 10,823,642</b>	<b>\$ 11,736,979</b>
<b>Other Sources:</b>				
Transfers In	\$ 247,823	\$ 530,300	\$ 536,300	\$ 494,300
<b>Total Other Sources</b>	<b>\$ 247,823</b>	<b>\$ 530,300</b>	<b>\$ 536,300</b>	<b>\$ 494,300</b>
<b>Total Revenues Sources</b>	<b><u>\$ 9,996,306</u></b>	<b><u>\$ 10,525,700</u></b>	<b><u>\$ 11,359,942</u></b>	<b><u>\$ 12,231,279</u></b>
<b>EXPENDITURES/USES OF FUNDS</b>				
City Council	48,892	45,600	45,335	33,600
City Secretary	191,989	310,600	322,275	327,462
City Manager	223,795	340,700	191,378	394,733
City Attorney	\$ 1,314,374	\$ 400,100	\$ 362,612	\$ 275,000
Community Development	777,922	903,900	735,505	970,019
Engineering	-	-	-	176,071
Finance	327,347	353,400	348,605	592,563
Information Technology	276,049	360,410	280,746	307,686
Municipal Court	73,955	97,200	106,246	127,363
Parks	396,925	562,400	416,915	631,786
Public Safety	4,836,008	5,193,000	5,191,763	6,053,617
Public Works	238,298	401,900	323,170	394,900
Streets	405,847	408,140	394,328	546,403
Non-Divisional	595,734	550,300	516,777	387,920
<b>Total Expenditures</b>	<b>\$ 9,707,135</b>	<b>\$ 9,927,650</b>	<b>\$ 9,235,655</b>	<b>\$ 11,219,123</b>
<b>Other Uses:</b>				
Transfers to Other Funds	\$ 1,235,055	\$ 700,200	\$ 700,200	\$ 1,270,700
<b>Total Other Uses</b>	<b>\$ 1,235,055</b>	<b>\$ 700,200</b>	<b>\$ 700,200</b>	<b>\$ 1,270,700</b>
<b>Total Expenditures/Uses</b>	<b><u>\$ 10,942,190</u></b>	<b><u>\$ 10,627,850</u></b>	<b><u>\$ 9,935,855</u></b>	<b><u>\$ 12,489,823</u></b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ (945,883)</b>	<b>\$ (102,150)</b>	<b>\$ 1,424,087</b>	<b>\$ (258,544)</b>
<b>Fund Balance</b>	<b>\$ 5,139,865</b>	<b>\$ 5,037,715</b>	<b>\$ 6,563,952</b>	<b>\$ 6,305,408</b>
<b>Ideal Fund Balance</b>	<b>\$ 3,829,766</b>	<b>\$ 3,719,748</b>	<b>\$ 3,477,549</b>	<b>\$ 4,371,438</b>
<b>Fund Balance in Excess of Minimum</b>	<b>\$ 1,310,099</b>	<b>\$ 1,317,967</b>	<b>\$ 3,086,403</b>	<b>\$ 1,933,970</b>

**GENERAL FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES BY TYPE**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ 6,085,748	\$ 5,139,865	\$ 5,139,865	\$ 6,563,952
<b>REVENUES/SOURCES OF FUNDS</b>				
Taxes	\$ 7,393,991	\$ 7,748,500	\$ 8,228,287	\$ 8,986,478
Franchise Fees	722,806	685,000	727,204	745,482
Licenses & Permits	449,310	781,300	796,821	842,290
Charges for Services	680,703	393,700	710,404	738,475
Fines & Forfeits	166,303	140,000	149,187	152,910
Miscellaneous	335,371	246,900	211,739	271,344
<b>Total Revenues</b>	<b>\$ 9,748,483</b>	<b>9,995,400</b>	<b>\$ 10,823,642</b>	<b>\$ 11,736,979</b>
<b>Other Sources:</b>				
Transfers In	\$ 247,823	\$ 530,300	\$ 536,300	\$ 494,300
<b>Total Other Sources</b>	<b>\$ 247,823</b>	<b>\$ 530,300</b>	<b>\$ 536,300</b>	<b>\$ 494,300</b>
<b>Total Revenues Sources</b>	<b>\$ 9,996,306</b>	<b>\$ 10,525,700</b>	<b>\$ 11,359,942</b>	<b>\$ 12,231,279</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Personnel Services				
Payroll	\$ 4,222,277	\$ 5,092,900	\$ 4,662,453	\$ 5,830,147
Payroll Taxes	354,405	434,400	384,372	454,084
Retirement	601,297	655,600	598,344	773,044
Insurance	789,953	866,260	787,321	1,079,872
Total Personnel	\$ 5,967,932	\$ 7,049,160	\$ 6,432,490	\$ 8,137,147
Supplies & Equipment	239,848	260,200	244,526	265,451
Services & Charges	3,456,437	2,556,790	2,476,063	2,759,225
Capital Outlay	42,918	61,500	82,576	57,300
<b>Total Expenditures</b>	<b>\$ 9,707,135</b>	<b>\$ 9,927,650</b>	<b>\$ 9,235,655</b>	<b>\$ 11,219,123</b>
<b>Other Uses:</b>				
Transfers to Other Funds	\$ 1,235,055	\$ 700,200	\$ 700,200	\$ 1,270,700
<b>Total Other Uses</b>	<b>\$ 1,235,055</b>	<b>\$ 700,200</b>	<b>\$ 700,200</b>	<b>\$ 1,270,700</b>
<b>Total Expenditures/Uses</b>	<b>\$ 10,942,190</b>	<b>\$ 10,627,850</b>	<b>\$ 9,935,855</b>	<b>\$ 12,489,823</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ (945,883)</b>	<b>\$ (102,150)</b>	<b>\$ 1,424,087</b>	<b>\$ (258,544)</b>
<b>Fund Balance</b>	<b>\$ 5,139,865</b>	<b>\$ 5,037,715</b>	<b>\$ 6,563,952</b>	<b>\$ 6,305,408</b>
<b>Ideal Fund Balance</b>	<b>\$ 3,829,766</b>	<b>\$ 3,719,748</b>	<b>\$ 3,477,549</b>	<b>\$ 4,371,438</b>
<b>Fund Balance in Excess of Minimum</b>	<b>\$ 1,310,099</b>	<b>\$ 1,317,967</b>	<b>\$ 3,086,403</b>	<b>\$ 1,933,970</b>

**GENERAL FUND  
STATEMENT OF REVENUES**

	<b>FY 2024 Actual</b>	<b>FY 2025 Budget</b>	<b>FY 2025 Projected</b>	<b>FY 2026 Proposed</b>
<b>Taxes</b>				
Ad Valorem Taxes	\$ 5,713,215	\$ 6,091,000	\$ 6,393,507	\$ 6,997,114
Delinquent Ad Valorem Taxes	49,967	65,100	52,083	70,000
City Sales Tax	1,559,517	1,515,400	1,716,799	1,836,974
Mixed Beverage Tax	71,293	77,000	65,898	82,390
<i>Subtotal</i>	<b>\$ 7,393,991</b>	<b>\$ 7,748,500</b>	<b>\$ 8,228,287</b>	<b>\$ 8,986,478</b>
<b>Franchise Fees</b>				
Franchise Fee Agreements	\$ 718,660	\$ 675,000	\$ 722,254	\$ 740,310
CATV/PEG Franchise Fees	4,146	10,000	4,950	5,172
<i>Subtotal</i>	<b>\$ 722,806</b>	<b>\$ 685,000</b>	<b>\$ 727,204</b>	<b>\$ 745,482</b>
<b>License &amp; Permits</b>				
Animal Licenses	\$ 1,200	\$ 1,200	\$ 988	\$ 1,037
Contractor Registration	39,500	35,000	38,300	\$ 38,300
Alarm Permits	13,850	21,000	12,670	15,838
Building Permits	337,282	691,900	719,824	755,815
Zoning Permits	3,125	1,000	1,000	1,000
Rezoning Permits	-	1,000	-	-
Platting Permits	33,086	15,000	10,949	15,000
Solicitation Permits	4,550	100	245	250
OSSF Permits	15,450	14,000	11,800	14,000
Alcoholic Beverage Permit	68	100	45	50
Conditional Use Permit	1,200	1,000	1,000	1,000
<i>Subtotal</i>	<b>\$ 449,310</b>	<b>\$ 781,300</b>	<b>\$ 796,821</b>	<b>\$ 842,290</b>
<b>Charges for Services</b>				
False Alarm Service Charges	\$ -	\$ 500	\$ -	\$ 500
Rockwall County Fire Support Services	15,475	27,300	17,024	17,000
Accident Report Charges	129	500	126	500
Mowing	-	1,000	-	1,000
Park and Recreation Charges	2,000	5,000	2,400	2,000
Special Event Charges	26,340	30,000	18,335	40,000
Inspection Fees	1,480	1,000	-	1,000
Developer Plan Review	628,120	322,100	665,879	669,200
Board of Adjustments Appeal Review	-	200	-	200
Code Enforcement Interest	1,292	1,100	1,090	1,100
Judicial System Efficiency Fees	10	100	10	100
Judicial Support Fees	2	100	2	100
TLFTA Fees - Omnibase	325	200	324	325
NSF Check Fees	35	-	-	-

**GENERAL FUND  
STATEMENT OF REVENUES**

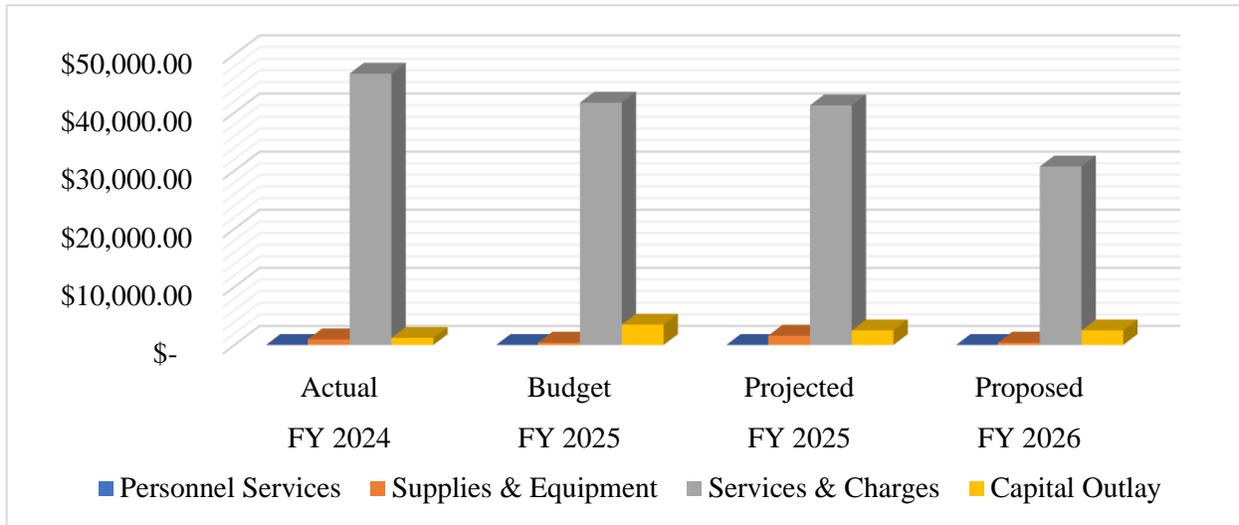
	<b>FY 2024 Actual</b>	<b>FY 2025 Budget</b>	<b>FY 2025 Projected</b>	<b>FY 2026 Proposed</b>
Time Payment Fees	81	100	90	100
Transaction Fees	5,414	4,500	5,124	5,350
<i>Subtotal</i>	<b>\$ 680,703</b>	<b>\$ 393,700</b>	<b>\$ 710,404</b>	<b>\$ 738,475</b>
<b>Fines &amp; Forfeits</b>				
Court Fines and Costs	\$ 166,238	\$ 140,000	\$ 149,177	\$ 152,900
Other Court Fines and Costs	65	-	10	10
<i>Subtotal</i>	<b>\$ 166,303</b>	<b>\$ 140,000</b>	<b>\$ 149,187</b>	<b>\$ 152,910</b>
<b>Miscellaneous</b>				
Grant Funding	\$ 1,756	\$ -	\$ -	\$ 12,000
Civic Center Rentals	2,250	2,200	2,160	2,200
Tower Leases	88,411	86,000	88,264	88,264
Takeline Leases	10,406	17,700	10,350	17,700
Sale of Assets	120	5,000	5,180	5,180
Interest Earnings	219,992	125,000	84,626	125,000
Miscellaneous	12,436	11,000	21,159	21,000
<i>Subtotal</i>	<b>\$ 335,371</b>	<b>\$ 246,900</b>	<b>\$ 211,739</b>	<b>\$ 271,344</b>
<b>Total Revenues</b>	<b><u>\$ 9,748,483</u></b>	<b><u>\$ 9,995,400</u></b>	<b><u>\$ 10,823,642</u></b>	<b><u>\$ 11,736,979</u></b>



# City Council

## EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ -	\$ -	\$ -	\$ -	0.00%
Supplies & Equipment	966	400	1,600	400	0.00%
Services & Charges	46,708	41,700	41,235	30,700	-26.38%
Capital Outlay	1,218	3,500	2,500	2,500	-28.57%
<b>Total</b>	<b>\$ 48,892</b>	<b>\$ 45,600</b>	<b>\$ 45,335</b>	<b>\$ 33,600</b>	<b>-26.32%</b>



## SIGNIFICANT BUDGETARY ITEMS/CHANGES

The City Council's FY2026 reflects a 33% increase over the prior fiscal year. This increase is primarily driven by the following key items:

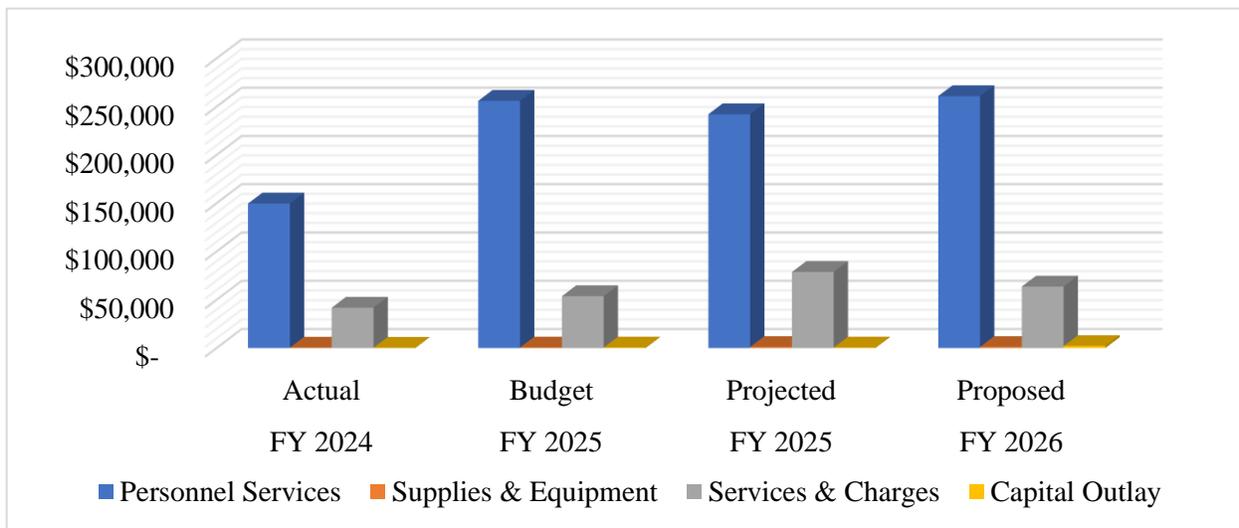
- **Travel & Meals and Education & Training:** A combined increase of \$16,000 to support expanded participation in conferences, training sessions, and regional meetings, which align City Council's goals of professional development and legislative engagement.
- **Services & Charges:** Audit Services moved to the Finance Division.



# City Secretary

## EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 149,652	\$ 255,960	\$ 242,083	\$ 260,862	1.92%
Supplies & Equipment	347	500	978	1,000	100.00%
Services & Charges	41,739	53,640	78,714	63,600	18.57%
Capital Outlay	250	500	500	2,000	300.00%
<b>Total</b>	<b>\$ 191,989</b>	<b>\$ 310,600</b>	<b>\$ 322,275</b>	<b>\$ 327,462</b>	5.43%



## EMPLOYEE CLASSIFICATION & PAY GRADE

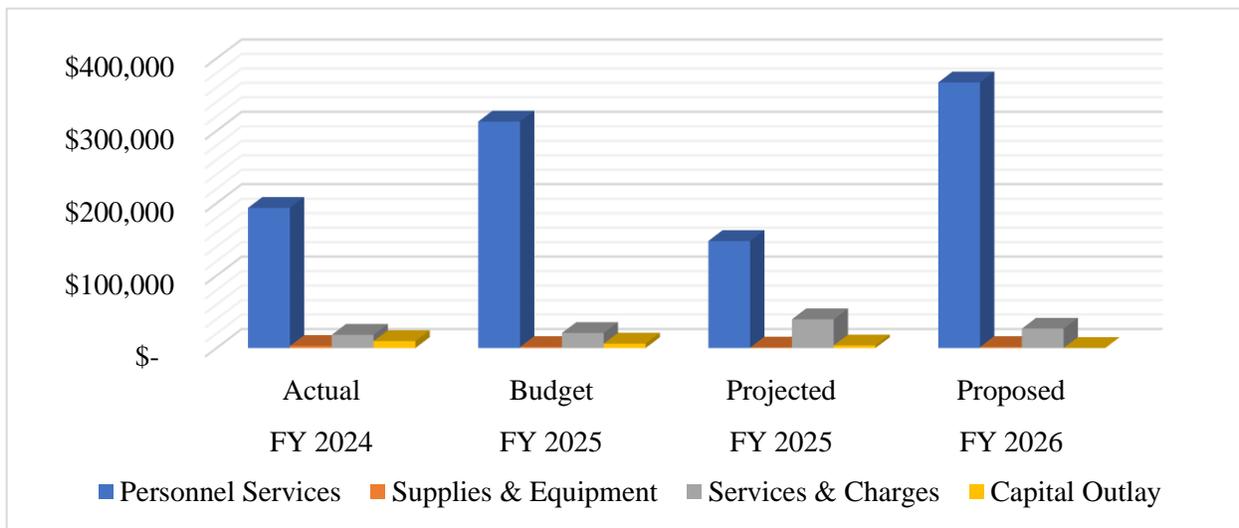
Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
City Secretary	P-13	1.0	1.0	1.0
Deputy City Secretary	P-09	<u>0.0</u>	<u>1.0</u>	<u>1.0</u>
<b>Total Employees</b>		<b><u>1.0</u></b>	<b><u>2.0</u></b>	<b><u>2.0</u></b>



# City Manager

## EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 193,458	\$ 312,700	\$ 147,734	\$ 366,733	17.28%
Supplies & Equipment	2,742	1,300	575	1,300	0.00%
Services & Charges	18,160	20,700	39,569	26,700	28.99%
Capital Outlay	9,435	6,000	3,500	-	-100.00%
<b>Total</b>	<b>\$ 223,795</b>	<b>\$ 340,700</b>	<b>\$ 191,378</b>	<b>\$ 394,733</b>	<b>15.86%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
City Manager	N/A	0.5	0.5	0.5
Assistant City Manager	N/A	0.5	0.5	0.5
HR Coordinator/Executive Assistant	P-10	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
<b>Total Employees</b>		<b><u>1.5</u></b>	<b><u>1.5</u></b>	<b><u>1.5</u></b>

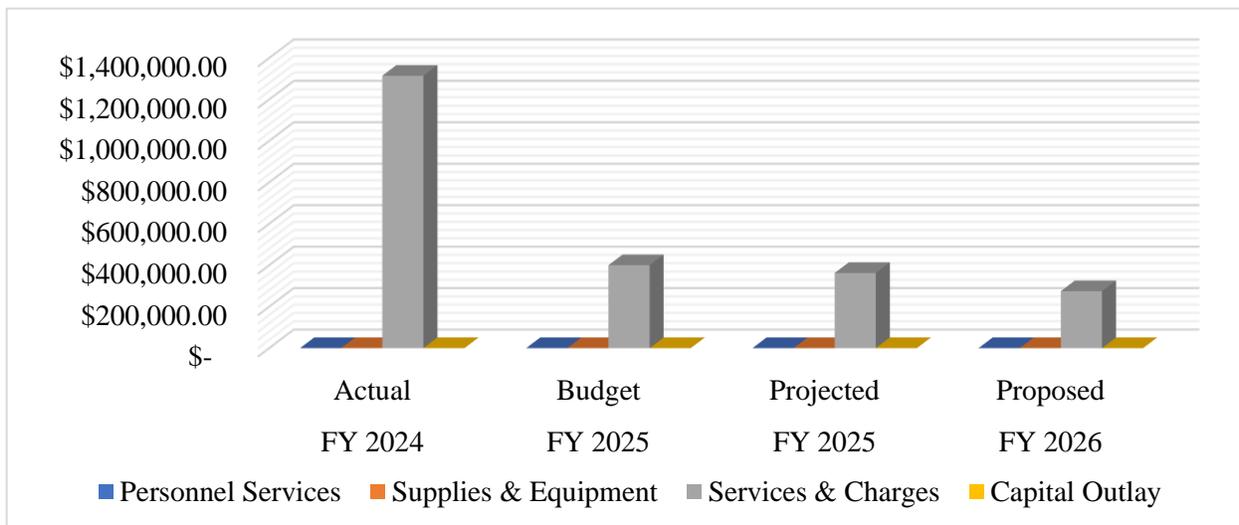
Note: The costs of the full-time positions within this division are split equally between the General Fund and the Utility Fund.



# City Attorney

## EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ -	\$ -	\$ -	\$ -	0.00%
Supplies & Equipment	-	-	-	-	0.00%
Services & Charges	1,314,374	400,100	362,612	275,000	-31.27%
Capital Outlay	-	-	-	-	0.00%
<b>Total</b>	<b>\$ 1,314,374</b>	<b>\$ 400,100</b>	<b>\$ 362,612</b>	<b>\$ 275,000</b>	<b>-31.27%</b>



## SIGNIFICANT BUDGETARY ITEMS/CHANGES

The FY2026 budget for the City Attorney Department reflects a decrease in legal expenditures compared to prior years. This reduction is attributed to the following.

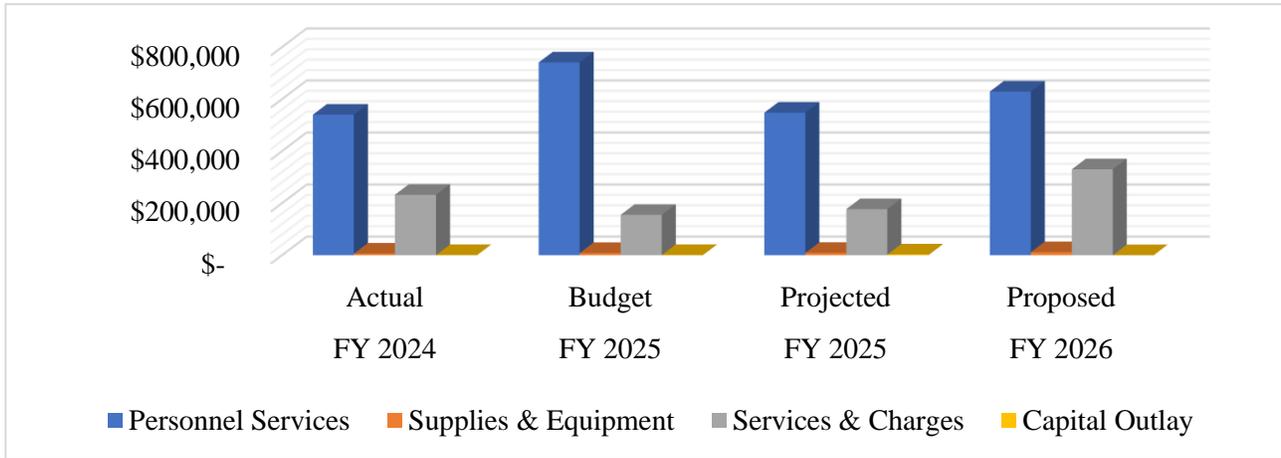
- **Resolution of Litigation:** As the City finalizes outstanding legal disputes, litigation-related costs are expected to decline significantly.
- **Return to Routine Legal Activity:** The City Attorney is transitioning back to typical legal service levels, following a period of elevated activity related to litigation. This normalization supports a more stable and predictable legal service budget.



# Community Development

## EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 539,756	\$ 740,500	\$ 547,633	\$ 628,769	-15.09%
Supplies & Equipment	5,926	8,000	8,500	11,350	41.88%
Services & Charges	232,014	154,900	176,864	329,900	112.98%
Capital Outlay	226	500	2,508	-	-100.00%
<b>Total</b>	<b>\$ 777,922</b>	<b>\$ 903,900</b>	<b>\$ 735,505</b>	<b>\$ 970,019</b>	<b>7.31%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Director of Community Development	N/A	0.5	0.5	0.5
Chief Building Official	P-13	1.0	1.0	1.0
Building Inspector	P-09	1.0	1.0	1.0
Code Enforcement Officer	P-07	0.5	0.5	0.5
Permit Technician	P-05	0.5	0.5	0.5
Plans Examiner	P-09	0.0	1.0	1.0
Administrative Assistant	P-06	0.0	1.0	1.0
<b>Total Employees</b>		<b><u>3.5</u></b>	<b><u>5.5</u></b>	<b><u>5.5</u></b>

## SIGNIFICANT BUDGETARY ITEMS/CHANGES

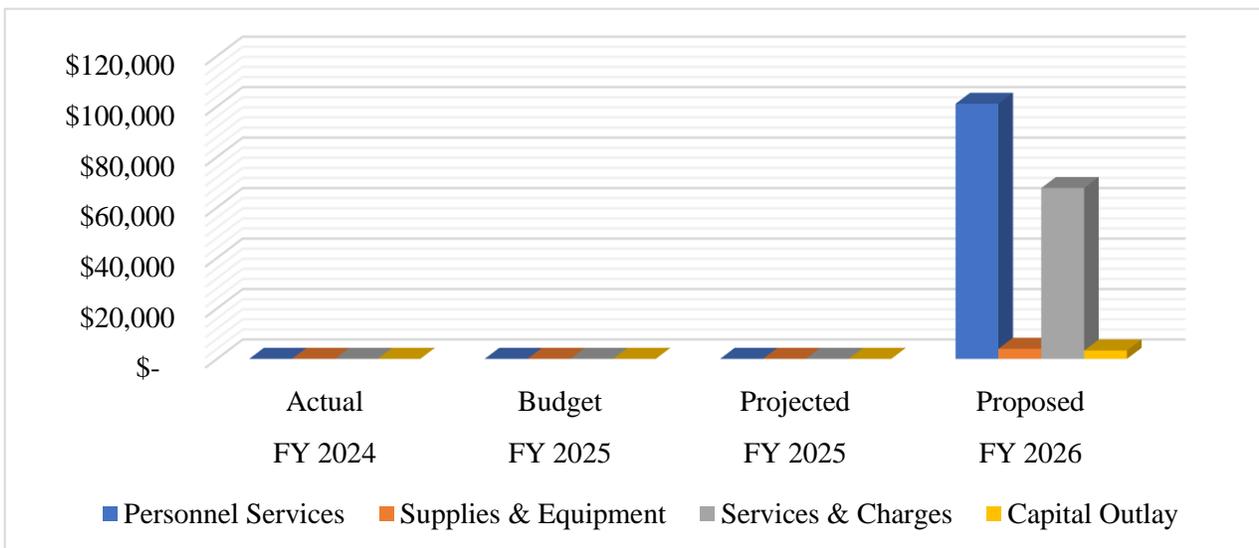
Services & Charges includes a \$280,000 increase to professional services in anticipation of updating the Ordinances and Codes related to the Comprehensive Plan.



# Engineering

## EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ -	\$ -	\$ -	\$ 101,071	0.00%
Supplies & Equipment	-	-	-	4,000	0.00%
Services & Charges	-	-	-	67,700	0.00%
Capital Outlay	-	-	-	3,300	0.00%
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 176,071</b>	<b>0.00%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
City Engineer	N/A	<u>0.0</u>	<u>0.0</u>	<u>0.5</u>
<b>Total Employees</b>		<b><u>0.0</u></b>	<b><u>0.0</u></b>	<b><u>0.5</u></b>

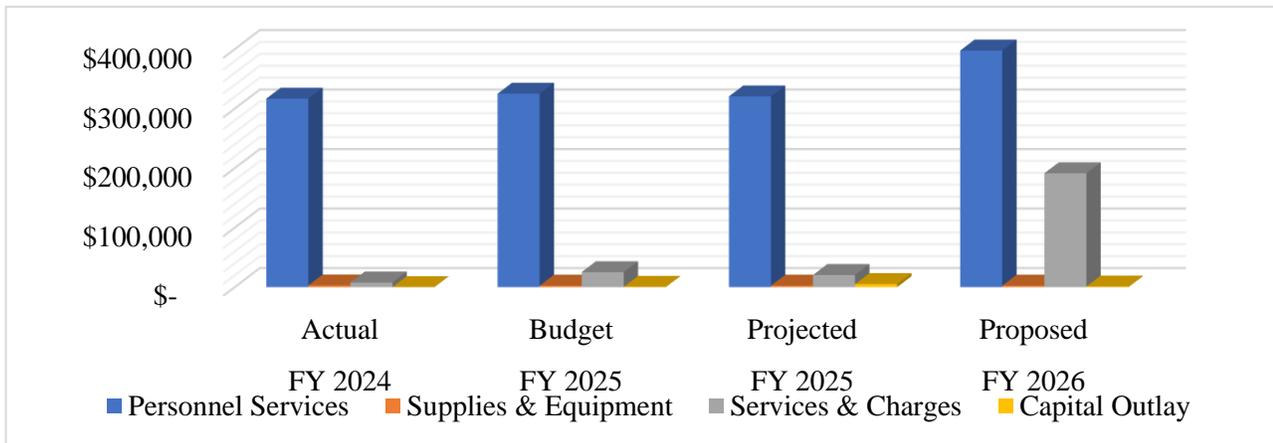
Note: The Engineering Division is new for FY2026 and will fund half the cost of a full-time City Engineer. The Utility Fund will fund the other half of this position.



# Finance

## EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 316,739	\$ 325,200	\$ 320,534	\$ 397,663	22.28%
Supplies & Equipment	2,850	2,500	2,500	2,500	0.00%
Services & Charges	7,759	25,200	20,441	191,400	659.52%
Capital Outlay	-	500	5,130	1,000	100.00%
<b>Total</b>	<b>\$ 327,347</b>	<b>\$ 353,400</b>	<b>\$ 348,605</b>	<b>\$ 592,563</b>	<b>67.67%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Director of Finance	N/A	0.5	0.5	0.5
Assistant Director of Finance	P-14	0.5	0.5	0.5
Purchasing Coordinator/AP & Payroll	P-09	0.5	0.5	0.5
Accounting Assistant/Court Clerk	P-05	0.125	0.25	0.3
Accounting Assistant/Utility Billing Lead	P-06	0.5	0.5	0.5
Accounting Assistant/Utility Billing Clerk	P-05	0.5	0.5	0.5
HR Assistant/Accounting Assistant	P-05	0.0	0.5	0.5
Court Supervisor	P-06	<u>0.250</u>	<u>0.25</u>	<u>0.25</u>
<b>Total Employees</b>		<b><u>2.875</u></b>	<b><u>3.5</u></b>	<b><u>3.5</u></b>

Note: All positions are full-time with their costs allocated among different divisions.

## SIGNIFICANT BUDGETARY ITEMS/CHANGES

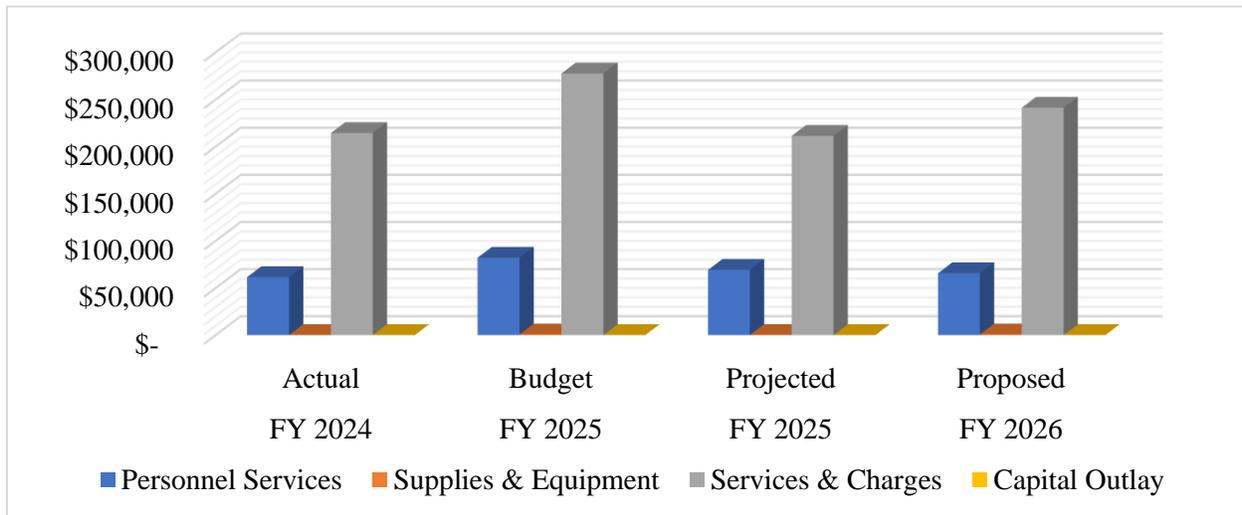
Services & Charges includes Rockwall County Collection and Appraisal fees moved from Non-Divisional to Finance. This category also includes audit fees moved from City Council to Finance.



# Information Technology

## EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 61,534	\$ 82,110	\$ 69,198	\$ 65,736	-19.94%
Supplies & Equipment	36	700	199	700	0.00%
Services & Charges	214,479	277,600	211,349	241,250	-13.09%
Capital Outlay	-	-	-	-	0.00%
<b>Total</b>	<b>\$ 276,049</b>	<b>\$ 360,410</b>	<b>\$ 280,746</b>	<b>\$ 307,686</b>	<b>-14.63%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Director of Information Technology	N/A	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
<b>Total Employees</b>		<b><u>0.5</u></b>	<b><u>0.5</u></b>	<b><u>0.5</u></b>

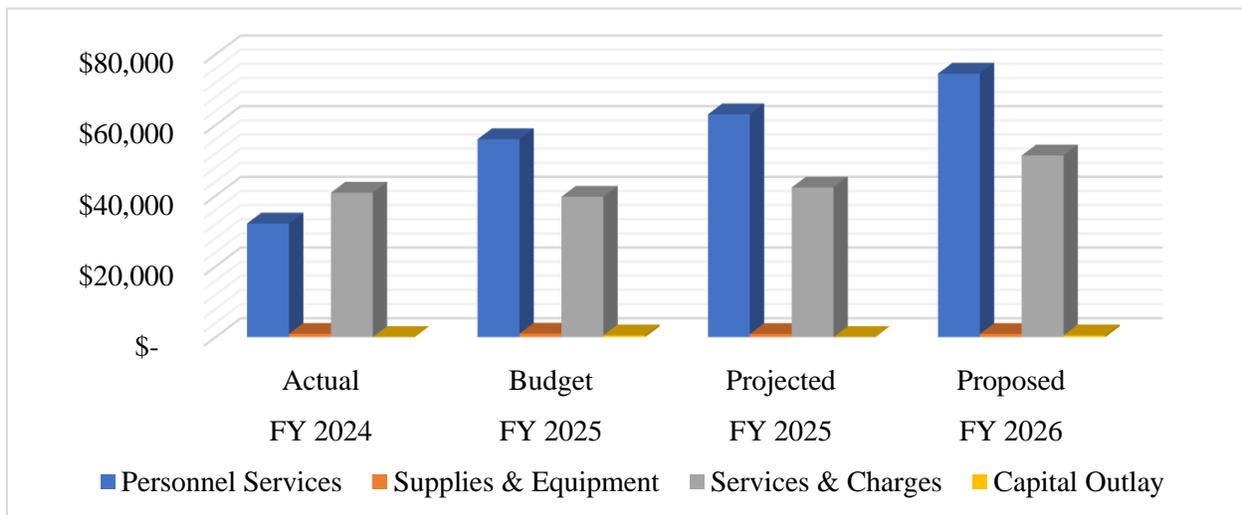
Note: The cost of the full-time position within this department is split equally between the General Fund and the Utility Fund.



# Municipal Court

## EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 32,153	\$ 56,000	\$ 63,033	\$ 74,563	33.15%
Supplies & Equipment	937	1,000	877	900	-10.00%
Services & Charges	40,864	39,700	42,336	51,400	29.47%
Capital Outlay	-	500	-	500	0.00%
<b>Total</b>	<b>\$ 73,955</b>	<b>\$ 97,200</b>	<b>\$ 106,246</b>	<b>\$ 127,363</b>	<b>31.03%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

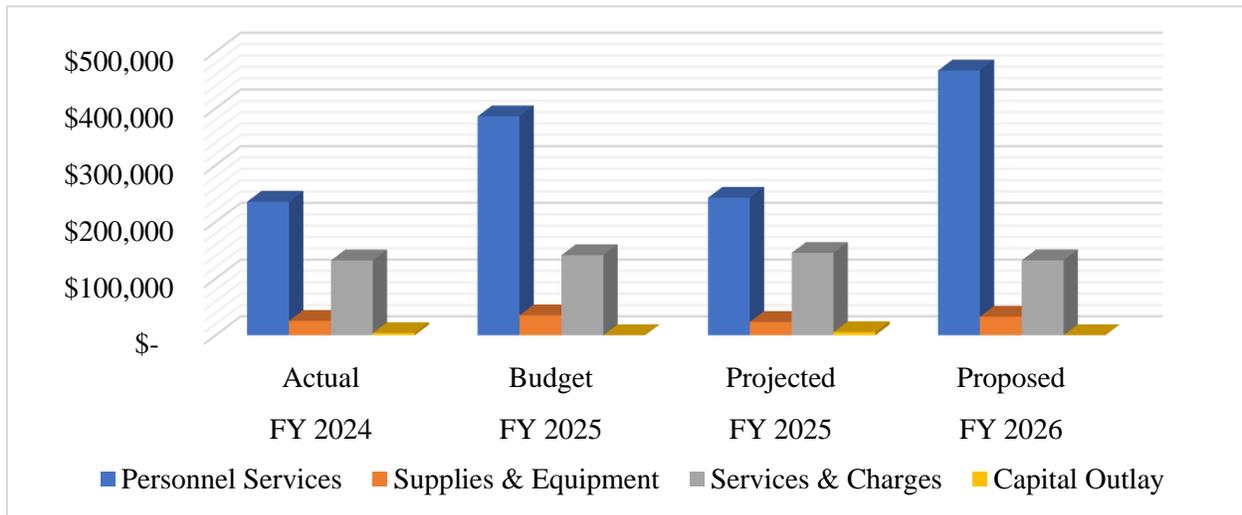
Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Court Supervisor	P-06	0.5	0.5	0.5
Accounting Assistant/Court Clerk	P-05	<u>0.25</u>	<u>0.5</u>	<u>0.5</u>
<b>Total Employees</b>		<b><u>0.75</u></b>	<b><u>1.0</u></b>	<b><u>1.0</u></b>



# Parks

## EXPENDITURE SUMMARY

	<b>FY 2024 Actual</b>	<b>FY 2025 Budget</b>	<b>FY 2025 Projected</b>	<b>FY 2026 Proposed</b>	<b>% Change 2025 to 2026</b>
Personnel Services	\$ 235,608	\$ 385,900	\$ 242,515	\$ 466,736	20.95%
Supplies & Equipment	25,501	35,200	23,650	32,900	-6.53%
Services & Charges	131,968	141,300	145,250	132,150	-6.48%
Capital Outlay	<u>3,848</u>	<u>-</u>	<u>5,500</u>	<u>-</u>	0.00%
<b>Total</b>	<b><u>\$ 396,925</u></b>	<b><u>\$ 562,400</u></b>	<b><u>\$ 416,915</u></b>	<b><u>\$ 631,786</u></b>	12.34%



## EMPLOYEE CLASSIFICATION & PAY GRADE

<b>Classification</b>	<b>Grade</b>	<b>FY2024 Budget</b>	<b>FY2025 Budget</b>	<b>FY2026 Budget</b>
Division Manager - Bldgs./Parks/Streets	P-11	0.5	0.5	0.5
Crew Leader - Parks	P-06	1.0	1.0	1.0
Maintenance Worker - Parks	P-04	1.0	1.0	3.0
Maintenance Worker (Seasonal)	P-04	<u>0.0</u>	<u>1.0</u>	<u>0.0</u>
<b>Total Employees</b>		<b><u>2.5</u></b>	<b><u>3.5</u></b>	<b><u>4.5</u></b>

## SIGNIFICANT BUDGETARY ITEMS/CHANGES

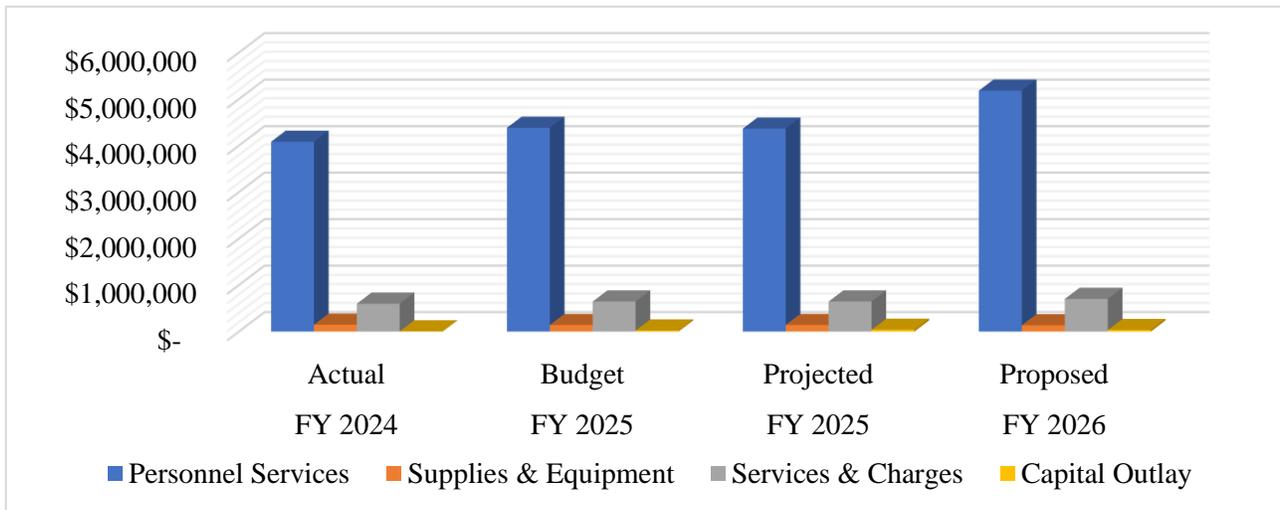
Personnel Services includes the cost of 2 full-time employees for parks maintenance that were included in the prior year as part-time employees.



# Public Safety

## EXPENDITURE SUMMARY

	<b>FY 2024 Actual</b>	<b>FY 2025 Budget</b>	<b>FY 2025 Projected</b>	<b>FY 2026 Proposed</b>	<b>% Change 2025 to 2026</b>
Personnel Services	\$ 4,082,449	\$ 4,383,000	\$ 4,364,756	\$ 5,180,861	18.20%
Supplies & Equipment	148,446	141,600	141,600	136,101	-3.88%
Services & Charges	599,795	646,400	646,400	702,655	8.70%
Capital Outlay	5,318	22,000	39,007	34,000	54.55%
<b>Total</b>	<b>\$ 4,836,008</b>	<b>\$ 5,193,000</b>	<b>\$ 5,191,763</b>	<b>\$ 6,053,617</b>	<b>16.57%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

<b>Classification</b>	<b>Grade</b>	<b>FY2024 Budget</b>	<b>FY2025 Budget</b>	<b>FY2026 Budget</b>
Director of Public Safety	N/A	1.0	1.0	1.0
Police Captain	PR4	2.0	2.0	2.0
Police Lieutenant	PR3	0.0	4.0	4.0
Police Sergeant	PR2	4.0	4.0	4.0
Public Safety Officer	PS1	19.0	15.0	18.0
Fire Marshall	PR3	1.0	1.0	1.0
School Resource Officer	PR1	7.0	7.0	7.0
Administrative Assistant	P-06	1.0	1.0	1.0
Administrative Assistant (Part-Time)	P-06	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
<b>Total Employees</b>		<b><u>35.5</u></b>	<b><u>35.5</u></b>	<b><u>38.5</u></b>

## SIGNIFICANT BUDGETARY ITEMS/CHANGES

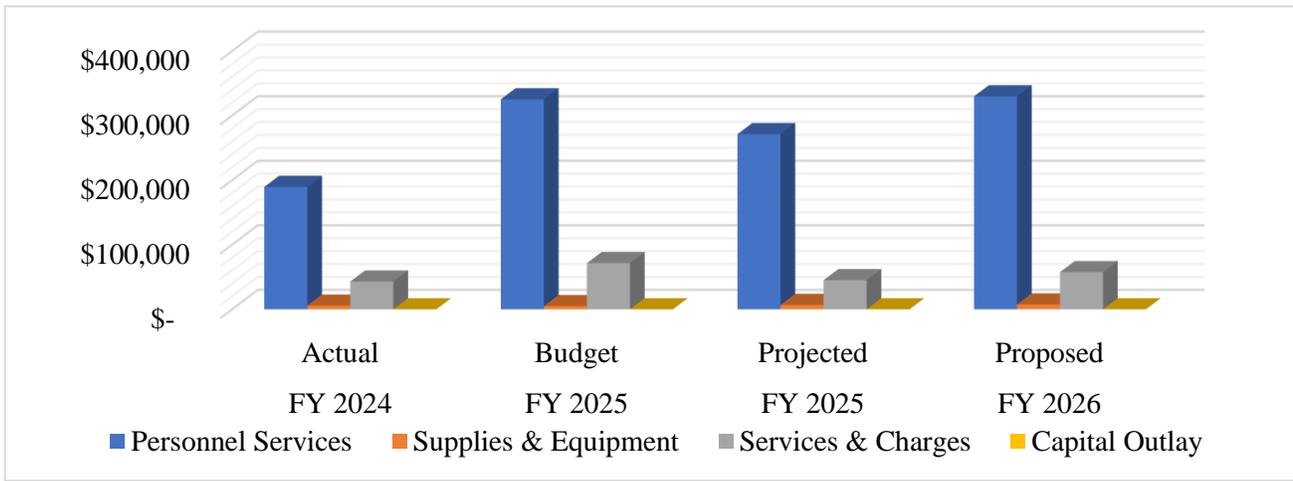
Personnel Services includes the cost of 3 full-time public safety officers necessary to facilitate staffing the second public safety building being constructed over the next year.



# Public Works Administration

## EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 189,577	\$ 325,300	\$ 271,339	\$ 329,800	1.38%
Supplies & Equipment	5,681	5,000	6,727	7,500	50.00%
Services & Charges	43,040	71,600	45,104	57,600	-19.55%
Capital Outlay	-	-	-	-	0.00%
<b>Total</b>	<b>\$ 238,298</b>	<b>\$ 401,900</b>	<b>\$ 323,170</b>	<b>\$ 394,900</b>	<b>-1.74%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Director of Public Works	N/A	0.5	0.5	0.5
Assistant Director of Public Works	N/A	0.0	0.5	0.5
CIP Manager	N/A	0.5	0.0	0.0
Public Works Project Coordinator	P-09	0.0	0.5	0.5
Administrative Assistant	P-06	0.5	0.5	0.5
Construction Inspector	P-09	0.5	0.5	0.5
Part-Time Custodian	P-06	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
<b>Total Employees</b>		<b><u>2.5</u></b>	<b><u>3.0</u></b>	<b><u>3.0</u></b>

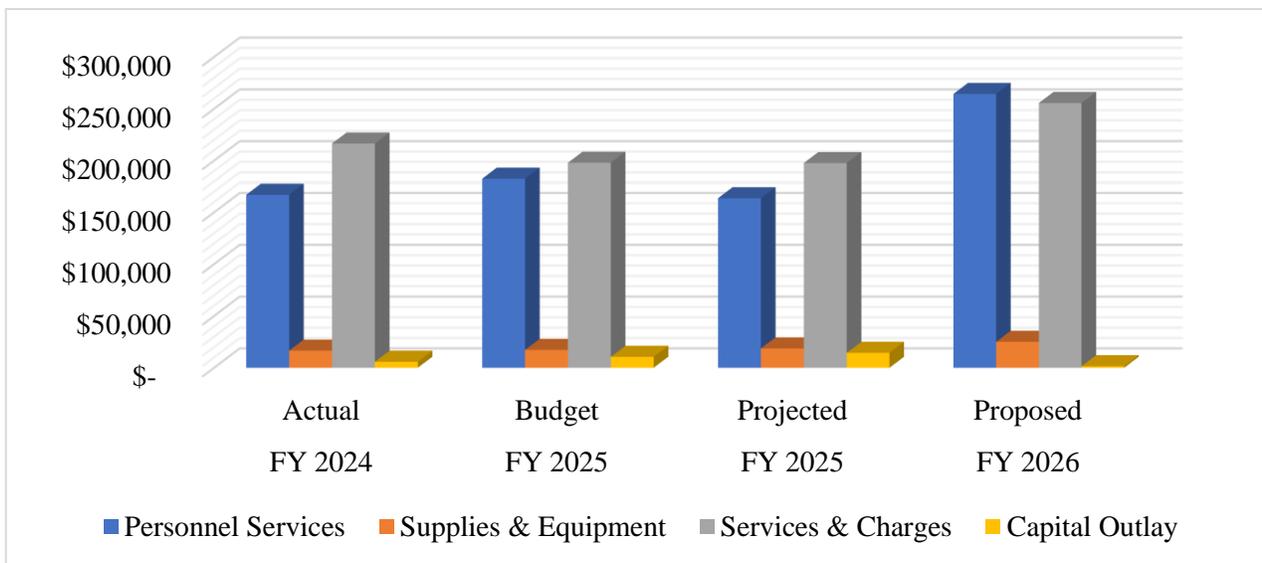
Note: The costs of the full-time positions within this department are split equally between the General Fund and the Utility Fund.



# Streets

## EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 167,006	\$ 182,490	\$ 163,665	\$ 264,353	44.86%
Supplies & Equipment	16,575	17,200	18,617	25,000	45.35%
Services & Charges	216,487	197,950	197,614	255,550	29.10%
Capital Outlay	5,779	10,500	14,432	1,500	-85.71%
<b>Total</b>	<b>\$ 405,847</b>	<b>\$ 408,140</b>	<b>\$ 394,328</b>	<b>\$ 546,403</b>	<b>33.88%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Division Manager - Bldgs./Parks/Streets	P-11	0.5	0.5	0.5
Maintenance Worker - Streets	P-04	<u>1.0</u>	<u>1.0</u>	<u>2.0</u>
<b>Total Employees</b>		<b><u>1.5</u></b>	<b><u>1.5</u></b>	<b><u>2.5</u></b>

## SIGNIFICANT BUDGETARY ITEMS/CHANGES

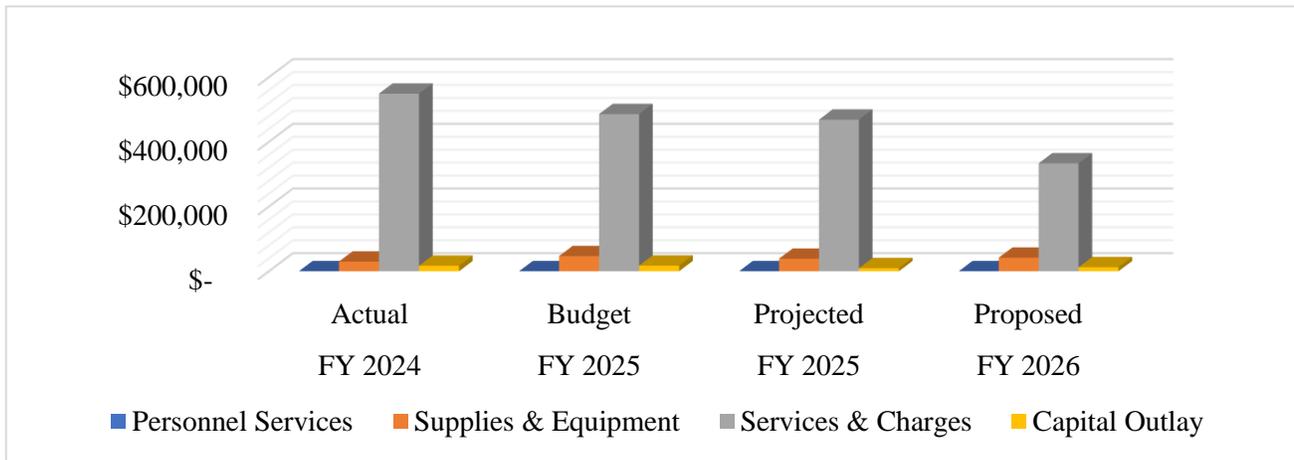
Personnel Services includes the cost of 1 full-time employee for street maintenance.



# Non-Divisional

## EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ -	\$ -	\$ -	\$ -	0.00%
Supplies & Equipment	29,841	46,800	38,703	41,800	-10.68%
Services & Charges	549,050	486,000	468,575	333,620	-31.35%
Capital Outlay	16,843	17,500	9,499	12,500	-28.57%
<b>Total</b>	<b>\$ 595,734</b>	<b>\$ 550,300</b>	<b>\$ 516,777</b>	<b>\$ 387,920</b>	<b>-29.51%</b>



## SIGNIFICANT BUDGET ITEMS/CHANGES

The Non-Divisional section of the General Fund includes citywide cots that are not attributable to a single division but support overall operations and community initiatives. These expenditures typically fall into the following categories:

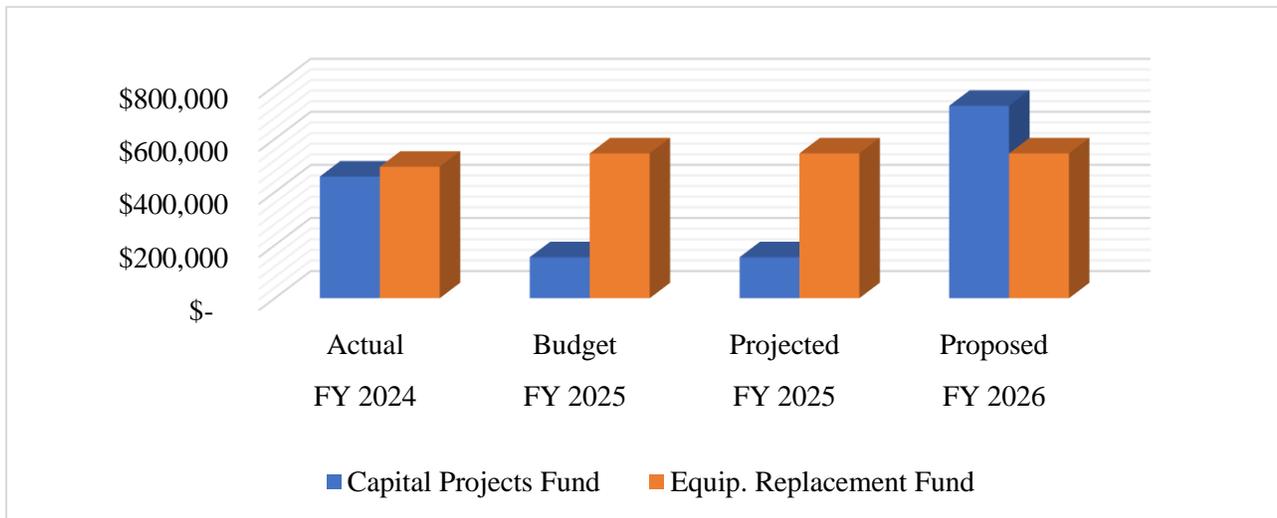
- **Professional & Contract Services:** Includes consulting, engineering, GIS mapping, public relations, and human resource service that benefit multiple divisions or the City as a whole.
- **Share Supplies & Facility Costs:** Office Supplies, janitorial items, and structural repairs for City Hall and other shared-use facilities.
- **Utilities & Communications:** Electric, water, gas, telephone, and internet services across city facilities
- **Insurance & Financial Fees:** General liability insurance, bank service fees, and credit card processing charges
- **Employee Development & Community Programs:** Staff training, and city-sponsored events.



# Transfers to Other Funds

## EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Capital Projects Fund	\$ 458,475	\$ 154,500	\$ 154,500	\$ 725,000	369.26%
Debt Service Fund	112,500	-	-	-	0.00%
Drainage Utility Fund	168,750	-	-	-	0.00%
Equip. Replacement Fund	<u>495,330</u>	<u>545,700</u>	<u>545,700</u>	<u>545,700</u>	0.00%
<b>Total Department</b>	<b><u>\$ 1,235,055</u></b>	<b><u>\$ 700,200</u></b>	<b><u>\$ 700,200</u></b>	<b><u>\$ 1,270,700</u></b>	81.48%



## SIGNIFICANT BUDGET ITEMS/CHANGES

The FY2026 budget includes planned transfers to support long-term capital and equipment needs:

- \$725,000 is transferred to the General Capital Projects Fund to fund current and upcoming infrastructure improvements and facility upgrades.
- \$545,700 is transferred to the General Equipment Replacement Fund in alignment with the City's equipment replacement schedule. This ensures adequate funding for timely replacement of critical vehicles, machinery, and technology assets across divisions.

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## UTILITY FUND

The Utility Fund is an enterprise fund that accounts for the operations, maintenance, and capital investment of the City of Heath's water and wastewater systems. This fund is operated in a business-like manner and is primarily supported by user fees rather than taxes. The purpose of the Utility Fund is to ensure the safe, reliable, and sustainable delivery of water and sanitary sewer services to residents, businesses, and institutions within the City.

Services supported by the Utility Fund include:

- **Water Distribution** – Maintenance and operation of the water distribution system, including pump stations, ground and elevated storage, meters, valves, and waterline infrastructure.
- **Wastewater Collections** – Operation of sewer lines, lift stations, and related infrastructure to ensure safe and efficient wastewater transport and treatment.
- **Utility Billing & Customer Service** – Meter reading, billing, account management, and customer service functions
- **Regulatory Compliance** – Ensuring adherence to federal, state, and local regulations and standards.
- **Capital Projects** – Investments in infrastructure upgrades, line extensions, storage capacity improvements, and long-range system planning

### **Basis of Accounting**

The Utility Fund is reported on a full accrual accounting basis and budgeted on a modified accrual basis. Under the full accrual basis, revenues are recognized when earned, and expenses are recognized when incurred in accordance with generally accepted accounting principles (GAAP) for enterprise funds.

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**UTILITY FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES BY DEPARTMENT**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ 14,042,394	\$ 15,447,170	\$ 15,447,170	\$ 15,432,630
<b>REVENUES/SOURCES OF FUNDS</b>				
Charges for Services	\$ 15,374,312	\$ 15,321,000	\$ 17,925,013	\$ 22,734,561
Fines & Forfeits	73,810	62,000	78,975	77,722
Miscellaneous	240,740	134,800	211,727	192,594
<b>Total Revenues</b>	<b>\$ 15,688,861</b>	<b>15,517,800</b>	<b>\$ 18,215,715</b>	<b>\$ 23,004,877</b>
<b>Other Sources:</b>				
Transfers In	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
<b>Total Other Sources</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>
<b>Total Revenues Sources</b>	<b><u>\$ 15,728,861</u></b>	<b><u>\$ 15,557,800</u></b>	<b><u>\$ 18,255,715</u></b>	<b><u>\$ 23,044,877</u></b>
<b>EXPENDITURES/USES OF FUNDS</b>				
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 Service	260,228	350,400	246,327	308,107
Non-Departmental	505,502	556,700	649,103	700,000
<b>Total Expenditures</b>	<b>\$ 8,689,667</b>	<b>\$ 11,070,100</b>	<b>\$ 11,229,335</b>	<b>\$ 11,950,883</b>
<b>Other Uses:</b>				
Debt Service	\$ 3,549,943	\$ 3,942,700	\$ 4,356,920	\$ 8,237,994
Transfers to Other Funds	2,084,475	2,684,000	2,684,000	2,856,000
<b>Total Other Uses</b>	<b>\$ 5,634,418</b>	<b>\$ 6,626,700</b>	<b>\$ 7,040,920</b>	<b>\$ 11,093,994</b>
<b>Total Expenditures/Uses</b>	<b><u>\$ 14,324,086</u></b>	<b><u>\$ 17,696,800</u></b>	<b><u>\$ 18,270,255</u></b>	<b><u>\$ 23,044,877</u></b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ 1,404,776</b>	<b>\$ (2,139,000)</b>	<b>\$ (14,540)</b>	<b>\$ -</b>
<b>Fund Balance</b>	<b>\$ 15,447,170</b>	<b>\$ 13,308,170</b>	<b>\$ 15,432,630</b>	<b>\$ 15,432,630</b>
<b>Ideal Fund Balance</b>	<b>\$ 5,013,430</b>	<b>\$ 6,193,880</b>	<b>\$ 6,394,589</b>	<b>\$ 8,065,707</b>
<b>Fund Balance in Excess of Minimum</b>	<b>\$ 10,433,740</b>	<b>\$ 7,114,290</b>	<b>\$ 9,038,041</b>	<b>\$ 7,366,923</b>

**UTILITY FUND**  
**STATEMENT OF REVENUES & EXPENDITURES BY TYPE**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ 14,042,394	\$ 15,447,170	\$ 15,447,170	\$ 15,432,630
<b>REVENUES/SOURCES OF FUNDS</b>				
Charges for Services	\$ 15,374,312	\$ 15,321,000	\$ 17,925,013	\$ 22,734,561
Fines & Forfeits	73,810	62,000	78,975	77,722
Miscellaneous	240,740	134,800	211,727	192,594
<b>Total Revenues</b>	<b>\$ 15,688,861</b>	<b>15,517,800</b>	<b>\$ 18,215,715</b>	<b>\$ 23,004,877</b>
<b>Other Sources:</b>				
Transfers In	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
<b>Total Other Sources</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>
<b>Total Revenues Sources</b>	<b><u>\$ 15,728,861</u></b>	<b><u>\$ 15,557,800</u></b>	<b><u>\$ 18,255,715</u></b>	<b><u>\$ 23,044,877</u></b>
<b>EXPENDITURES/USES OF FUNDS</b>				
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	<b>\$ 1,404,072</b>	<b>\$ 2,027,000</b>	<b>\$ 1,679,695</b>	<b>\$ 2,246,133</b>
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
<b>Total Expenditures</b>	<b>\$ 8,689,667</b>	<b>\$ 11,070,100</b>	<b>\$ 11,229,335</b>	<b>\$ 11,950,883</b>
<b>Other Uses:</b>				
Debt Service	\$ 3,549,943	\$ 3,942,700	\$ 4,356,920	\$ 8,237,994
Transfers to Other Funds	2,084,475	2,684,000	2,684,000	2,856,000
<b>Total Other Uses</b>	<b>\$ 5,634,418</b>	<b>\$ 6,626,700</b>	<b>\$ 7,040,920</b>	<b>\$ 11,093,994</b>
<b>Total Expenditures/Uses</b>	<b><u>\$ 14,324,086</u></b>	<b><u>\$ 17,696,800</u></b>	<b><u>\$ 18,270,255</u></b>	<b><u>\$ 23,044,877</u></b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ 1,404,776</b>	<b>\$ (2,139,000)</b>	<b>\$ (14,540)</b>	<b>\$ -</b>
<b>Fund Balance</b>	<b>\$ 15,447,170</b>	<b>\$ 13,308,170</b>	<b>\$ 15,432,630</b>	<b>\$ 15,432,630</b>
<b>Ideal Fund Balance</b>	<b>\$ 5,013,430</b>	<b>\$ 6,193,880</b>	<b>\$ 6,394,589</b>	<b>\$ 8,065,707</b>
<b>Fund Balance in Excess of Minimum</b>	<b>\$ 10,433,740</b>	<b>\$ 7,114,290</b>	<b>\$ 9,038,040</b>	<b>\$ 7,366,923</b>

**UTILITY FUND  
STATEMENT OF REVENUES**

	<b>FY 2024 Actual</b>	<b>FY 2025 Budget</b>	<b>FY 2025 Projected</b>	<b>FY 2026 Proposed</b>
<b>Charges for Services</b>				
Water Sales	\$ 7,291,013	\$ 7,458,600	\$ 7,900,525	\$ 10,775,492
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>	<b>\$ 15,374,312</b>	<b>\$ 15,321,000</b>	<b>\$ 17,925,013</b>	<b>\$ 22,734,561</b>
<b>Fines &amp; Forfeits</b>				
Administrative Penalties	\$ -	\$ -	\$ 11,700	\$ -
Late Payment Penalties	73,810	62,000	67,275	77,722
<i>Subtotal</i>	<b>\$ 73,810</b>	<b>\$ 62,000</b>	<b>\$ 67,275</b>	<b>\$ 77,722</b>
<b>Miscellaneous</b>				
Interest Earnings	\$ 232,555	\$ 125,000	\$ 199,454	\$ 179,509
Miscellaneous	8,185	9,800	12,273	13,085
<i>Subtotal</i>	<b>\$ 240,740</b>	<b>\$ 134,800</b>	<b>\$ 211,727</b>	<b>\$ 192,594</b>
<b>Total Revenues</b>	<b><u>\$ 15,688,861</u></b>	<b><u>\$ 15,517,800</u></b>	<b><u>\$ 18,204,015</u></b>	<b><u>\$ 23,004,877</u></b>

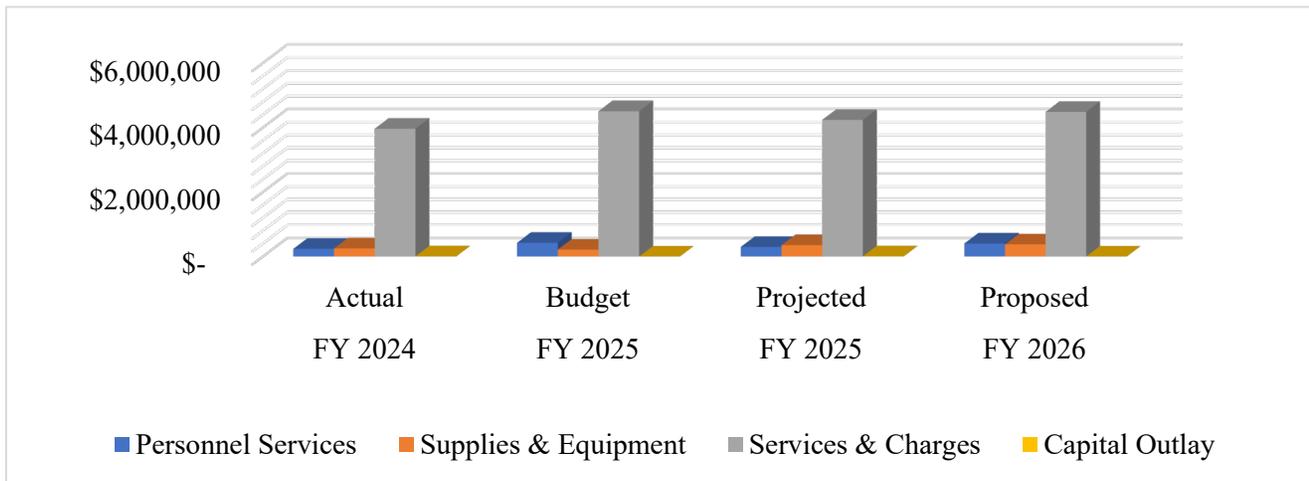
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# Water Distribution

## EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 237,189	\$ 425,300	\$ 297,417	\$ 402,849	-5.28%
Supplies & Equipment	250,576	213,400	352,217	377,000	76.66%
Services & Charges	3,962,888	4,504,700	4,236,158	4,484,500	-0.45%
Capital Outlay	3,799	500	6,083	-	-100.00%
<b>Total</b>	<b>\$ 4,454,452</b>	<b>\$ 5,143,900</b>	<b>\$ 4,891,875</b>	<b>\$ 5,264,349</b>	2.34%



## EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Division Manager of Utilities	P-11	0.5	0.5	0.5
Crew Leader - Utilities	P-07	0.5	0.5	0.5
Maintenance Worker I - Utilities	P-04	2.0	2.0	2.0
Maintenance Worker II - Utilities	P-05	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>
<b>Total Employees</b>		<b><u>4.5</u></b>	<b><u>4.5</u></b>	<b><u>4.5</u></b>

Note: Manager and Crew Leader are split between Water Distribution and Sewer Collection.

## SIGNIFICANT BUDGETARY ITEMS/CHANGES

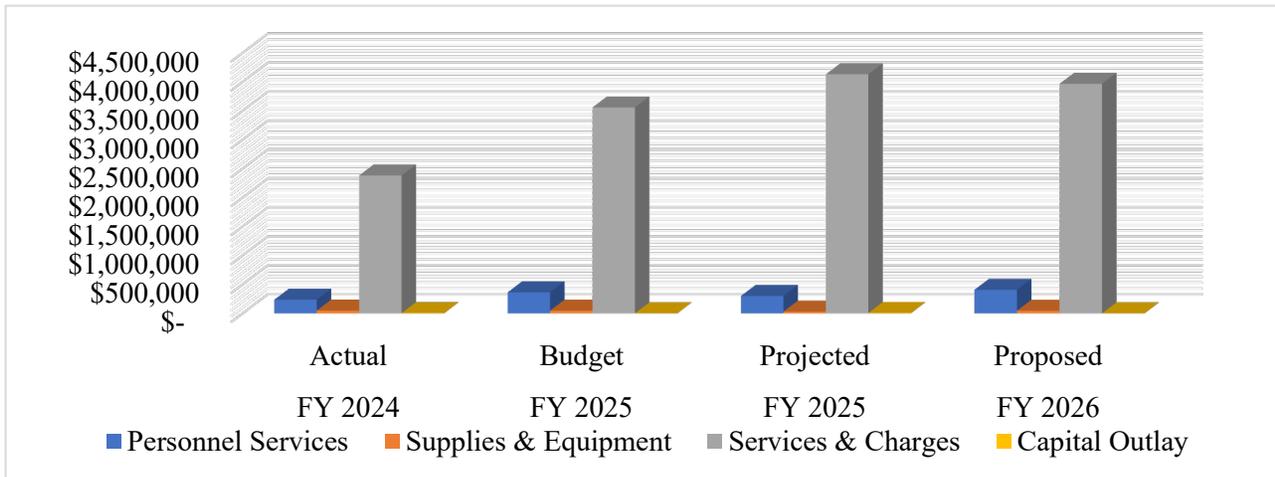
Supplies & Equipment is increasing to cover the cost of replacement and new water meters.



# Sewer Collections

## EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 235,875	\$ 363,800	\$ 301,247	\$ 406,687	11.79%
Supplies & Equipment	48,096	46,900	30,125	45,500	-2.99%
Services & Charges	2,382,820	3,558,800	4,131,597	3,966,950	11.47%
Capital Outlay	3,791	500	6,073	500	0.00%
<b>Total</b>	<b>\$ 2,670,583</b>	<b>\$ 3,970,000</b>	<b>\$ 4,469,042</b>	<b>\$ 4,419,637</b>	<b>11.33%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Division Manager of Utilities	P-11	0.5	0.5	0.5
Crew Leader - Utilities	P-07	0.5	0.5	0.5
Maintenance Worker I - Utilities	P-04	2.0	2.0	2.0
Maintenance Worker II - Utilities	P-05	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>
<b>Total Employees</b>		<b><u>4.5</u></b>	<b><u>4.5</u></b>	<b><u>4.5</u></b>

Note: Manager and Crew Leader are split between Water Distribution and Sewer Collection.

## SIGNIFICANT BUDGETARY ITEMS/CHANGES

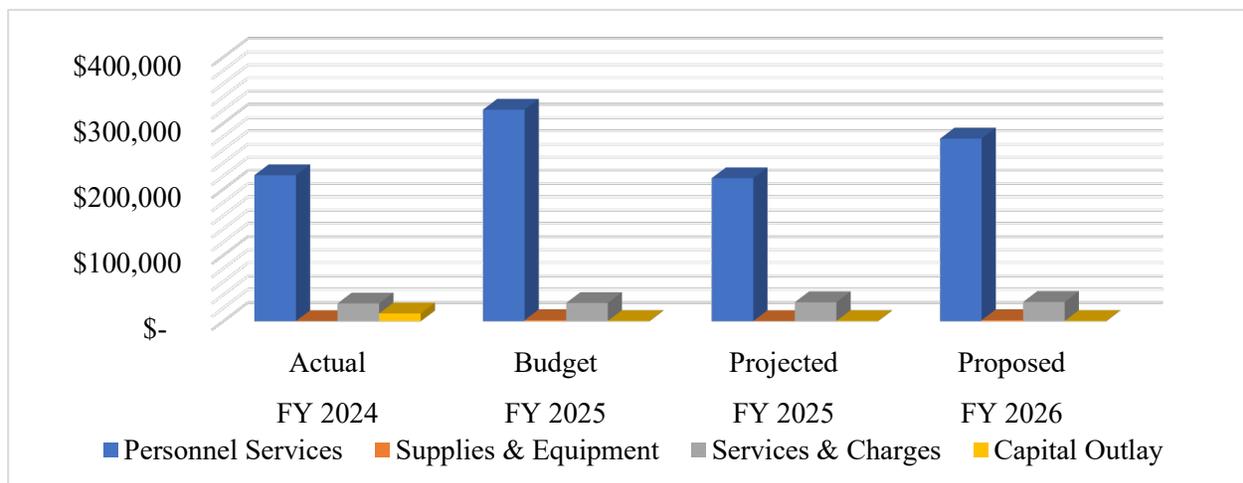
Services & Charges is increasing predominately due to the increase in wastewater treatment charges from the North Texas Municipal Water District.



# Utility Billing Customer Service

## EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 221,165	\$ 320,500	\$ 216,706	\$ 276,707	-13.66%
Supplies & Equipment	282	1,700	300	1,700	0.00%
Services & Charges	26,930	27,700	28,821	29,200	5.42%
Capital Outlay	11,850	500	500	500	0.00%
<b>Total</b>	<b>\$ 260,228</b>	<b>\$ 350,400</b>	<b>\$ 246,327</b>	<b>\$ 308,107</b>	<b>-12.07%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

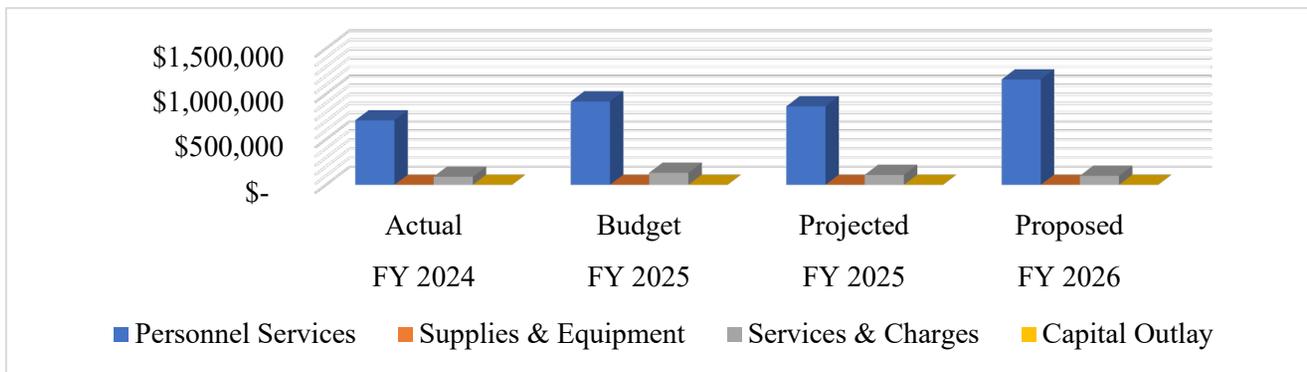
Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Assistant Director of Finance	P-14	0.5	0.5	0.5
Purchasing Agent/Payroll Coordinator/AP Clerk	P-09	0.5	0.5	0.5
Accounting Assistant/Utility Billing Lead	P-06	0.5	0.5	0.5
Accounting Assistant/Utility Billing Clerk	P-05	0.5	0.5	0.5
Accounting Assistant/Court Clerk	P-05	0.25	0.25	0.25
Accounting Assistant/Court Supervisor	P-06	0.25	0.25	0.25
Accounting Assistant/HR Coordinator	P-05	<u>0.0</u>	<u>0.5</u>	<u>0.5</u>
<b>Total Employees</b>		<b><u>2.50</u></b>	<b><u>3.0</u></b>	<b><u>3.0</u></b>



# Utility Administration

## EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 709,843	\$ 917,400	\$ 864,325	\$ 1,159,890	26.43%
Supplies & Equipment	-	-	-	-	0.00%
Services & Charges	89,060	131,700	108,663	98,900	-24.91%
Capital Outlay	-	-	-	-	0.00%
<b>Total</b>	<b>\$ 798,904</b>	<b>\$ 1,049,100</b>	<b>\$ 972,988</b>	<b>\$ 1,258,790</b>	<b>19.99%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
City Manager	N/A	0.5	0.5	0.5
Assistant City Manager	N/A	0.5	0.5	0.5
Executive Assistant/HR Coordinator	P-10	0.5	0.5	0.5
Director of Finance	N/A	0.5	0.5	0.5
City Engineer	N/A	0.0	0.0	0.5
Director of Public Works	N/A	0.5	0.5	0.5
Assistant Director of Public Works	N/A	0.5	0.5	0.5
Public Works Coordinator	P-09	0.0	0.5	0.5
Construction Inspector	P-09	0.5	0.5	0.5
Public Works - Administrative Assistant	P-06	0.5	0.5	0.5
Director of Community Development	N/A	0.5	0.5	0.5
Permit Technician	P-05	0.5	0.5	0.5
Code Enforcement Officer	P-07	0.5	0.5	0.5
Director of Information Technology	P-13	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
<b>Total Employees</b>		<b><u>6.0</u></b>	<b><u>6.5</u></b>	<b><u>7.0</u></b>

Note: Positions listed above are split between the Utility Fund and the General Fund.

## SIGNIFICANT BUDGETARY ITEMS/CHANGES

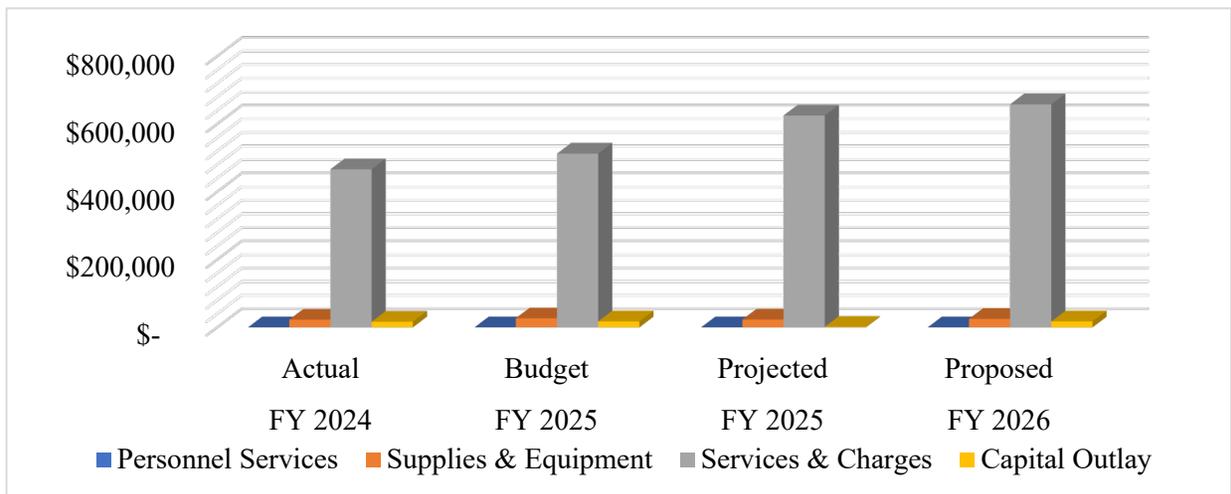
The Utility Administration budget for FY2026 includes half of the cost of the new City Engineer position.



# Non-Divisional

## EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ -	\$ -	\$ -	\$ -	0.00%
Supplies & Equipment	22,621	26,800	22,885	24,800	-7.46%
Services & Charges	466,250	512,400	624,910	657,700	28.36%
Capital Outlay	16,631	17,500	1,308	17,500	0.00%
<b>Total</b>	<b>\$ 505,502</b>	<b>\$ 556,700</b>	<b>\$ 649,103</b>	<b>\$ 700,000</b>	25.74%



## SIGNIFICANT BUDGETARY ITEMS/CHANGES

The Non-Divisional section of the Utility Fund includes expenditures that are not specific to any single operational department but are essential to the overall administration and support of utility operations. Key items budgeted in FY2026 include:

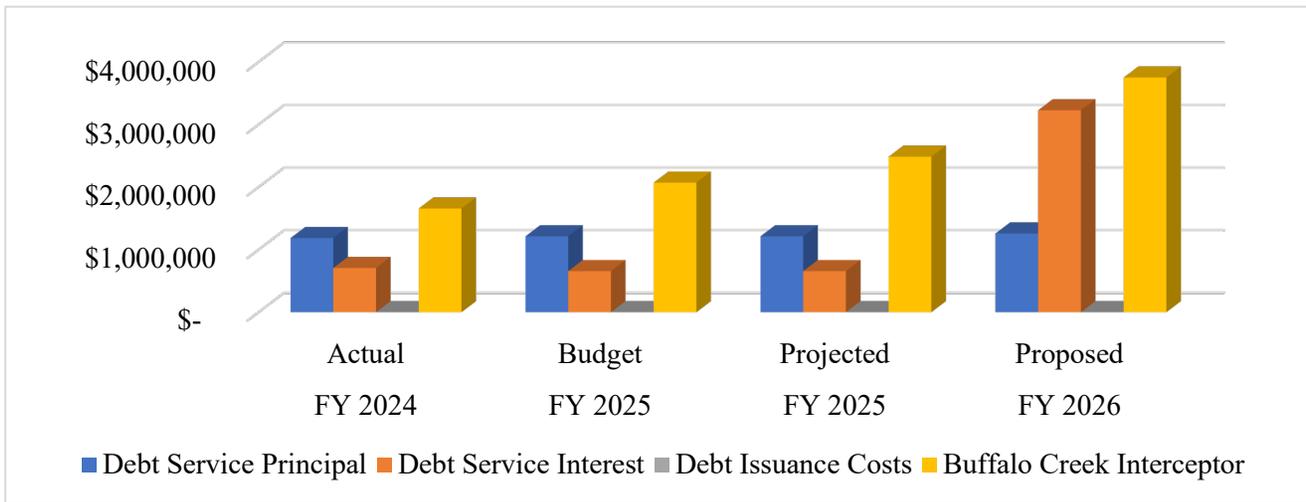
- Insurance and Risk Management: Funding for the Utility Fund's portion of general liability and property insurance
- Technology Expenses: Utility Billing Software Maintenance, SCADA support, and other-related utility software
- Utility Billing and Administrative Support: Third-party merchant processing fees, shared services, etc. Merchant fees in support of credit card transactions by customers represent the single largest



# 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	3,227,983	391.10%
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%
<b>Total Department</b>	<b><u>\$ 3,549,943</u></b>	<b><u>\$ 3,942,700</u></b>	<b><u>\$ 4,356,920</u></b>	<b><u>\$ 8,237,994</u></b>	108.94%



## 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)	-	2,619,000.00	2,619,000.00

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

**TOTAL DEBT SUPPORTED BY UTILITY FUND**

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
9/30/2026	1,252,454	3,224,092	4,476,546	4,476,546
9/30/2027	1,832,454	4,047,532	5,879,986	5,879,986
9/30/2028	1,917,772	3,971,199	5,888,971	5,888,971
9/30/2029	2,002,090	3,890,117	5,892,207	5,892,207
9/30/2030	2,087,090	3,808,179	5,895,269	5,895,269
9/30/2031	2,182,408	3,717,127	5,899,535	5,899,535
9/30/2032	2,387,408	3,616,448	6,003,856	6,003,856
9/30/2033	2,497,726	3,505,961	6,003,687	6,003,687
9/30/2034	2,718,045	3,402,455	6,120,499	6,120,499
9/30/2035	2,853,045	3,268,307	6,121,352	6,121,352
9/30/2036	2,993,363	3,127,428	6,120,790	6,120,790
9/30/2037	3,138,681	2,979,678	6,118,359	6,118,359
9/30/2038	3,298,999	2,851,817	6,150,816	6,150,816
9/30/2039	3,462,999	2,691,861	6,154,860	6,154,860
9/30/2040	3,640,000	2,523,940	6,163,940	6,163,940
9/30/2041	3,925,000	2,347,400	6,272,400	6,272,400
9/30/2042	4,120,000	2,157,038	6,277,038	6,277,038
9/30/2043	4,325,000	1,957,218	6,282,218	6,282,218
9/30/2044	4,445,000	1,747,455	6,192,455	6,192,455
9/30/2045	4,630,000	1,531,873	6,161,873	6,161,873
9/30/2046	4,885,000	1,307,318	6,192,318	6,192,318
9/30/2047	5,125,000	1,070,395	6,195,395	6,195,395
9/30/2048	5,380,000	821,833	6,201,833	6,201,833
9/30/2049	5,645,000	560,903	6,205,903	6,205,903
9/30/2050	5,920,000	287,120	6,207,120	6,207,120
	86,664,533	64,414,693	151,079,226	151,079,226

Bond Debt Service  
City of Heath, Texas  
Combination Tax and Surplus Revenue Certificates of Obligation, Series 2013 (W&S Portion)  
Callable on 2/15/2023 @ par  
Paying Agent: The Bank of New York Mellon Trust Company, N.A.

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
9/30/2025	195,000	4.00%	222,100	417,100	417,100
9/30/2026	205,000	4.00%	214,100	419,100	419,100
9/30/2027	215,000	4.00%	205,700	420,700	420,700
9/30/2028	755,000	4.00%	186,300	941,300	941,300
9/30/2029	790,000	4.00%	155,400	945,400	945,400
9/30/2030	820,000	4.00%	123,200	943,200	943,200
9/30/2031	855,000	4.00%	89,700	944,700	944,700
9/30/2032	890,000	4.00%	54,800	944,800	944,800
9/30/2033	925,000	4.00%	18,500	943,500	943,500
	5,650,000		1,269,800	6,919,800	6,919,800

Bond Debt Service  
City of Heath, Texas  
General Obligation Refunding Bonds, Series 2015 (W&S Portion)  
Callable Anytime @ Par  
Paying Agent: Alliance Bank

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
9/30/2025	385,000	2.03%	20,046	405,046	405,046.25
9/30/2026	395,000	2.03%	12,129	407,129	407,129.25
9/30/2027	400,000	2.03%	4,060	404,060	404,060.00
	1,180,000		36,235.50	1,216,235.50	1,216,235.50

Bond Debt Service  
City of Heath, Texas  
Combination Tax & Surplus Revenue Certificates of Obligation, Series 2017 (W&S Portion)  
Callable 2/15/2027 @ par  
Paying Agent: The Bank of New York Mellon Trust Company, N.A.

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
9/30/2025	625,000	5.00%	409,275	1,034,275	1,034,275
9/30/2026	650,000	5.00%	377,400	1,027,400	1,027,400
9/30/2027	670,000	5.00%	344,400	1,014,400	1,014,400
9/30/2028	480,000	4.00%	318,050	798,050	798,050
9/30/2029	500,000	3.00%	300,950	800,950	800,950
9/30/2030	515,000	3.00%	285,725	800,725	800,725
9/30/2031	535,000	5.00%	264,625	799,625	799,625
9/30/2032	560,000	5.00%	237,250	797,250	797,250
9/30/2033	590,000	5.00%	208,500	798,500	798,500
9/30/2034	905,000	5.00%	171,125	1,076,125	1,076,125
9/30/2035	945,000	5.00%	124,875	1,069,875	1,069,875
9/30/2036	990,000	5.00%	76,500	1,066,500	1,066,500
9/30/2037	1,035,000	5.00%	25,875	1,060,875	1,060,875
	9,000,000		3,144,550	12,144,550	12,144,550

Bond Debt Service  
City of Heath, Texas  
Combination Tax & Revenue Certificates of Obligation, Series 2019 (W&S Portion)  
Callable Anytime @ Par  
Paying Agent: Alliance Bank

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
9/30/2025	2,453.90	3.70%	1,553.50	4,007.40	4,007.40
9/30/2026	2,453.80	3.70%	1,462.72	3,916.52	3,916.52
9/30/2027	2,453.80	3.70%	1,371.92	3,825.72	3,825.72
9/30/2028	2,772.00	3.70%	1,281.14	4,053.14	4,053.14
9/30/2029	2,090.10	3.70%	1,178.56	3,268.66	3,268.66
9/30/2030	2,090.10	3.70%	1,101.24	3,191.34	3,191.34
9/30/2031	2,408.20	3.70%	1,023.90	3,432.10	3,432.10
9/30/2032	2,408.20	3.70%	934.80	3,343.00	3,343.00
9/30/2033	2,726.40	3.70%	845.70	3,572.10	3,572.10
9/30/2034	3,044.50	3.70%	744.82	3,789.32	3,789.32
9/30/2035	3,044.50	3.70%	632.18	3,676.68	3,676.68
9/30/2036	3,362.60	3.70%	519.52	3,882.12	3,882.12
9/30/2037	3,680.80	3.70%	395.10	4,075.90	4,075.90
9/30/2038	3,998.90	3.70%	258.92	4,257.82	4,257.82
9/30/2039	2,998.90	3.70%	110.96	3,109.86	3,109.86
	41,986.70		13,414.98	55,401.68	55,401.68

Bond Debt Service  
City of Heath, Texas  
Combination Tax & Revenue Certificates of Obligation, Series 2026  
Callable - Not Established  
Paying Agent: Not Established

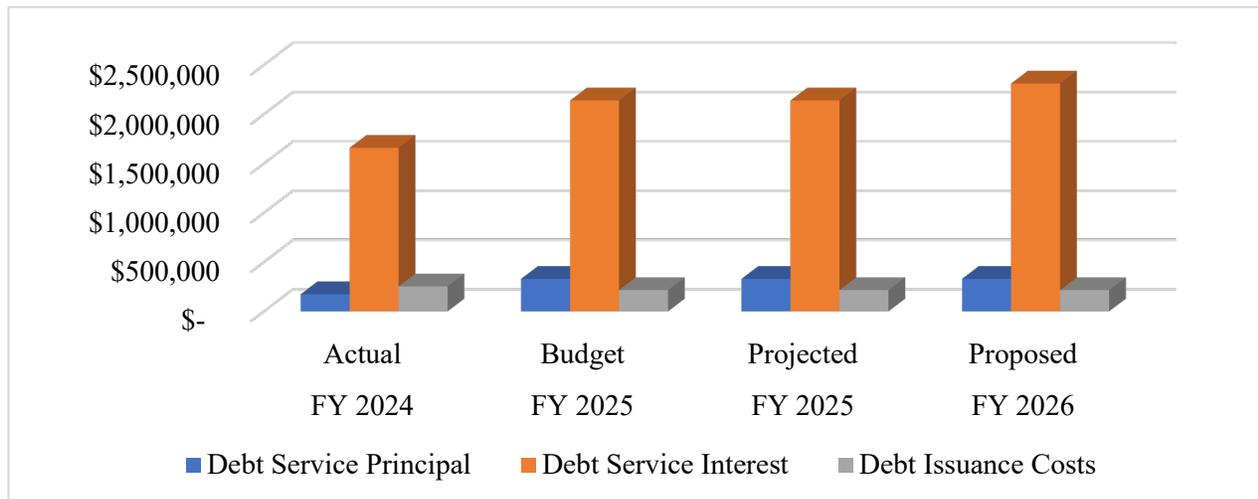
Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
9/30/2026	-	4.85%	2,619,000	2,619,000	2,619,000
9/30/2027	545,000	4.85%	3,492,000	4,037,000	4,037,000
9/30/2028	680,000	4.85%	3,465,568	4,145,568	4,145,568
9/30/2029	710,000	4.85%	3,432,588	4,142,588	4,142,588
9/30/2030	750,000	4.85%	3,398,153	4,148,153	4,148,153
9/30/2031	790,000	4.85%	3,361,778	4,151,778	4,151,778
9/30/2032	935,000	4.85%	3,323,463	4,258,463	4,258,463
9/30/2033	980,000	4.85%	3,278,115	4,258,115	4,258,115
9/30/2034	1,810,000	4.85%	3,230,585	5,040,585	5,040,585
9/30/2035	1,905,000	4.85%	3,142,800	5,047,800	5,047,800
9/30/2036	2,000,000	4.85%	3,050,408	5,050,408	5,050,408
9/30/2037	2,100,000	4.85%	2,953,408	5,053,408	5,053,408
9/30/2038	3,295,000	4.85%	2,851,558	6,146,558	6,146,558
9/30/2039	3,460,000	4.85%	2,691,750	6,151,750	6,151,750
9/30/2040	3,640,000	4.85%	2,523,940	6,163,940	6,163,940
9/30/2041	3,925,000	4.85%	2,347,400	6,272,400	6,272,400
9/30/2042	4,120,000	4.85%	2,157,038	6,277,038	6,277,038
9/30/2043	4,325,000	4.85%	1,957,218	6,282,218	6,282,218
9/30/2044	4,445,000	4.85%	1,747,455	6,192,455	6,192,455
9/30/2045	4,630,000	4.85%	1,531,873	6,161,873	6,161,873
9/30/2046	4,885,000	4.85%	1,307,318	6,192,318	6,192,318
9/30/2047	5,125,000	4.85%	1,070,395	6,195,395	6,195,395
9/30/2048	5,380,000	4.85%	821,833	6,201,833	6,201,833
9/30/2049	5,645,000	4.85%	560,903	6,205,903	6,205,903
9/30/2050	5,920,000	4.85%	287,120	6,207,120	6,207,120
	72,000,000		60,603,667	132,603,667	132,603,667



# Transfers to Other Funds

## EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
General Fund	\$ 173,250	\$ 329,300	\$ 329,300	\$ 329,300	0.00%
Capital Projects	1,658,475	2,139,000	2,139,000	2,311,000	7.44%
Equip. Replacement Fund	<u>252,750</u>	<u>215,700</u>	<u>215,700</u>	<u>215,700</u>	0.00%
<b>Total</b>	<b><u>\$ 2,084,475</u></b>	<b><u>\$ 2,684,000</u></b>	<b><u>\$ 2,684,000</u></b>	<b><u>\$ 2,856,000</u></b>	6.02%



## SIGNIFICANT BUDGETARY ITEMS/CHANGES

The FY2026 budget includes the following transfers from the Utility Fund:

- \$329,300 to the General Fund for administrative and support services.
- \$2,311,000 to the Capital Projects Fund for water and wastewater infrastructure improvements.
- \$215,700 to the Equipment Replacement for future replacement of utility related-assets.

These transfers ensure the Utility Fund supports citywide operations, capital needs, and long-term asset sustainability.

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## **SOLID WASTE FUND**

The Solid Waste Fund is an enterprise fund that accounts for the costs and revenues associated with providing residential garbage, recycling, and bulk waste collection services. Waste Connections, a third-party provider, fully contracts for these services, with the City of Heath responsible for contract oversight and customer service support.

The Solid Waste Fund is funded by monthly charges billed to customers. It is designed to be self-supporting, with revenues covering the cost of contracted services, administrative fees, and customer service functions.

### **Services Provided**

- Weekly residential solid waste collection
- Curbside recycling services
- Bulk waste pickup
- Oversight of vendor performance and contract compliance
- Billing and customer service support through the City's Utility Billing function

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**SOLID WASTE FUND  
STATEMENT OF REVENUES & EXPENDITURES BY DEPARTMENT**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ 235,700	\$ 152,108	\$ 152,108	\$ 201,759
<b>REVENUES/SOURCES OF FUNDS</b>				
Charges for Services	\$ 1,321,544	\$ 1,260,000	\$ 1,281,030	\$ 1,315,620
Fines & Forfeits	9,152	7,000	8,222	8,250
Miscellaneous	6,812	2,500	112,807	11,500
<b>Total Revenues</b>	<b>\$ 1,337,508</b>	<b>1,269,500</b>	<b>\$ 1,402,059</b>	<b>\$ 1,335,370</b>
<b>Other Sources:</b>				
Transfers In	\$ -	\$ -	\$ -	\$ -
<b>Total Other Sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Revenues Sources</b>	<b>\$ 1,337,508</b>	<b>\$ 1,269,500</b>	<b>\$ 1,402,059</b>	<b>\$ 1,335,370</b>
<b>EXPENSES - BY DEPARTMENT</b>				
Sanitation Department	\$ 1,341,101	\$ 1,150,000	\$ 1,272,408	\$ 1,314,474
<b>Total Expenses</b>	<b>\$ 1,341,101</b>	<b>\$ 1,150,000</b>	<b>\$ 1,272,408</b>	<b>\$ 1,314,474</b>
<b>Other Uses:</b>				
Transfers to Other Funds	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000
<b>Total Other Uses</b>	<b>\$ 80,000</b>	<b>\$ 80,000</b>	<b>\$ 80,000</b>	<b>\$ 80,000</b>
<b>Total Expenditures/Uses</b>	<b>\$ 1,421,101</b>	<b>\$ 1,230,000</b>	<b>\$ 1,352,408</b>	<b>\$ 1,394,474</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ (83,592)</b>	<b>\$ 39,500</b>	<b>\$ 49,651</b>	<b>\$ (59,104)</b>
<b>Fund Balance</b>	<b>\$ 152,108</b>	<b>\$ 191,608</b>	<b>\$ 201,759</b>	<b>\$ 142,655</b>
<b>Ideal Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balance in Excess of Minimum</b>	<b>\$ 152,108</b>	<b>\$ 191,608</b>	<b>\$ 201,759</b>	<b>\$ 142,655</b>

**SOLID WASTE FUND  
STATEMENT OF REVENUES & EXPENDITURES BY TYPE**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ 235,700	\$ 152,108	\$ 152,108	\$ 201,759
<b>REVENUES/SOURCES OF FUNDS</b>				
Charges for Services	\$ 1,321,544	\$ 1,260,000	\$ 1,281,030	\$ 1,315,620
Fines & Forfeits	9,152	7,000	8,222	8,250
Miscellaneous	6,812	2,500	112,807	11,500
<b>Total Revenues</b>	<u>\$ 1,337,508</u>	<u>1,269,500</u>	<u>\$ 1,402,059</u>	<u>\$ 1,335,370</u>
<b>Other Sources:</b>				
Transfers In	\$ -	\$ -	\$ -	\$ -
<b>Total Other Sources</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Revenues Sources</b>	<u>\$ 1,337,508</u>	<u>\$ 1,269,500</u>	<u>\$ 1,402,059</u>	<u>\$ 1,335,370</u>
<b>EXPENSES - BY TYPE</b>				
Services & Charges	\$ 1,341,101	\$ 1,150,000	\$ 1,272,408	\$ 1,314,474
<b>Total Expenditures</b>	<u>\$ 1,341,101</u>	<u>\$ 1,150,000</u>	<u>\$ 1,272,408</u>	<u>\$ 1,314,474</u>
<b>Other Uses:</b>				
Transfers to Other Funds	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000
<b>Total Other Uses</b>	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 80,000</u>
<b>Total Expenditures/Uses</b>	<u>\$ 1,421,101</u>	<u>\$ 1,230,000</u>	<u>\$ 1,352,408</u>	<u>\$ 1,394,474</u>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	\$ (83,592)	\$ 39,500	\$ 49,651	\$ (59,104)
<b>Fund Balance</b>	\$ 152,108	\$ 191,608	\$ 201,759	\$ 142,655
<b>Ideal Fund Balance</b>	\$ -	\$ -	\$ -	\$ -
<b>Fund Balance in Excess of Minimum</b>	\$ 152,108	\$ 191,608	\$ 201,759	\$ 142,655

**SOLID WASTE FUND  
STATEMENT OF REVENUES**

	<b>FY 2024 Actual</b>	<b>FY 2025 Budget</b>	<b>FY 2025 Projected</b>	<b>FY 2026 Proposed</b>
<b>Charges For Services</b>				
Sanitation Collection Charges	\$ 1,321,544	\$ 1,260,000	\$ 1,281,030	\$ 1,315,620
<i>Subtotal</i>	<b>\$ 1,321,544</b>	<b>\$ 1,260,000</b>	<b>\$ 1,281,030</b>	<b>\$ 1,315,620</b>
<b>Fines &amp; Forfeits</b>				
Late Penalties	\$ 9,152	\$ 7,000	\$ 8,222	\$ 8,250
<i>Subtotal</i>	<b>\$ 9,152</b>	<b>\$ 7,000</b>	<b>\$ 8,222</b>	<b>\$ 8,250</b>
<b>Miscellaneous</b>				
Interest Earnings	\$ 6,812	\$ 2,500	\$ 12,281	\$ 11,500
Miscellaneous	-	-	100,526	-
<i>Subtotal</i>	<b>\$ 6,812</b>	<b>\$ 2,500</b>	<b>\$ 112,807</b>	<b>\$ 11,500</b>
<b>Total Revenues</b>	<b>\$ 1,337,508</b>	<b>1,269,500</b>	<b>\$ 1,402,059</b>	<b>\$ 1,335,370</b>

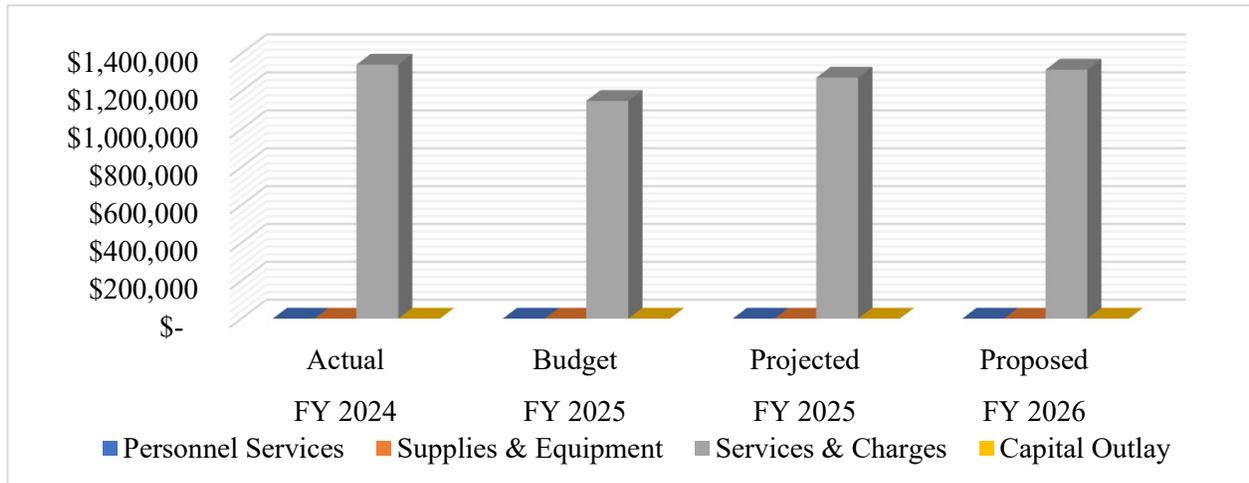
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# Sanitation

## EXPENDITURE SUMMARY

	<b>FY 2024 Actual</b>	<b>FY 2025 Budget</b>	<b>FY 2025 Projected</b>	<b>FY 2026 Proposed</b>	<b>% Change 2025 to 2026</b>
Personnel Services	\$ -	\$ -	\$ -	\$ -	0.00%
Supplies & Equipment	-	-	-	-	0.00%
Services & Charges	1,341,101	1,150,000	1,272,408	1,314,474	12.51%
Capital Outlay	-	-	-	-	0.00%
<b>Total Department</b>	<b><u>\$ 1,341,101</u></b>	<b><u>\$ 1,150,000</u></b>	<b><u>\$ 1,272,408</u></b>	<b><u>\$ 1,314,474</u></b>	<b>12.51%</b>



## SIGNIFICANT BUDGETARY ITEMS/CHANGES

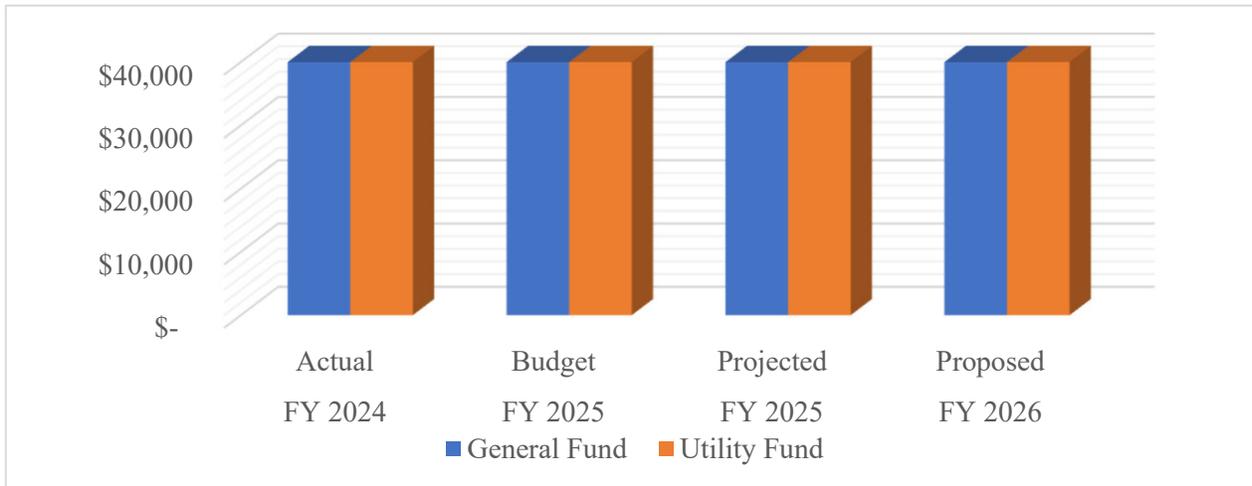
Consumer Price Index suggest an increase of 2.7% in the next fiscal year. That has been incorporated into the cost of services and an uptick in brush collection services.



# Transfer to Other Funds

## EXPENDITURE SUMMARY

	<b>FY 2024 Actual</b>	<b>FY 2025 Budget</b>	<b>FY 2025 Projected</b>	<b>FY 2026 Proposed</b>	<b>% Change 2025 to 2026</b>
General Fund	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	0.00%
Utility Fund	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	0.00%
<b>Total Department</b>	<b><u>\$ 80,000</u></b>	<b><u>\$ 80,000</u></b>	<b><u>\$ 80,000</u></b>	<b><u>\$ 80,000</u></b>	0.00%



## SIGNIFICANT BUDGETARY ITEMS/CHANGES

Transfers of \$40,000 to the Utility Fund and General Fund are for administrative and support service costs associated with management solid waste for the community. These are indirect costs associated with Solid Waste services.

## GENERAL DEBT SERVICE FUND

The General Debt Service Fund is established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The fund includes debt supported by property tax revenues and other pledged resources that are not associated with a specific proprietary activity.

For FY2026, the City of Heath continues to meet all debt obligations in a timely manner and in accordance with applicable bond covenants and the Texas Local Government Code. The fund is primarily supported by the Interest and Sinking (I&S) portion of the City’s property tax rate.

### Key Highlights:

- **Debt Rate:** The FY2026 proposed debt rate is \$0.087014 per \$100 of assessed valuation
- **Debt Payments:** Schedule principal and interest payment for FY2026 totaling \$3,142,880 million
- **Outstanding Debt:** As of October 1, 2025, the City’s total outstanding tax-supported debt is \$53.137 million.

The City continues to meet all debt obligations in compliance with legal requirements and manages debt in accordance with its long-term Capital Improvement Plan and adopted tax rate policies.

**Note:** The fund also includes costs associated with bond administration, such as paying agent fees and disclosure compliance. In addition, it accounts for Public Improvement District (PID) debt, which is repaid through assessments levied on properties within the PID and is not supported by general tax revenues.

General Debt Service by Bond Series				
Bond Series		Principal	Interest	Total
2013 Certificates of Obligation	Tax Supported	125,000	43,500	168,500
2014 Certificates of Obligation	Tax Supported	760,000	263,788	1,023,788
2015 General Obligation Refunding	Tax Supported	575,000	17,712	592,712
2017 Certificate of Obligation	Tax Supported	260,000	180,500	440,500
2019 Certificate of Obligation	Tax Supported	9,547	6,308	15,855
2023 Certificate of Obligation	Tax Supported	100,000	801,525	901,525
<b>Total Tax Supported</b>		<b>1,829,547</b>	<b>1,313,333</b>	<b>3,142,880</b>

Public Improvement District Assessment				
Bond Series		Principal	Interest	Total
2019 Haciendas Del Lago PID	Special District Tax Assessment	14,000	9,324	23,324
<b>Special District Tax Assessment</b>		<b>14,000</b>	<b>9,324</b>	<b>23,324</b>

<b>General Debt Service Totals</b>		<b>1,843,547</b>	<b>1,322,657</b>	<b>3,166,204</b>
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**GENERAL DEBT SERVICE FUND  
STATEMENT OF REVENUES & EXPENDITURES BY TYPE**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ 668,543	\$ 763,501	\$ 763,501	\$ 951,694
<b>REVENUES/SOURCES OF FUNDS</b>				
Taxes	\$ 2,891,239	\$ 2,780,100	\$ 3,347,837	\$ 3,235,105
Miscellaneous	19,769	15,200	17,325	17,300
<b>Total Revenues</b>	<b>\$ 2,911,008</b>	<b>2,795,300</b>	<b>\$ 3,365,162</b>	<b>\$ 3,252,405</b>
<b>Other Sources:</b>				
Transfers In	\$ 112,500	\$ -	\$ -	\$ -
<b>Total Other Sources</b>	<b>\$ 112,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Revenues Sources</b>	<b>\$ 3,023,508</b>	<b>\$ 2,795,300</b>	<b>\$ 3,365,162</b>	<b>\$ 3,252,405</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Services & Charges	\$ 5,325	\$ 8,500	\$ 8,500	\$ 10,000
Debt Service Principal	1,963,360	1,792,340	1,792,340	1,837,341
Debt Service Interest	959,865	1,376,129	1,376,129	1,318,768
<b>Total Expenditures/Uses</b>	<b>\$ 2,928,550</b>	<b>\$ 3,176,969</b>	<b>\$ 3,176,969</b>	<b>\$ 3,166,109</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ 94,958</b>	<b>\$ (381,669)</b>	<b>\$ 188,193</b>	<b>\$ 86,296</b>
<b>Fund Balance</b>	<b>\$ 763,501</b>	<b>\$ 381,832</b>	<b>\$ 951,694</b>	<b>\$ 1,037,990</b>
<b>Ideal Fund Balance</b>	<b>\$ 244,046</b>	<b>\$ 264,747</b>	<b>\$ 264,747</b>	<b>\$ 263,842</b>
<b>Fund Balance in Excess of Minimum</b>	<b>\$ 519,455</b>	<b>\$ 117,084</b>	<b>\$ 686,946</b>	<b>\$ 774,147</b>

**General Debt Service by Bond Series**

Bond Series		Prinicpal	Interest	Total
2013 Certificates of Obligation	Tax Supported	125,000	43,500	168,500
2014 Certificates of Obligation	Tax Supported	760,000	263,788	1,023,788
2015 General Obligation Refunding	Tax Supported	575,000	17,712	592,712
2017 Certificate of Obligation	Tax Supported	260,000	180,500	440,500
2019 Ceritificate of Obligation	Tax Supported	9,547	6,308	15,855
2023 Certificate of Obligation	Tax Supported	100,000	801,525	901,525
<b>Total Tax Supported</b>		<b>1,829,547</b>	<b>1,313,333</b>	<b>3,142,880</b>

**Public Improvement District Assessment**

Bond Series		Prinicpal	Interest	Total
2019 Haciendas Del Lago PID	Special District Tax Assessment	14,000	9,324	23,324
<b>Special District Tax Assessment</b>		<b>14,000</b>	<b>9,324</b>	<b>23,324</b>

<b>General Debt Service Totals</b>		<b>1,843,547</b>	<b>1,322,657</b>	<b>3,166,204</b>
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**TOTAL DEBT SUPPORTED BY PROPERTY TAXES**

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>(Less: Annual HMBC contribution)</b>	<b>Net Debt Service</b>	<b>Annual Net D/S</b>
9/30/2026	\$ 1,829,546	\$ 1,787,256	\$ 3,616,803	\$ (473,925)	\$ 3,142,878	\$ 3,142,878
9/30/2027	\$ 1,884,546	\$ 1,728,479	\$ 3,613,025	\$ (473,925)	\$ 3,139,100	\$ 3,139,200
9/30/2028	\$ 1,740,228	\$ 1,664,401	\$ 3,404,629	\$ (473,925)	\$ 2,930,704	\$ 2,931,104
9/30/2029	\$ 1,805,910	\$ 1,595,635	\$ 3,401,545	\$ (473,925)	\$ 2,927,620	\$ 2,928,520
9/30/2030	\$ 1,875,910	\$ 1,524,519	\$ 3,400,429	\$ (473,925)	\$ 2,926,504	\$ 2,928,104
9/30/2031	\$ 1,956,592	\$ 1,446,065	\$ 3,402,657	\$ (473,925)	\$ 2,928,732	\$ 2,931,232
9/30/2032	\$ 2,041,592	\$ 1,359,811	\$ 3,401,403	\$ (473,925)	\$ 2,927,478	\$ 2,926,178
9/30/2033	\$ 2,132,274	\$ 1,269,101	\$ 3,401,375	\$ (473,925)	\$ 2,927,450	\$ 2,927,650
9/30/2034	\$ 2,232,955	\$ 1,172,028	\$ 3,404,984	\$ (473,925)	\$ 2,931,059	\$ 2,931,059
9/30/2035	\$ 2,337,955	\$ 1,062,949	\$ 3,400,904	\$ (473,925)	\$ 2,926,979	\$ 2,926,979
9/30/2036	\$ 2,458,637	\$ 943,219	\$ 3,401,857	\$ (473,925)	\$ 2,927,932	\$ 2,927,932
9/30/2037	\$ 2,584,319	\$ 817,340	\$ 3,401,659	\$ (473,925)	\$ 2,927,734	\$ 2,927,734
9/30/2038	\$ 2,720,001	\$ 684,935	\$ 3,404,936	\$ (473,925)	\$ 2,931,011	\$ 2,931,011
9/30/2039	\$ 2,840,001	\$ 560,255	\$ 3,400,256	\$ (473,925)	\$ 2,926,331	\$ 2,926,331
9/30/2040	\$ 2,960,000	\$ 444,000	\$ 3,404,000	\$ (473,925)	\$ 2,930,075	\$ 2,930,075
9/30/2041	\$ 3,080,000	\$ 323,200	\$ 3,403,200	\$ (473,925)	\$ 2,929,275	\$ 2,929,275
9/30/2042	\$ 3,205,000	\$ 197,500	\$ 3,402,500	\$ (473,925)	\$ 2,928,575	\$ 2,928,575
9/30/2043	\$ 3,335,000	\$ 66,700	\$ 3,401,700	\$ (473,925)	\$ 2,927,775	\$ 2,927,775
	<u>\$ 43,020,466</u>	<u>\$ 18,647,394</u>	<u>\$ 61,667,860</u>	<u>\$ (8,530,650)</u>	<u>\$ 53,137,210</u>	<u>\$ 53,141,610</u>

City of Heath, Texas  
 Combination Tax and Surplus Revenue Certificates of Obligation, Series 2013 (I&S Tax Portion) Callable on 2/15/2023 @ par  
 Paying Agent: The Bank of New York Mellon Trust Company, N.A.

Date	Principal	Coupon	Interest	Total Debt Service	Net Debt Service	Annual Net D/S
9/30/2026	\$ 125,000	4.00%	\$ 43,500	\$ 168,500	\$ 168,500	\$ 168,500
9/30/2027	\$ 130,000	4.00%	\$ 38,400	\$ 168,400	\$ 168,400	\$ 168,500
9/30/2028	\$ 135,000	4.00%	\$ 33,100	\$ 168,100	\$ 168,100	\$ 168,500
9/30/2029	\$ 140,000	4.00%	\$ 27,600	\$ 167,600	\$ 167,600	\$ 168,500
9/30/2030	\$ 145,000	4.00%	\$ 21,900	\$ 166,900	\$ 166,900	\$ 168,500
9/30/2031	\$ 150,000	4.00%	\$ 16,000	\$ 166,000	\$ 166,000	\$ 168,500
9/30/2032	\$ 160,000	4.00%	\$ 9,800	\$ 169,800	\$ 169,800	\$ 168,500
2/15/2033	\$ 165,000	4.000%	\$ 3,300	\$ 168,300	\$ 168,300	\$ 168,300
	\$ 1,150,000		\$ 193,600	\$ 1,343,600	\$ 1,343,600	\$ 1,343,600

**Bond Issuance Date:** August 8, 2013

**Purpose:** “Proceeds from the sale of the Certificates will be used for the purpose of paying contractual obligations to be incurred for (i) constructing, installing, acquiring, and equipping additions, extensions, and improvements to the City's waterworks and sanitary sewer system, and the acquisition of land and interests in land for such projects, (ii) constructing and improving streets and roads, including related drainage, utility relocation, signalization, landscaping, lighting, and signage; (iii) legal, fiscal, and engineering fees in connection with such projects; and (iv) paying costs of issuance of the Certificates”

City of Heath, Texas  
 Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2014 (I&S Tax) Callable on 2/15/2023 @ par  
 Paying Agent: The Bank of New York Mellon Trust Company, N.A.

<b>Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Net Debt Service</b>	<b>Annual Net D/S</b>
9/30/2026	\$ 760,000	3.00%	\$ 263,788	\$ 1,023,788	\$ 1,023,788	\$ 1,023,788
9/30/2027	\$ 785,000	3.00%	\$ 240,613	\$ 1,025,613	\$ 1,025,613	\$ 1,025,613
9/30/2028	\$ 810,000	3.25%	\$ 215,675	\$ 1,025,675	\$ 1,025,675	\$ 1,025,675
9/30/2029	\$ 840,000	3.38%	\$ 188,338	\$ 1,028,338	\$ 1,028,338	\$ 1,028,338
9/30/2030	\$ 865,000	3.50%	\$ 159,025	\$ 1,024,025	\$ 1,024,025	\$ 1,024,025
9/30/2031	\$ 900,000	3.63%	\$ 127,575	\$ 1,027,575	\$ 1,027,575	\$ 1,027,575
9/30/2032	\$ 930,000	3.75%	\$ 93,825	\$ 1,023,825	\$ 1,023,825	\$ 1,023,825
9/30/2033	\$ 965,000	3.75%	\$ 58,294	\$ 1,023,294	\$ 1,023,294	\$ 1,023,294
2/15/2034	\$ 1,005,000	4.000%	\$ 20,100	\$ 1,025,100	\$ 1,025,100	\$ 1,025,100
	\$ 7,860,000		\$ 1,367,231	\$ 9,227,231	\$ 9,227,231	\$ 9,227,231

**Bond Issuance Date:** April 24, 2014

**Purpose:** “Proceeds from the sale of the Certificates will be used for the purpose of paying contractual obligations to be incurred for (i) constructing and improving streets and roads, (ii) constructing, installing, acquiring and equipping improvements to municipal parks and trails, (iii) constructing, acquiring, installing and equipping a public safety communications system (iv) legal, fiscal and engineering fees in connection with such projects; and (v) paying costs of issuance of the Certificates”

City of Heath, Texas  
 General Obligation Refunding Bonds, Series 2015 (I&S Tax Portion) Callable Anytime @ Par  
 Paying Agent: Alliance Bank

Date	Principal	Coupon	Interest	Total Debt Service	Net Debt Service	Annual Net D/S
9/30/2026	\$ 575,000	2.03%	\$ 17,712	\$ 592,712	\$ 592,712	\$ 592,712
9/30/2027	\$ 585,000	2.03%	\$ 5,938	\$ 590,938	\$ 590,938	\$ 590,938
	\$ 1,160,000		\$ 23,650	\$ 1,183,650	\$ 1,183,650	\$ 1,183,650

**Bond Issuance Date:** November 29, 2007

**Purpose:** “Proceeds from the sale of the Obligations will be used to pay contractual obligations incurred for street and road improvements, renovating and equipping City buildings, professional fees for preparing a comprehensive plan update and traffic study and waterworks and sanitary sewer system improvements, and to pay the costs of issuance of the Obligations.”

Refunding Bond  
Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2007

City of Heath, Texas

Combination Tax & Surplus Revenue Certificates of Obligation, Series 2017 (I&S Tax Portion) Callable 2/15/2027 @ par  
Paying Agent: The Bank of New York Mellon Trust Company, N.A.

Date	Principal	Coupon	Interest	Total Debt Service	Net Debt Service	Annual Net D/S
9/30/2026	\$ 260,000	5.00%	\$ 180,500	\$ 440,500	\$ 440,500	\$ 440,500
9/30/2027	\$ 275,000	5.00%	\$ 167,125	\$ 442,125	\$ 442,125	\$ 442,125
9/30/2028	\$ 290,000	4.00%	\$ 154,450	\$ 444,450	\$ 444,450	\$ 444,450
9/30/2029	\$ 300,000	3.00%	\$ 144,150	\$ 444,150	\$ 444,150	\$ 444,150
9/30/2030	\$ 305,000	3.00%	\$ 135,075	\$ 440,075	\$ 440,075	\$ 440,075
9/30/2031	\$ 320,000	5.00%	\$ 122,500	\$ 442,500	\$ 442,500	\$ 442,500
9/30/2032	\$ 335,000	5.00%	\$ 106,125	\$ 441,125	\$ 441,125	\$ 441,125
9/30/2033	\$ 355,000	5.00%	\$ 88,875	\$ 443,875	\$ 443,875	\$ 443,875
9/30/2034	\$ 370,000	5.00%	\$ 70,750	\$ 440,750	\$ 440,750	\$ 440,750
9/30/2035	\$ 390,000	5.00%	\$ 51,750	\$ 441,750	\$ 441,750	\$ 441,750
9/30/2036	\$ 410,000	5.00%	\$ 31,750	\$ 441,750	\$ 441,750	\$ 441,750
9/30/2037	\$ 430,000	5.00%	\$ 10,750	\$ 440,750	\$ 440,750	\$ 440,750
	\$ 4,040,000		\$ 1,263,800	\$ 5,303,800	\$ 5,303,800	\$ 5,303,800

**Bond Issuance Date:** February 9, 2017

**Purpose:** “Proceeds from the sale of the Certificates will be used for the purpose of paying contractual obligations to be incurred for (i) constructing, reconstructing, and improving streets and roads, including related sidewalks, drainage, utility relocation, signalization, landscaping, lighting and signage; (ii) constructing, installing, acquiring and equipping improvements to municipal parks and trails, (iii) acquiring, constructing, installing and equipping additions, extensions and improvements to the City's waterworks and sewer system, and the acquisition of land and interests in land necessary therefor; (iv) acquiring a firetruck; (v) constructing and equipping a public works facility, including related parking and infrastructure; (vi) legal, fiscal and engineering fees in connection with such projects; and (vii) paying costs of issuance of the Certificates.”

City of Heath, Texas  
Combination Tax & Revenue Certificates of Obligation, Series 2019 (I&S Tax Portion) Callable Anytime @ Par  
Paying Agent: Alliance Bank

<b>Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Net Debt Service</b>	<b>Annual Net D/S</b>
9/30/2026	\$ 9,546	3.70%	\$ 6,307	\$ 15,853	\$ 15,853	\$ 15,853
9/30/2027	\$ 9,546	3.70%	\$ 5,954	\$ 15,500	\$ 15,500	\$ 15,500
9/30/2028	\$ 10,228	3.70%	\$ 5,601	\$ 15,829	\$ 15,829	\$ 15,829
9/30/2029	\$ 10,910	3.70%	\$ 5,222	\$ 16,132	\$ 16,132	\$ 16,132
9/30/2030	\$ 10,910	3.70%	\$ 4,819	\$ 15,729	\$ 15,729	\$ 15,729
9/30/2031	\$ 11,592	3.70%	\$ 4,415	\$ 16,007	\$ 16,007	\$ 16,007
9/30/2032	\$ 11,592	3.70%	\$ 3,986	\$ 15,578	\$ 15,578	\$ 15,578
9/30/2033	\$ 12,274	3.70%	\$ 3,557	\$ 15,831	\$ 15,831	\$ 15,831
9/30/2034	\$ 12,955	3.70%	\$ 3,103	\$ 16,059	\$ 16,059	\$ 16,059
9/30/2035	\$ 12,955	3.70%	\$ 2,624	\$ 15,579	\$ 15,579	\$ 15,579
9/30/2036	\$ 13,637	3.70%	\$ 2,144	\$ 15,782	\$ 15,782	\$ 15,782
9/30/2037	\$ 14,319	3.70%	\$ 1,640	\$ 15,959	\$ 15,959	\$ 15,959
9/30/2038	\$ 15,001	3.70%	\$ 1,110	\$ 16,111	\$ 16,111	\$ 16,111
9/30/2039	\$ 15,001	3.70%	\$ 555	\$ 15,556	\$ 15,556	\$ 15,556
	<u>\$ 170,466</u>		<u>\$ 51,038</u>	<u>\$ 221,504</u>	<u>\$ 221,504</u>	<u>\$ 221,504</u>

**Bond Issuance Date:** February 19, 2019

**Purpose:** “Proceeds from the sale of the Certificates will be used for the purpose of paying contractual obligations to be incurred for (i) reconstructing or improving streets and roads, including related drainage, utility relocation and signage; and acquiring (ii) acquiring, constructing, installing and equipping additions, extensions and improvements to the Issuer’s waterworks and sewer system (the “Projects”)”

City of Heath, Texas

Combination Tax & Limited Surplus Revenue Certificates of Obligation, Series 2023 (I&S Tax Portion) Callable on 2/15/2033 @ Par

(Less:  
Annual

Date	Principal	Coupon	Interest	Total Debt Service	HMBC contribution)	Net Debt Service	Annual Net D/S
9/30/2026	\$ 100,000	5.00%	\$ 1,275,450	\$ 1,375,450	\$ (473,925)	\$ 901,525	\$ 901,525
9/30/2027	\$ 100,000	5.00%	\$ 1,270,450	\$ 1,370,450	\$ (473,925)	\$ 896,525	\$ 896,525
9/30/2028	\$ 495,000	5.00%	\$ 1,255,575	\$ 1,750,575	\$ (473,925)	\$ 1,276,650	\$ 1,276,650
9/30/2029	\$ 515,000	5.00%	\$ 1,230,325	\$ 1,745,325	\$ (473,925)	\$ 1,271,400	\$ 1,271,400
9/30/2030	\$ 550,000	5.00%	\$ 1,203,700	\$ 1,753,700	\$ (473,925)	\$ 1,279,775	\$ 1,279,775
9/30/2031	\$ 575,000	5.00%	\$ 1,175,575	\$ 1,750,575	\$ (473,925)	\$ 1,276,650	\$ 1,276,650
9/30/2032	\$ 605,000	5.00%	\$ 1,146,075	\$ 1,751,075	\$ (473,925)	\$ 1,277,150	\$ 1,277,150
9/30/2033	\$ 635,000	5.00%	\$ 1,115,075	\$ 1,750,075	\$ (473,925)	\$ 1,276,150	\$ 1,276,150
9/30/2034	\$ 845,000	5.00%	\$ 1,078,075	\$ 1,923,075	\$ (473,925)	\$ 1,449,150	\$ 1,449,150
9/30/2035	\$ 1,935,000	5.00%	\$ 1,008,575	\$ 2,943,575	\$ (473,925)	\$ 2,469,650	\$ 2,469,650
9/30/2036	\$ 2,035,000	5.00%	\$ 909,325	\$ 2,944,325	\$ (473,925)	\$ 2,470,400	\$ 2,470,400
9/30/2037	\$ 2,140,000	5.00%	\$ 804,950	\$ 2,944,950	\$ (473,925)	\$ 2,471,025	\$ 2,471,025
9/30/2038	\$ 2,705,000	5.00%	\$ 683,825	\$ 3,388,825	\$ (473,925)	\$ 2,914,900	\$ 2,914,900
9/30/2039	\$ 2,825,000	4.00%	\$ 559,700	\$ 3,384,700	\$ (473,925)	\$ 2,910,775	\$ 2,910,775
9/30/2040	\$ 2,960,000	4.00%	\$ 444,000	\$ 3,404,000	\$ (473,925)	\$ 2,930,075	\$ 2,930,075
9/30/2041	\$ 3,080,000	4.00%	\$ 323,200	\$ 3,403,200	\$ (473,925)	\$ 2,929,275	\$ 2,929,275
9/30/2042	\$ 3,205,000	4.00%	\$ 197,500	\$ 3,402,500	\$ (473,925)	\$ 2,928,575	\$ 2,928,575
9/30/2043	\$ 3,335,000	4.00%	\$ 66,700	\$ 3,401,700	\$ (473,925)	\$ 2,927,775	\$ 2,927,775
	\$ 28,540,000		\$ 15,109,100	\$ 43,649,100	\$ (8,056,725)	\$ 35,592,375	\$ 35,857,425

**Bond Issuance Date:** December 28, 2023

**Purpose:** “ Proceeds from the sale of the Certificates will be used for paying all or a portion of the City’s contractual obligations incurred in connection with (i) acquiring, constructing, installing, and equipping municipal park improvements, including renovations and improvements for Towne Center park; (ii) acquiring, constructing, installing and equipping a public works facility; (iii) acquiring, constructing, installing and equipping a public safety facility for the police and fire departments; (iv) acquisition of a fire truck; (v) acquiring, constructing, installing and equipping additions, extensions and improvements to the City’s waterworks and sewer system; (vi) acquiring land and interests in land necessary for such projects; and (vii) paying legal, fiscal and engineering fees in connection with such projects.

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## OTHER FUNDS

The City of Heath maintains several special-purpose funds outside of its primary operating funds to provide transparency, ensure legal compliance, and support long-term planning efforts. These Other Funds include capital project, replacement, donation, restricted revenue funds, each designated for a specific purpose:

**Municipal Court and Public Safety Fund** – Accounts for restricted revenues primarily derived from court fines and state allocations. Includes: Lease Training Allocation, Court Security, Court Technology, Child Safety Allocations, Local Truancy Prevention, Municipal Jury Fund, and Police Donations.

**Marsha's Happy Haven** – Restricted donation fund for a memorial project or amenities honoring Marsha's legacy.

**Farmers Market** – Support operations and events associated with the City's Farmers' Market program

**Parkland Dedication Fee** – Collects fees from developers to fund acquisition and development of parkland in accordance with City Ordinances.

**PATH Fund** – Funded by community donations to enhance parks, trails, and beautification projects.

**Drainage Fund** – Supports the maintenance and improvement of the City's drainage infrastructure. Funded by transfers from the General Capital Projects Fund.

**Fire Station Building** – Previously funded by General Fund transfers (discontinued in FY2024); retains a balance of approximately \$1.5 million for future purchase.

**General Equipment Replacement Fund** – Used to fund schedule replacement of equipment and vehicles for departments

**Utility Equipment Replacement Fund** – Funds the replacement of aging equipment used in water and wastewater operations to maintain reliable utility services.

**Tree Mitigation** – Used for planting and maintaining trees, funded by tree removal fees paid by developers

**Park CIP Fund** – Historically supported by 25% transfer of sales tax revenue from the HEDC and HMBC. Used to fund park maintenance and development. *No transfers scheduled for FY2026.*

**Street Escrow Fund** – Holds developer paid-fees in lieu of roadway construction. Funds are restricted for street improvements directly related to the developments that generated the fees and are released as projects proceed.

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**MUNICIPAL COURT AND PUBLIC SAFETY FUND  
STATEMENT OF REVENUES AND EXPENDITURES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ 156,989	\$ 158,216	\$ 158,216	\$ 169,943
<b>REVENUES/SOURCES OF FUNDS</b>				
Donations	\$ -	\$ -	\$ 1,500	\$ 500
Interest Earnings	4,714	-	2,883	2,912
Miscellaneous	7,807	-	14,745	14,937
<b>Total Revenues</b>	<b>\$ 12,521</b>	<b>-</b>	<b>\$ 19,128</b>	<b>\$ 18,349</b>
<b>Other Sources:</b>				
Transfers In	\$ -	\$ -	\$ -	\$ -
<b>Total Other Sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Revenues Sources</b>	<b>\$ 12,521</b>	<b>\$ -</b>	<b>\$ 19,128</b>	<b>\$ 18,349</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Services & Charges	11,294	-	7,401	-
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 11,294</b>	<b>\$ -</b>	<b>\$ 7,401</b>	<b>\$ -</b>
<b>Other Uses:</b>				
Transfers to Other Funds	\$ -	\$ -	\$ -	\$ -
<b>Total Other Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenditures/Uses</b>	<b>\$ 11,294</b>	<b>\$ -</b>	<b>\$ 7,401</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ 1,227</b>	<b>\$ -</b>	<b>\$ 11,727</b>	<b>\$ 18,349</b>
<b>Fund Balance</b>	<b>\$ 158,216</b>	<b>\$ 158,216</b>	<b>\$ 169,943</b>	<b>\$ 188,292</b>

**MARSHA'S HAPPY HAVEN FUND  
STATEMENT OF REVENUES AND EXPENDITURES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ 88,786	\$ 91,346	\$ 91,346	\$ 92,884
<b>REVENUES/SOURCES OF FUNDS</b>				
Donations	\$ -	\$ -	\$ -	\$ -
Interest Earnings	2,560	-	1,538	1,384
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<u>\$ 2,560</u>	<u>-</u>	<u>\$ 1,538</u>	<u>\$ 1,384</u>
<b>Other Sources:</b>				
Transfers In	\$ -	\$ -	\$ -	\$ -
<b>Total Other Sources</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Revenues Sources</b>	<u><u>\$ 2,560</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,538</u></u>	<u><u>\$ 1,384</u></u>
<b>EXPENDITURES/USES OF FUNDS</b>				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Services & Charges	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Other Uses:</b>				
Transfers to Other Funds	\$ -	\$ -	\$ -	\$ -
<b>Total Other Uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Expenditures/Uses</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<u>\$ 2,560</u>	<u>\$ -</u>	<u>\$ 1,538</u>	<u>\$ 1,384</u>
<b>Fund Balance</b>	<u>\$ 91,346</u>	<u>\$ 91,346</u>	<u>\$ 92,884</u>	<u>\$ 94,268</u>

**FARMERS' MARKET FUND  
STATEMENT OF REVENUES AND EXPENDITURES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ 123	\$ 139	\$ 139	\$ 149
<b>REVENUES/SOURCES OF FUNDS</b>				
Donations	\$ -	\$ -	\$ -	\$ -
Interest Earnings	16	-	10	10
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<u>\$ 16</u>	<u>-</u>	<u>\$ 10</u>	<u>\$ 10</u>
<b>Other Sources:</b>				
Transfers In	\$ -	\$ -	\$ -	\$ -
<b>Total Other Sources</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Revenues Sources</b>	<u><u>\$ 16</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10</u></u>	<u><u>\$ 10</u></u>
<b>EXPENDITURES/USES OF FUNDS</b>				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Services & Charges	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Other Uses:</b>				
Transfers to Other Funds	\$ -	\$ -	\$ -	\$ -
<b>Total Other Uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Expenditures/Uses</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 10</u>
<b>Fund Balance</b>	<u>\$ 139</u>	<u>\$ 139</u>	<u>\$ 149</u>	<u>\$ 159</u>

**PARKLAND DEDICATION FUND  
STATEMENT OF REVENUES AND EXPENDITURES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ 41,448	\$ 42,643	\$ 42,643	\$ 43,346
<b>REVENUES/SOURCES OF FUNDS</b>				
Donations	\$ -	\$ -	\$ -	\$ -
Interest Earnings	1,195	-	703	650
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<u>\$ 1,195</u>	<u>-</u>	<u>\$ 703</u>	<u>\$ 650</u>
<b>Other Sources:</b>				
Transfers In	\$ -	\$ -	\$ -	\$ -
<b>Total Other Sources</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Revenues Sources</b>	<u><u>\$ 1,195</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 703</u></u>	<u><u>\$ 650</u></u>
<b>EXPENDITURES/USES OF FUNDS</b>				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Services & Charges	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Other Uses:</b>				
Transfers to Other Funds	\$ -	\$ -	\$ -	\$ -
<b>Total Other Uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Expenditures/Uses</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	\$ 1,195	\$ -	\$ 703	\$ 650
<b>Fund Balance</b>	\$ 42,643	\$ 42,643	\$ 43,346	\$ 43,996

**PATH FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ 25,765	\$ 38,198	\$ 38,198	\$ 248,424
<b>REVENUES/SOURCES OF FUNDS</b>				
Donations	\$ 11,749	\$ 15,000	\$ 240,270	\$ 14,700
Interest Earnings	922	100	956	250
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<u>\$ 12,671</u>	<u>15,100</u>	<u>\$ 241,226</u>	<u>\$ 14,950</u>
<b>Other Sources:</b>				
Transfers In	\$ -	\$ -	\$ -	\$ -
<b>Total Other Sources</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Revenues Sources</b>	<u>\$ 12,671</u>	<u>\$ 15,100</u>	<u>\$ 241,226</u>	<u>\$ 14,950</u>
<b>EXPENDITURES/USES OF FUNDS</b>				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Services & Charges	-	3,500	1,000	1,000
Capital Outlay	238	10,500	30,000	200,000
<b>Total Expenditures</b>	<u>\$ 238</u>	<u>\$ 14,000</u>	<u>\$ 31,000</u>	<u>\$ 201,000</u>
<b>Other Uses:</b>				
Transfers to Other Funds	\$ -	\$ -	\$ -	\$ -
<b>Total Other Uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Expenditures/Uses</b>	<u>\$ 238</u>	<u>\$ 14,000</u>	<u>\$ 31,000</u>	<u>\$ 201,000</u>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	\$ 12,433	\$ 1,100	\$ 210,226	\$ (186,050)
<b>Fund Balance</b>	\$ 38,198	\$ 39,298	\$ 248,424	\$ 62,374

**DRAINAGE UTILITY FUND  
STATEMENT OF REVENUES AND EXPENDITURES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ 77,489	\$ 250,848	\$ 250,848	\$ 170,548
<b>REVENUES/SOURCES OF FUNDS</b>				
Donations	\$ -	\$ -	\$ -	\$ -
Interest Earnings	4,609	1,000	3,600	3,100
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<u>\$ 4,609</u>	<u>1,000</u>	<u>\$ 3,600</u>	<u>\$ 3,100</u>
<b>Other Sources:</b>				
Transfers In	\$ 168,750	\$ 236,000	\$ 236,000	\$ 248,000
<b>Total Other Sources</b>	<u>\$ 168,750</u>	<u>\$ 236,000</u>	<u>\$ 236,000</u>	<u>\$ 248,000</u>
<b>Total Revenues Sources</b>	<u>\$ 173,359</u>	<u>\$ 237,000</u>	<u>\$ 239,600</u>	<u>\$ 251,100</u>
<b>EXPENDITURES/USES OF FUNDS</b>				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Services & Charges	-	-	-	-
Capital Outlay	-	319,900	319,900	125,000
<b>Total Expenditures</b>	<u>\$ -</u>	<u>\$ 319,900</u>	<u>\$ 319,900</u>	<u>\$ 125,000</u>
<b>Other Uses:</b>				
Transfers to Other Funds	\$ -	\$ -	\$ -	\$ -
<b>Total Other Uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Expenditures/Uses</b>	<u>\$ -</u>	<u>\$ 319,900</u>	<u>\$ 319,900</u>	<u>\$ 125,000</u>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	\$ 173,359	\$ (82,900)	\$ (80,300)	\$ 126,100
<b>Fund Balance</b>	\$ 250,848	\$ 167,948	\$ 170,548	\$ 296,648

**FIRE STATION BUILDING FUND  
STATEMENT OF REVENUES AND EXPENDITURES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ 1,503,685	\$ 1,551,951	\$ 1,551,951	\$ 1,576,951
<b>REVENUES/SOURCES OF FUNDS</b>				
Donations	\$ -	\$ -	\$ -	\$ -
Interest Earnings	43,446	25,000	25,000	25,000
Miscellaneous	4,820	-	-	-
<b>Total Revenues</b>	<b>\$ 48,266</b>	<b>25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>
<b>Other Sources:</b>				
Transfers In	\$ -	\$ -	\$ -	\$ 128,000
<b>Total Other Sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 128,000</b>
<b>Total Revenues Sources</b>	<b>\$ 48,266</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 153,000</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Services & Charges	-	750,000	-	-
Capital Outlay	-	-	-	1,700,000
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 750,000</b>	<b>\$ -</b>	<b>\$ 1,700,000</b>
<b>Other Uses:</b>				
Transfers to Other Funds	\$ -	\$ -	\$ -	\$ -
<b>Total Other Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenditures/Uses</b>	<b>\$ -</b>	<b>\$ 750,000</b>	<b>\$ -</b>	<b>\$ 1,700,000</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ 48,266</b>	<b>\$ (725,000)</b>	<b>\$ 25,000</b>	<b>\$ (1,547,000)</b>
<b>Fund Balance</b>	<b>\$ 1,551,951</b>	<b>\$ 826,951</b>	<b>\$ 1,576,951</b>	<b>\$ 29,951</b>

**EQUIPMENT REPLACEMENT FUND  
STATEMENT OF REVENUES AND EXPENDITURES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ 694,378	\$ 805,217	\$ 805,217	\$ 864,958
<b>REVENUES/SOURCES OF FUNDS</b>				
Donations	\$ -	\$ -	\$ -	\$ -
Interest Earnings	21,230	11,000	12,100	6,050
Miscellaneous	-	5,000	6,161	5,000
<b>Total Revenues</b>	<u>\$ 21,230</u>	<u>16,000</u>	<u>\$ 18,261</u>	<u>\$ 11,050</u>
<b>Other Sources:</b>				
Transfers In	\$ 501,181	\$ 545,700	\$ 545,700	\$ 545,700
<b>Total Other Sources</b>	<u>\$ 501,181</u>	<u>\$ 545,700</u>	<u>\$ 545,700</u>	<u>\$ 545,700</u>
<b>Total Revenues Sources</b>	<u>\$ 522,411</u>	<u>\$ 561,700</u>	<u>\$ 563,961</u>	<u>\$ 556,750</u>
<b>EXPENDITURES/USES OF FUNDS</b>				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Services & Charges	-	-	-	-
Capital Outlay	411,572	483,116	504,220	1,311,357
<b>Total Expenditures</b>	<u>\$ 411,572</u>	<u>\$ 483,116</u>	<u>\$ 504,220</u>	<u>\$ 1,311,357</u>
<b>Other Uses:</b>				
Transfers to Other Funds	\$ -	\$ -	\$ -	\$ -
<b>Total Other Uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Expenditures/Uses</b>	<u>\$ 411,572</u>	<u>\$ 483,116</u>	<u>\$ 504,220</u>	<u>\$ 1,311,357</u>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<u>\$ 110,839</u>	<u>\$ 78,584</u>	<u>\$ 59,741</u>	<u>\$ (754,607)</u>
<b>Fund Balance</b>	\$ 805,217	\$ 883,801	\$ 864,958	\$ 110,351

City of Heath

General Equipment Replacement Fund No. 700

FY2025-26 Proposed New Capital Purchases

Department	Description	Purpose	Total
Public Works	2008 Ford F-450 Lift Truck	Replacement	\$ 50,000.00
Parks	2015 Ford F-250 3/4 Ton Truck	Replacement	61,500.00
Community Development	2016 Ford F-150 XL Truck	Replacement	56,000.00
DPS	2017 Chevrolet Tahoe	Replacement	80,000.00
DPS	2019 Chevrolet Silverado	Replacement	80,000.00
DPS	2011 Fire Engine	Replacement	983,857.00
<b>Total</b>			<b><u>\$ 1,311,357.00</u></b>

**UTILITY EQUIPMENT REPLACEMENT FUND  
STATEMENT OF REVENUES AND EXPENDITURES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ 489,843	\$ 657,275	\$ 657,275	\$ 536,902
<b>REVENUES/SOURCES OF FUNDS</b>				
Donations	\$ -	\$ -	\$ -	\$ -
Interest Earnings	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Other Sources:</b>				
Transfers In	\$ 252,750	\$ 215,700	\$ 215,700	\$ 215,700
<b>Total Other Sources</b>	<u>\$ 252,750</u>	<u>\$ 215,700</u>	<u>\$ 215,700</u>	<u>\$ 215,700</u>
<b>Total Revenues Sources</b>	<u><u>\$ 252,750</u></u>	<u><u>\$ 215,700</u></u>	<u><u>\$ 215,700</u></u>	<u><u>\$ 215,700</u></u>
<b>EXPENDITURES/USES OF FUNDS</b>				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Services & Charges	4,500	-	-	-
Capital Outlay	80,818	244,000	336,073	190,000
<b>Total Expenditures</b>	<u>\$ 85,318</u>	<u>\$ 244,000</u>	<u>\$ 336,073</u>	<u>\$ 190,000</u>
<b>Other Uses:</b>				
Transfers to Other Funds	\$ -	\$ -	\$ -	\$ -
<b>Total Other Uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Expenditures/Uses</b>	<u><u>\$ 85,318</u></u>	<u><u>\$ 244,000</u></u>	<u><u>\$ 336,073</u></u>	<u><u>\$ 190,000</u></u>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	\$ 167,432	\$ (28,300)	\$ (120,373)	\$ 25,700
<b>Fund Balance</b>	\$ 657,275	\$ 628,975	\$ 536,902	\$ 562,602

City of Heath  
 Utility Equipment Replacement Fund No. 710  
 FY2025-26 Proposed Capital Purchases

<b>Department</b>	<b>Description</b>	<b>Purpose</b>	<b>Total</b>
Public Works	<b>2008 Ford F-450 Lift Truck</b>	Replacement	\$ 50,000.00
Public Works - Utilities	<b>2017 3/4 Ton Ford F-250</b>	Replacement	70,000.00
Public Works - Utilities	<b>2019 1/2 Ton Ford F-150</b>	Replacement	<u>70,000.00</u>
<b>Total</b>			<b><u>\$ 190,000.00</u></b>

**TREE MITIGATION FUND  
STATEMENT OF REVENUES AND EXPENDITURES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ 109,365	\$ 112,519	\$ 112,519	\$ 114,372
<b>REVENUES/SOURCES OF FUNDS</b>				
Donations	\$ -	\$ -	\$ -	\$ -
Interest Earnings	3,154	-	1,853	1,668
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<u>\$ 3,154</u>	<u>-</u>	<u>\$ 1,853</u>	<u>\$ 1,668</u>
<b>Other Sources:</b>				
Transfers In	\$ -	\$ -	\$ -	\$ -
<b>Total Other Sources</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Revenues Sources</b>	<u>\$ 3,154</u>	<u>\$ -</u>	<u>\$ 1,853</u>	<u>\$ 1,668</u>
<b>EXPENDITURES/USES OF FUNDS</b>				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Services & Charges	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Other Uses:</b>				
Transfers to Other Funds	\$ -	\$ -	\$ -	\$ -
<b>Total Other Uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Expenditures/Uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	\$ 3,154	\$ -	\$ 1,853	\$ 1,668
<b>Fund Balance</b>	\$ 112,519	\$ 112,519	\$ 114,372	\$ 116,040

**PARKS CIP**  
**STATEMENT OF REVENUES AND EXPENDITURES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ 826,526	\$ 1,073,147	\$ 1,073,174	\$ 1,471,674
<b>REVENUES/SOURCES OF FUNDS</b>				
Donations	\$ -	\$ -	\$ -	\$ -
Interest Earnings	-	-	2,500	1,000
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<u>\$ -</u>	<u>-</u>	<u>\$ 2,500</u>	<u>\$ 1,000</u>
<b>Other Sources:</b>				
Transfers In	\$ 336,000	\$ 396,000	\$ 396,000	\$ -
<b>Total Other Sources</b>	<u>\$ 336,000</u>	<u>\$ 396,000</u>	<u>\$ 396,000</u>	<u>\$ -</u>
<b>Total Revenues Sources</b>	<u><u>\$ 336,000</u></u>	<u><u>\$ 396,000</u></u>	<u><u>\$ 398,500</u></u>	<u><u>\$ 1,000</u></u>
<b>EXPENDITURES/USES OF FUNDS</b>				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Services & Charges	-	-	-	-
Capital Outlay	89,352	-	-	75,000
<b>Total Expenditures</b>	<u>\$ 89,352</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,000</u>
<b>Other Uses:</b>				
Transfers to Other Funds	\$ -	\$ -	\$ -	\$ 1,200,000
<b>Total Other Uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,200,000</u>
<b>Total Expenditures/Uses</b>	<u><u>\$ 89,352</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,275,000</u></u>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<u>\$ 246,648</u>	<u>\$ 396,000</u>	<u>\$ 398,500</u>	<u>\$ (1,274,000)</u>
<b>Fund Balance</b>	\$ 1,073,174	\$ 1,469,147	\$ 1,471,674	\$ 197,674

**STREET ESCROW FUND  
STATEMENT OF REVENUES AND EXPENDITURES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ 173,790	\$ 284,932	\$ 284,932	\$ 288,932
<b>REVENUES/SOURCES OF FUNDS</b>				
Donations/Capital Contributions	\$ 111,142	\$ -	\$ -	\$ -
Interest Earnings	-	-	4,000	3,000
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<u>\$ 111,142</u>	<u>-</u>	<u>\$ 4,000</u>	<u>\$ 3,000</u>
<b>Other Sources:</b>				
Transfers In	\$ -	\$ -	\$ -	\$ -
<b>Total Other Sources</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Revenues Sources</b>	<u>\$ 111,142</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 3,000</u>
<b>EXPENDITURES/USES OF FUNDS</b>				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Services & Charges	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Other Uses:</b>				
Transfers to Other Funds	\$ -	\$ -	\$ -	\$ -
<b>Total Other Uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Expenditures/Uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	\$ 111,142	\$ -	\$ 4,000	\$ 3,000
<b>Fund Balance</b>	\$ 284,932	\$ 284,932	\$ 288,932	\$ 291,932

## CAPITAL PROJECT FUNDS

The City of Heath utilizes several capital project funds to manage the financing and implementation of major infrastructure and facility improvements. These funds are essential to executing the City’s long-term Capital Improvement Plan (CIP) and are used to track revenues and expenditures associated with the construction, expansion, and rehabilitation of public assets. Funding sources for these projects vary and may include bond proceeds, developer contributions/fees, grants, and impact fees. The funds below represent the City’s primary capital project accounts that support both governmental and utility infrastructure.

<b>Fund</b>	<b>Purpose</b>	<b>Funding Sources</b>	<b>Uses of Funds</b>
<b>General Capital Projects Fund</b>	Supports the general government infrastructure, not tied to utility operations	Transfers from the General Fund, developer contributions/fees, and grants	Street and drainage improvements, facility upgrades, parks, and equipment
<b>Utility Capital Projects Fund</b>	Funds water and wastewater infrastructure improvements	Transfers from Utility Fund, developer contributions/fees, and grants	Water/sewer line rehab, storage tanks, pump/lift stations
<b>CO Series 2023 Capital Bond</b>	Tracks proceeds from the 2023 Certificates of Obligation for capital projects	Bond proceeds, investment earnings, and one-time transfers from Parks and HMBC	Public Safety Facility, Towne Center Park, and Public Works Facility
<b>CO Series 2026 Capital Bond Fund</b>	Will account for proceeds from the 2026 CO issuance	Anticipated CO proceeds, investment earnings	Planned Water Bridge Plan projects: Elevated and Ground Storage Tanks, and Water Well #1

**GENERAL CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES & EXPENDITURES BY TYPE**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ 12,846,633	\$ 12,188,181	\$ 12,188,181	\$ 11,347,025
<b>REVENUES/SOURCES OF FUNDS</b>				
Roadway Impact Fees	\$ 362,127	\$ -	\$ 577,666	\$ 398,384
Developer Fees	192,608	-	-	450,000
Contributions and Donations	29,821	-	22,080	21,100
Bond Reimbursement Program	-	-	-	2,000,000
Miscellaneous	-	-	1,660	-
Interest Earnings	593,841	-	457,899	357,161
<b>Total Revenues</b>	<u>1,178,397</u>	<u>-</u>	<u>1,059,305</u>	<u>3,226,645</u>
<b>Other Sources:</b>				
Transfers In	\$ 721,950	\$ 154,500	\$ 154,500	\$ 725,000
<b>Total Other Sources</b>	<u>\$ 721,950</u>	<u>\$ 154,500</u>	<u>\$ 154,500</u>	<u>\$ 725,000</u>
<b>Total Revenues Sources</b>	<u>\$ 1,900,347</u>	<u>\$ 154,500</u>	<u>\$ 1,213,805</u>	<u>\$ 3,951,645</u>
<b>EXPENDITURES/USES OF FUNDS</b>				
Services & Charges	\$ -	\$ 25,000	\$ 173,872	\$ 131,959
Capital Outlay	2,558,799	1,340,000	1,520,089	9,766,000
<b>Total Expenditures</b>	<u>\$ 2,558,799</u>	<u>\$ 1,365,000</u>	<u>\$ 1,693,961</u>	<u>\$ 9,897,959</u>
<b>Other Uses:</b>				
Transfers to Other Funds	\$ -	\$ 361,000	\$ 361,000	\$ 373,000
<b>Total Other Uses</b>	<u>\$ -</u>	<u>\$ 361,000</u>	<u>\$ 361,000</u>	<u>\$ 373,000</u>
<b>Total Expenditures</b>	<u>\$ 2,558,799</u>	<u>\$ 1,726,000</u>	<u>\$ 2,054,961</u>	<u>\$ 10,270,959</u>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	\$ (658,452)	\$ (1,571,500)	\$ (841,156)	\$ (6,319,314)
<b>Fund Balance</b>	\$ 12,188,181	\$ 10,616,681	\$ 11,347,025	\$ 5,027,711

**UTILITY CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES & EXPENDITURES BY TYPE**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ 8,202,523	\$ 8,999,566	\$ 8,999,566	\$ 7,061,974
<b>REVENUES/SOURCES OF FUNDS</b>				
Miscellaneous	\$ -	\$ -	\$ 565,000	\$ -
Interest Earnings	645,031	288,000	510,469	535,993
<b>Total Revenues</b>	<u>645,031</u>	<u>288,000</u>	<u>1,075,469</u>	<u>535,993</u>
<b>Other Sources:</b>				
Transfers In	\$ 1,395,000	\$ 2,139,000	\$ 2,139,000	\$ 2,311,000
<b>Total Other Sources</b>	<u>\$ 1,395,000</u>	<u>\$ 2,139,000</u>	<u>\$ 2,139,000</u>	<u>\$ 2,311,000</u>
<b>Total Revenues Sources</b>	<u>\$ 2,040,031</u>	<u>\$ 2,427,000</u>	<u>\$ 3,214,469</u>	<u>\$ 2,846,993</u>
<b>EXPENDITURES/USES OF FUNDS</b>				
Services & Charges	\$ 64,746	\$ 2,879,331	\$ 2,482,607	\$ 367,000
Capital Outlay	1,178,242	3,110,000	2,669,454	3,878,000
<b>Total Expenditures</b>	<u>\$ 1,242,988</u>	<u>\$ 5,989,331</u>	<u>\$ 5,152,061</u>	<u>\$ 4,245,000</u>
<b>Other Uses:</b>				
Transfers to Other Funds	\$ -	\$ -	\$ -	\$ -
<b>Total Other Uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Expenditures</b>	<u>\$ 1,242,988</u>	<u>\$ 5,989,331</u>	<u>\$ 5,152,061</u>	<u>\$ 4,245,000</u>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	\$ 797,043	\$ (3,562,331)	\$ (1,937,592)	\$ (1,398,007)
<b>Fund Balance</b>	\$ 8,999,566	\$ 5,437,235	\$ 7,061,974	\$ 5,663,967

**CO SERIES 2023 CAPITAL  
STATEMENT OF REVENUES & EXPENDITURES BY TYPE**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ -	\$ 33,734,713	\$ 33,734,713	\$ 17,366,360
<b>REVENUES/SOURCES OF FUNDS</b>				
Bond Proceeds	\$ 30,661,649	\$ -	\$ -	\$ -
Interest Earnings	1,261,717	-	1,525,899	762,950
<b>Total Revenues</b>	<u>31,923,366</u>	<u>-</u>	<u>1,525,899</u>	<u>762,950</u>
<b>Other Sources:</b>				
Transfers In	\$ 3,000,000	\$ -	\$ -	\$ 1,200,000
<b>Total Other Sources</b>	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,200,000</u>
<b>Total Revenues Sources</b>	<u>\$ 34,923,366</u>	<u>\$ -</u>	<u>\$ 1,525,899</u>	<u>\$ 1,962,950</u>
<b>EXPENDITURES/USES OF FUNDS</b>				
Services & Charges	\$ 157,585	\$ 138,714	\$ 260,993	\$ -
Capital Outlay	1,031,068	-	17,633,259	15,000,000
<b>Total Expenditures</b>	<u>\$ 1,188,653</u>	<u>\$ 138,714</u>	<u>\$ 17,894,252</u>	<u>\$ 15,000,000</u>
<b>Other Uses:</b>				
Transfers to Other Funds	\$ -	\$ -	\$ -	\$ 128,000
<b>Total Other Uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,000</u>
<b>Total Expenditures</b>	<u>\$ 1,188,653</u>	<u>\$ 138,714</u>	<u>\$ 17,894,252</u>	<u>\$ 15,128,000</u>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	\$ 33,734,713	\$ (138,714)	\$ (16,368,353)	\$ (13,165,050)
<b>Fund Balance</b>	\$ 33,734,713	\$ 33,595,999	\$ 17,366,360	\$ 4,201,310

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

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ -	\$ -	\$ -	\$ -
<b>REVENUES/SOURCES OF FUNDS</b>				
Bond Proceeds	\$ -	\$ 34,600,000	\$ -	\$ 72,000,000
Interest Earnings	-	-	-	710,000
<b>Total Revenues</b>	-	34,600,000	-	72,710,000
<b>Other Sources:</b>				
Transfers In	\$ -	\$ -	\$ -	\$ -
<b>Total Other Sources</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues Sources</b>	<u>\$ -</u>	<u>\$ 34,600,000</u>	<u>\$ -</u>	<u>\$ 72,710,000</u>
<b>EXPENDITURES/USES OF FUNDS</b>				
Supplies & Equipment	-	-	-	-
Services & Charges	\$ -	\$ -	\$ -	\$ 807,120
Capital Outlay	-	6,800,000	-	35,500,000
<b>Total Expenditures</b>	\$ -	\$ 6,800,000	\$ -	\$ 36,307,120
<b>Other Uses:</b>				
Transfers to Other Funds	\$ -	\$ -	\$ -	\$ -
<b>Total Other Uses</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<u>\$ -</u>	<u>\$ 6,800,000</u>	<u>\$ -</u>	<u>\$ 36,307,120</u>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	\$ -	\$ 27,800,000	\$ -	\$ 36,402,880
<b>Fund Balance</b>	\$ -	\$ 27,800,000	\$ -	\$ 36,402,880

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# **HEATH ECONOMIC DEVELOPMENT CORPORATION**

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# **HEATH MUNICIPAL BENEFITS CORPORATION**

The Heath Economic Development Corporation (HEDC) and Heath Municipal Benefits Corporation are component units of the City of Heath; each funded by a one-half-cent sales and use tax. Together, these corporations are dedicated to advancing the City's economic and community development objectives by investing in infrastructure, public facilities, land acquisition, and quality-of-life initiatives that support Heath's long-term vision.

- **HEDC** focuses on commercial development, job creation, and infrastructure that supports economic growth and strategic land development.
- **HMBC** focuses on commercial development, job creation, and infrastructure that supports economic growth and strategic land development.

### **Key Revenue Source**

- 0.5% Sales and Use Tax Allocation (each corporation)

### **Primary Uses of Funds**

- **HEDC:**
  - Commercial land acquisition and development
  - Infrastructure improvements to support business growth
  - Economic development incentives and strategic partnerships
  - Studies and planning related to market expansion
- **HMBC**
  - Parks, trails, and beautification projects
  - Public facility enhancements
  - Infrastructure projects
  - Capital Investments aligned with public benefit goals

These corporations operate under the direction of their respective boards and in coordination with the City Council to ensure alignment with Heath's strategic priorities.

**HEATH ECONOMIC DEVELOPMENT CORPORATION  
STATEMENT OF REVENUES & EXPENDITURES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ 3,728,613	\$ 4,466,345	\$ 4,466,345	\$ 1,727,387
<b>REVENUES/SOURCES OF FUNDS</b>				
Sales Tax	\$ 779,758	\$ 735,983	\$ 735,983	\$ 918,487
Interest Earnings	209,165	130,000	130,000	45,500
<b>Total Revenues</b>	<b>\$ 988,923</b>	<b>865,983</b>	<b>\$ 865,983</b>	<b>\$ 963,987</b>
<b>Other Sources:</b>				
Transfers In	\$ -	\$ -	\$ -	\$ -
<b>Total Other Sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Revenues Sources</b>	<b><u>\$ 988,923</u></b>	<b><u>\$ 865,983</u></b>	<b><u>\$ 865,983</u></b>	<b><u>\$ 963,987</u></b>
<b>EXPENSES - BY DEPARTMENT</b>				
Supplies & Equipment	\$ 5,631	\$ 200	\$ -	\$ 7,200
Charges & Services	39,874	66,142	43,642	56,542
Capital	-	500	3,229,034	-
<b>Total Expenses</b>	<b>\$ 45,505</b>	<b>\$ 66,842</b>	<b>\$ 3,272,676</b>	<b>\$ 63,742</b>
<b>Other Uses:</b>				
Debt Service	\$ 20,400	\$ -	\$ 113,265	\$ 490,811
Grants	-	150,000	-	-
Transfers to Other Funds	185,286	219,000	219,000	-
<b>Total Other Uses</b>	<b>\$ 205,686</b>	<b>\$ 369,000</b>	<b>\$ 332,265</b>	<b>\$ 490,811</b>
<b>Total Expenditures/Uses</b>	<b><u>\$ 251,191</u></b>	<b><u>\$ 435,842</u></b>	<b><u>\$ 3,604,941</u></b>	<b><u>\$ 554,553</u></b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ 737,732</b>	<b>\$ 430,141</b>	<b>\$ (2,738,958)</b>	<b>\$ 409,434</b>
<b>Fund Balance</b>	<b>\$ 4,466,345</b>	<b>\$ 4,896,486</b>	<b>\$ 1,727,387</b>	<b>\$ 2,136,821</b>
<b>Ideal Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balance in Excess of Minimum</b>	<b>\$ 4,466,345</b>	<b>\$ 4,896,486</b>	<b>\$ 1,727,387</b>	<b>\$ 2,136,821</b>

**HEATH MUNICIPAL BENEFITS CORPORATION  
STATEMENT OF REVENUES & EXPENDITURES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
<b>BEGINNING FUND BALANCE</b>	\$ 4,157,955	\$ 1,413,189	\$ 1,413,189	\$ 1,494,830
<b>REVENUES/SOURCES OF FUNDS</b>				
Sales Tax	\$ 779,758	\$ 735,983	\$ 792,408	\$ 918,487
Interest Earnings	218,586	70,000	55,000	45,500
<b>Total Revenues</b>	<b>\$ 998,344</b>	<b>805,983</b>	<b>\$ 847,408</b>	<b>\$ 963,987</b>
<b>Other Sources:</b>				
Transfers In	\$ -	\$ -	\$ -	\$ -
<b>Total Other Sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Revenues Sources</b>	<b><u>\$ 998,344</u></b>	<b><u>\$ 805,983</u></b>	<b><u>\$ 847,408</u></b>	<b><u>\$ 963,987</u></b>
<b>EXPENSES - BY DEPARTMENT</b>				
Supplies & Equipment	\$ 4,834	\$ 200	\$ 300	\$ 5,700
Charges & Services	43,365	92,742	72,542	69,542
Capital	-	150,500	-	-
<b>Total Expenses</b>	<b>\$ 48,199</b>	<b>\$ 243,442</b>	<b>\$ 72,842</b>	<b>\$ 75,242</b>
<b>Other Uses:</b>				
Debt Service	\$ 35,700	\$ 473,925	\$ 473,925	\$ 473,925
Grants	-	-	-	-
Transfers to Other Funds	3,659,211	219,000	219,000	-
<b>Total Other Uses</b>	<b>\$ 3,694,911</b>	<b>\$ 692,925</b>	<b>\$ 692,925</b>	<b>\$ 473,925</b>
<b>Total Expenditures/Uses</b>	<b><u>\$ 3,743,110</u></b>	<b><u>\$ 936,367</u></b>	<b><u>\$ 765,767</u></b>	<b><u>\$ 549,167</u></b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ (2,744,766)</b>	<b>\$ (130,384)</b>	<b>\$ 81,641</b>	<b>\$ 414,820</b>
<b>Fund Balance</b>	<b>\$ 1,413,189</b>	<b>\$ 1,282,805</b>	<b>\$ 1,494,830</b>	<b>\$ 1,909,650</b>
<b>Ideal Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balance in Excess of Minimum</b>	<b>\$ 1,413,189</b>	<b>\$ 1,282,805</b>	<b>\$ 1,494,830</b>	<b>\$ 1,909,650</b>

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## **APPENDICES**

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**CIVILIAN PAY PLAN**

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**City of Heath General Government  
Pay Plan**

**FY 2025**

<b>Pay Group</b>	<b>Job Titles</b>	<b>Pay Frequency</b>	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
<b>1</b>		Annual	\$27,040.00	\$33,800.00	\$40,560.00
		Monthly	\$2,253.33	\$2,816.67	\$3,380.00
		Bi-Weekly	\$1,040.00	\$1,300.00	\$1,560.00
		Hourly	\$13.000	\$16.250	\$19.500
<b>2</b>		Annual	\$31,603.00	\$37,180.00	\$42,757.00
		Monthly	\$2,633.58	\$3,098.33	\$3,563.08
		Bi-Weekly	\$1,215.50	\$1,430.00	\$1,644.50
		Hourly	\$15.194	\$17.875	\$20.556
<b>3</b>		Annual	\$34,763.30	\$40,898.00	\$47,032.70
		Monthly	\$2,896.94	\$3,408.17	\$3,919.39
		Bi-Weekly	\$1,337.05	\$1,573.00	\$1,808.95
		Hourly	\$16.713	\$19.663	\$22.612
<b>4</b>	Maint. Worker Parks Maint. Worker Streets Maint. Worker Utilities I	Annual	\$38,239.63	\$44,987.80	\$51,735.97
		Monthly	\$3,186.64	\$3,748.98	\$4,311.33
		Bi-Weekly	\$1,470.76	\$1,730.30	\$1,989.85
		Hourly	\$18.384	\$21.629	\$24.873
<b>5</b>	Maint. Worker Utilities II Accounting Assistant Deputy Court Clerk/ Assistant Accountant Permit Tech	Annual	\$42,063.59	\$49,486.58	\$56,909.57
		Monthly	\$3,505.30	\$4,123.88	\$4,742.46
		Bi-Weekly	\$1,617.83	\$1,903.33	\$2,188.83
		Hourly	\$20.223	\$23.792	\$27.360
<b>6</b>	Administrative Asst. Public Works Administrative Asst. Public Safety Administrative Asst. Community Development Lead Accounting Assistant Court Supervisor Water/Wastewater Tech Crew Leader Park Maintenance	Annual	\$46,269.95	\$54,435.24	\$62,600.52
		Monthly	\$3,855.83	\$4,536.27	\$5,216.71
		Bi-Weekly	\$1,779.61	\$2,093.66	\$2,407.71
		Hourly	\$22.245	\$26.171	\$30.096
<b>7</b>	Code Enforcement Crew Leader Utilities Meter Services Tech Pump and Motor Tech	Annual	\$50,896.95	\$59,878.76	\$68,860.58
		Monthly	\$4,241.41	\$4,989.90	\$5,738.38
		Bi-Weekly	\$1,957.57	\$2,303.03	\$2,648.48
		Hourly	\$24.470	\$28.788	\$33.106
<b>8</b>		Annual	\$55,986.64	\$65,866.64	\$75,746.63
		Monthly	\$4,665.55	\$5,488.89	\$6,312.22
		Bi-Weekly	\$2,153.33	\$2,533.33	\$2,913.33
		Hourly	\$26.917	\$31.667	\$36.417
<b>9</b>	Combination Building Inspector Public Works Coordinator Construction Inspector Purchasing Agent/Payroll Clerk Community Development Plans Examiner Deputy City Secretary	Annual	\$61,585.31	\$72,453.30	\$83,321.30
		Monthly	\$5,132.11	\$6,037.78	\$6,943.44
		Bi-Weekly	\$2,368.67	\$2,786.67	\$3,204.665
		Hourly	\$29.608	\$34.833	\$40.058
<b>10</b>	Exec. Asst to CM/HR Coordinator	Annual	\$67,743.84	\$79,698.63	\$91,653.43
		Monthly	\$5,645.32	\$6,641.55	\$7,637.79
		Bi-Weekly	\$2,605.53	\$3,065.33	\$3,525.13
		Hourly	\$32.569	\$38.317	\$44.064

**City of Heath General Government  
Pay Plan**

**FY 2025**

<b>Pay Group</b>	<b>Job Titles</b>	<b>Pay Frequency</b>	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
11	Division Mgr of Streets, Parks, & Facility Maint Division Mgr Utilities	Annual	\$74,518.22	\$87,668.50	\$100,818.77
		Monthly	\$6,209.85	\$7,305.71	\$8,401.56
		Bi-Weekly	\$2,866.09	\$3,371.87	\$3,877.645
		Hourly	\$35.826	\$42.148	\$48.471
12		Annual	\$81,970.04	\$96,435.34	\$110,900.65
		Monthly	\$6,830.84	\$8,036.28	\$9,241.72
		Bi-Weekly	\$3,152.69	\$3,709.05	\$4,265.41
		Hourly	\$39.409	\$46.363	\$53.318
13	Chief Building Official IT Director City Secretary	Annual	\$90,167.05	\$106,078.88	\$121,990.71
		Monthly			
		Bi-Weekly	\$7,513.92	\$8,839.91	\$10,165.89
		Hourly	\$43.350	\$50.999	\$58.649
14	Assistant Finance Director	Annual	\$99,183.75	\$116,686.77	\$134,189.78
		Monthly	\$8,265.31	\$9,723.90	\$11,182.48
		Bi-Weekly	\$3,814.76	\$4,487.95	\$5,161.15
		Hourly	\$47.684	\$56.099	\$64.514
15		Annual	\$109,102	\$128,355	\$147,609
		Monthly	\$9,091.84	\$10,696.29	\$12,300.73
		Bi-Weekly	\$4,196.24	\$4,936.75	\$5,677.26
		Hourly	\$52.453	\$61.709	\$70.966
16		Annual	\$120,012	\$141,191	\$162,370
		Monthly	\$10,001.03	\$11,765.92	\$13,530.80
		Bi-Weekly	\$4,615.86	\$5,430.42	\$6,244.99
		Hourly	\$57.698	\$67.880	\$78.062
17		Annual	\$132,014	\$155,310	\$178,607
		Monthly	\$11,001.13	\$12,942.51	\$14,883.88
		Bi-Weekly	\$5,077.45	\$5,973.46	\$6,869.48
		Hourly	\$63.468	\$74.668	\$85.869
18		Annual	\$145,215	\$170,841	\$196,467
		Monthly	\$12,101.24	\$14,236.76	\$16,372.27
		Bi-Weekly	\$5,585.19	\$6,570.81	\$7,556.43
		Hourly	\$69.815	\$82.135	\$94.455
19		Annual	\$159,736	\$187,925	\$216,114
		Monthly	\$13,311.37	\$15,660.43	\$18,009.50
		Bi-Weekly	\$6,143.71	\$7,227.89	\$8,312.08
		Hourly	\$76.796	\$90.349	\$103.901
20		Annual	\$175,710	\$206,717.73	\$237,725
		Monthly	\$14,642.51	\$17,226.48	\$19,810.45
		Bi-Weekly	\$6,758.08	\$7,950.68	\$9,143.28
		Hourly	\$84.476	\$99.384	\$114.291

<b>Midpoint %</b>	<b>Range Width</b>
<b>10%</b>	<b>35%</b>

**DEPARTMENT OF PUBLIC SAFETY PAY PLAN**

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**City of Heath  
Public Safety Pay Schedule**

Adopted for FY 2025

			Step 1	Step 2	Step 3	Step 4	Step 5	Top out 4%
Public Safety Officer -	PS1	annual	\$79,090.33	\$83,044.85	\$87,197.08	\$91,556.94	\$96,134.79	\$99,980.18
		hourly	\$28.698	\$30.132	\$31.639	\$33.221	\$34.882	\$36.277
		biweekly	\$3,041.94	\$3,194.03	\$3,353.73	\$3,521.42	\$3,697.49	\$3,845.39
			Step 1	Step 2	Step 3	Step 4	Step 5	Top out 4%
Public Safety Sergeant -	PS2	annual	\$91,237.45	\$95,799.32	\$100,589.29	\$105,618.78	\$110,899.69	\$115,335.68
		hourly	\$33.105	\$34.760	\$36.498	\$38.323	\$40.239	\$41.849
		biweekly	\$3,509.13	\$3,684.59	\$3,868.82	\$4,062.26	\$4,265.37	\$4,435.99
			Step 1	Step 2	Step 3	Step 4	Step 5	Top out 4%
Lieutenant	PS3	annual	\$97,652.72	\$102,535.35	\$107,662.12	\$113,045.23	\$118,697.49	\$123,445.39
		hourly	\$35.433	\$37.204	\$39.065	\$41.018	\$43.069	\$44.792
		biweekly	\$3,755.87	\$3,943.67	\$4,140.85	\$4,347.89	\$4,565.29	\$4,747.90
			Step 1	Step 2	Step 3	Step 4	Step 5	Top out 4%
PSO/School Resource Officer - PSO/Detective	PR1	annual	\$79,090.33	\$83,044.85	\$87,197.08	\$91,556.94	\$96,134.79	\$99,980.18
		hourly	\$38.024	\$39.925	\$41.922	\$44.018	\$46.219	\$48.067
		biweekly	\$3,041.94	\$3,194.03	\$3,353.73	\$3,521.42	\$3,697.49	\$3,845.39
			Step 1	Step 2	Step 3	Step 4	Step 5	Top out 4%
Public Safety Sergeant -	PR2	annual	\$91,237.45	\$95,799.32	\$100,589.29	\$105,618.78	\$110,899.69	\$115,335.68
		hourly	\$43.864	\$46.057	\$48.360	\$50.778	\$53.317	\$55.450
		biweekly	\$3,509.13	\$3,684.59	\$3,868.82	\$4,062.26	\$4,265.37	\$4,435.99
			Step 1	Step 2	Step 3	Step 4	Step 5	Top out 4%
Lieutenant Fire Marshall	PR3	annual	\$97,652.72	\$102,535.35	\$107,662.12	\$113,045.23	\$118,697.49	\$123,445.39
		hourly	\$46.948	\$49.296	\$51.761	\$54.349	\$57.066	\$59.349
		biweekly	\$3,755.87	\$3,943.67	\$4,140.85	\$4,347.89	\$4,565.29	\$4,747.90
			Step 1	Step 2	Step 3	Step 4	Step 5	Top out 4%
Captain	PR4	annual	\$103,242.99	\$108,405.14	\$113,825.40	\$119,516.97	\$125,492.50	\$130,512.20
		hourly	\$49.636	\$52.118	\$54.724	\$57.460	\$60.333	\$62.746
		biweekly	\$3,970.88	\$4,169.43	\$4,377.90	\$4,596.81	\$4,826.63	\$5,019.70

**City of Heath  
Public Safety Pay Schedule**

Proposed for FY 2026

			Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Top out 4%
Public Safety Officer -	PS1	annual	\$79,090.33	\$83,044.85	\$87,197.08	\$91,556.94	\$96,134.79	\$100,941.53	\$104,979.19
		hourly	\$28.698	\$30.132	\$31.639	\$33.221	\$34.882	\$36.626	\$38.091
		biweekly	\$3,041.94	\$3,194.03	\$3,353.73	\$3,521.42	\$3,697.49	\$3,882.37	\$4,037.66
			Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Top out 4%
Public Safety Sergeant -	PS2	annual	\$91,237.45	\$95,799.32	\$100,589.29	\$105,618.78	\$110,899.69	\$116,444.67	\$121,102.46
		hourly	\$33.105	\$34.760	\$36.498	\$38.323	\$40.239	\$42.251	\$43.941
		biweekly	\$3,509.13	\$3,684.59	\$3,868.82	\$4,062.26	\$4,265.37	\$4,478.64	\$4,657.79
			Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Top out 4%
Lieutenant	PS3	annual	\$97,652.72	\$102,535.35	\$107,662.12	\$113,045.23	\$118,697.49	\$124,632.36	\$129,617.65
		hourly	\$35.433	\$37.204	\$39.065	\$41.018	\$43.069	\$45.222	\$47.031
		biweekly	\$3,755.87	\$3,943.67	\$4,140.85	\$4,347.89	\$4,565.29	\$4,793.55	\$4,985.29
			Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Top out 4%
PSO/School Resource Officer - PSO/Detective	PR1	annual	\$79,090.33	\$83,044.85	\$87,197.08	\$91,556.94	\$96,134.79	\$100,941.53	\$104,979.19
		hourly	\$38.024	\$39.925	\$41.922	\$44.018	\$46.219	\$48.530	\$50.471
		biweekly	\$3,041.94	\$3,194.03	\$3,353.73	\$3,521.42	\$3,697.49	\$3,882.37	\$4,037.66
			Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Top out 4%
Public Safety Sergeant -	PR2	annual	\$91,237.45	\$95,799.32	\$100,589.29	\$105,618.78	\$110,899.69	\$116,444.67	\$121,102.46
		hourly	\$43.864	\$46.057	\$48.360	\$50.778	\$53.317	\$55.983	\$58.222
		biweekly	\$3,509.13	\$3,684.59	\$3,868.82	\$4,062.26	\$4,265.37	\$4,478.64	\$4,657.79
			Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Top out 4%
Lieutenant Fire Marshall	PR3	annual	\$97,652.72	\$102,535.35	\$107,662.12	\$113,045.23	\$118,697.49	\$124,632.36	\$129,617.65
		hourly	\$46.948	\$49.296	\$51.761	\$54.349	\$57.066	\$59.919	\$62.316
		biweekly	\$3,755.87	\$3,943.67	\$4,140.85	\$4,347.89	\$4,565.29	\$4,793.55	\$4,985.29
			Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Top out 4%
Captain	PR4	annual	\$103,242.99	\$108,405.14	\$113,825.40	\$119,516.97	\$125,492.50	\$131,767.13	\$137,037.82
		hourly	\$49.636	\$52.118	\$54.724	\$57.460	\$60.333	\$63.350	\$65.884
		biweekly	\$3,970.88	\$4,169.43	\$4,377.90	\$4,596.81	\$4,826.63	\$5,067.97	\$5,270.69

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## **FINANCIAL POLICIES**

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# City of Heath, Texas

## Financial Policies and Practices

### **PURPOSE**

The purpose of the City of Heath Financial Policies and Practices is to:

1. Demonstrate to the citizens of Heath, the investment community, and the bond rating agencies that the City is committed to a strong fiscal operation.
2. Provide guidelines for future policy-makers and financial managers on common financial goals and strategies.
3. Fairly present and fully disclose the financial position of the City in conformity with Generally Accepted Accounting Principals (GAAP).
4. Demonstrate compliance with finance-related legal and contractual issues in accordance with the Texas Local Government Code and other legal mandates.

### **ANNUAL BUDGET**

1. The budget shall provide a complete financial plan for all City funds and activities and, except as required by law or City Charter, shall be in such form as the City Manager deems desirable or the City Council may require.
2. A budget message explaining the budget both in fiscal terms and in terms of work programs shall be submitted with the budget. It shall outline the proposed financial policies of the City for the ensuing fiscal year, describe the important features of the budget, and indicate any major changes from the current year in financial policies, expenditures, and revenues with reason for such change. It shall also summarize the City's debt position and include such other material as the City Manager deems advisable.
3. The budget shall begin with a clear, general summary of its contents, shall show in detail all estimated income, indicating the proposed property tax levy, and all proposed expenditures for the ensuing fiscal year.
4. Each Director will be responsible for the administration of his/her departmental budget.
5. The goal of the City is to balance the operating budget with current revenues.
6. The legal level of budgetary control is at the divisional (division: a specific functional area within a City department) level. At any time during the fiscal year, the Finance Director may transfer up to \$5,000 of the unencumbered appropriated balance between classifications of expenditure within a division. Transfers exceeding \$5,000 must be approved by the City Manager. A transfer may not be made from the unencumbered appropriated balance in the Personnel Services classification of expenditure. Any revision that alters total expenditures of any division must be approved by the City Council. All appropriations lapse at year-end, except those for the Capital Projects Fund. It is the intention of the City that appropriations for capital projects continue until completion of the project.

### **AMENDMENT BY CITY COUNCIL BEFORE ADOPTION**

1. The City Council may adopt the budget with or without amendment. The Council may increase or decrease programs or amounts and may delete any programs or amounts except expenditures required by law or for debt service or for estimated cash deficit, provided that no amendment shall increase the authorized expenditures to an amount greater than the total of estimated

income for the current fiscal year plus funds available from prior years.

**AMENDING THE BUDGET**

Under conditions which may arise and which could not reasonably have been foreseen in the normal process of planning the budget, the Council may, by a majority vote of the full membership, amend or change the budget to provide for any additional expense in which the general welfare of the citizenry is involved. These amendments must be by ordinance, and must be an attachment to the original budget.**RESERVES AND FUND BALANCE**

1. The City will establish reserves for replacement of facilities and equipment.
2. The City will avoid utilizing fund balances for operational expenditures.
3. The City will strive to maintain fund balance as a percent of operating expenses in the General Fund and General Debt Service Fund and net assets as a percent of operating expenses in the Water/Wastewater Utility Fund and the Sanitation Fund in accordance with the following table:

Fund	Target	Minimum	Maximum
General	25%	20%	30%
Water/WasteWater	25%	20%	30%
Sanitation	25%	20%	30%
Gen Debt Service		1/12 of next years P & I	

In order to achieve the objectives of this policy, the following guidelines shall be adhered to:

- A designated fund balance shall be maintained as of October 1 of each year equal to 25% of that year’s budgeted expenditures for both the General and Utility Funds.
- As part of the annual budget process, the Finance Director will estimate and prepare a projection of the year-end designated fund balances. Such projection will include an analysis of trends in fund balance levels on a historical and future projection basis. The Finance Director shall present the findings to the City Council as part of the budget review process for the ensuing fiscal year.
- Any anticipated balance in excess of the designated General and Utility Fund Balances may be budgeted to reduce the ensuing year’s property tax levy and/or utility rates or may be allocated by the City Council during the course of the fiscal year for special projects.
- The City Council may declare a fiscal emergency and withdraw any amount of the designated General and Utility Fund Balances for purposes of addressing the fiscal emergency. Any such action must also provide for necessary appropriations to restore the designated fund balance to the required balance within a three-year period.

**LONG-TERM FINANCIAL PLAN**

1. The City will establish and maintain a long-term plan that considers future projects, new revenues, anticipated expenditures, and the City’s goals.
2. The annual budget shall be prepared in conjunction with the long-term financial plan’s goals and objectives.
3. The City will update replacement and maintenance plans annually and incorporate them into the long-term plan.

**FINANCIAL REPORTING**

1. The Finance Director shall submit to the City Council at its second formal meeting each month

the financial condition of the City by budget items, budget estimates versus actuals for the preceding month and for the fiscal year to date.

2. The Finance Director shall submit to the City Manager, Mayor, and City Council a quarterly investment report. The investment report will include summarized investment strategies employed in the most recent quarter and a description of the portfolio in terms of investment securities, maturities, and investment rate of return for the quarter.

3. A comprehensive Annual Financial Report (CAFR) shall be prepared at the end of each fiscal year. The report shall be prepared in accordance with generally accepted accounting principles (GAAP) and shall include an opinion from an independent certified public accountant designated by the City Council. The CAFR shall be made available for public inspection and shall become part of the records of the City. The results of the audit will be presented to the City Council no later than March 31 of the following year.

4. The City will strive to receive and retain the Certificate of Achievement for Excellence in Financial Reporting for its CAFR and the Distinguished Budget Presentation for its annual budget document which are awarded annually by the Government Finance Officers Association of the United States and Canada (GFOA).

5. Every five years, the City will issue requests for proposal to choose an auditor.

#### **BASIS OF ACCOUNTING**

1. The City will account for City finances in accordance with generally accepted accounting principles established by the Governmental Accounting Standards Board.

2. The City uses the modified accrual basis of accounting for the City's general government activities:

- Revenues under the modified accrual basis are recognized when they are measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.
- Expenditures are recognized when the related fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and certain similar accrued obligations, which are recorded when due.

3. The City uses the accrual basis of accounting for the City's enterprise activities:

- Revenues and expenses are recognized when they occur regardless of the timing of related cash flows.

4. The City will implement and maintain encumbrance accounting whereby purchase orders are utilized to reserve a portion of the annual budgeted appropriations for future payment when due.

#### **OPERATING POLICY**

1. Assets will be safeguarded by properly classifying, recording, and tagging each asset. An inventory of assets will be maintained and include the description, cost, date of acquisition, department, location and asset identification number. Periodic inventory inspections of assets shall be conducted. Assets will be capitalized when they meet the dollar minimum of \$10,000 and have a useful life of more than one year. For constructed assets the criteria apply to the completed project.

2. The City Manager is authorized to write off bad debt accounts which have been delinquent for more than 120 days. These accounts will be aggressively pursued for collection by any lawful and

available means.

3. Rates for water, sewer, and sanitation enterprise activities shall be maintained at levels sufficient to ensure that annual revenues will be available to pay all direct and indirect costs of the enterprise activities, including costs of operations, capital improvements, maintenance, and principal and interest requirements on outstanding debt.

4. In accordance with State law, all uncontested invoices will be paid within 30 days of proper receipt.

5. The City will use due caution in analyzing material incentives that are used to encourage development. A cost/benefit analysis will be performed as part of the evaluation. The City will periodically review the tax abatement policy and perform routine audits on companies receiving tax abatements.

## **REVENUES**

1. The revenue projections will be made conservatively in order that actual revenues should meet or exceed the budgeted revenues for the year.

2. The City will aggressively pursue revenue collection to assure that collectible funds due the City are received in a timely manner.

3. The City will apply for Federal and State grants that meet City objectives and are cost beneficial. Departments will oversee daily operations of grant programs, monitor performance and compliance, and keep the Finance division informed of grant-related plans and activities. Grant funding must be authorized by City Council.

4. The City will investigate potential new revenue sources, including the capture of user fees.

5. The City will strive to obtain franchise agreements that incorporate a franchise or rental fee with all public utilities. The fee structure will be similar to other cities in the area and allowed by the Public Utility Commission.

6. Interest earned from investments will be distributed among the funds in accordance with the equity balance of the fund from which the money was provided to be invested.

7. Impact fees will be recorded as revenue at the time of assessment.

## **INVESTMENT POLICY**

Investments made by the City will be made in compliance with the City of Heath Investment Policy. It is the policy of the City to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all State of Texas statutes and City ordinances. The primary objectives, in priority order, of the City's investment activities shall be:

1. Safety: Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective the City will diversify its investments by investing funds among a variety of securities offering independent returns and financial institutions.

2. Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

3. Public Trust: All participants in the City's investment process shall seek to act responsibly as custodians of the public trust. Investment officers shall avoid any transaction that might impair

public confidence in the City's ability to govern effectively.

4. Yield: The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow needs. The City's portfolio shall be designed with the objective of regularly meeting or exceeding the average rate of return on rolling three-month U. S. Treasury Bills at a maturity level comparable to the City's weighted average maturity in days. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

#### **DEBT ISSUANCE POLICY**

1. General Obligation Bonds: the City shall have the power to borrow money on the credit of the City and to issue general obligation bonds for permanent public improvements or for any other public purpose not prohibited by the Constitution and laws of the State of Texas, and to issue refunding bonds to refund outstanding bonds of the City previously issued. All such bonds shall be issued in conformity with the laws of the State of Texas.

2. Revenue Bonds: The City shall have the power to borrow money for the purpose of constructing, purchasing, improving, extending, or repairing public utilities, recreational facilities or any other self-liquidating function not prohibited by the State of Texas, and to issue revenue bonds to evidence the obligation created thereby. Such bonds shall be a charge upon and payable from properties, or interest therein pledged, or the income therefrom, or both. The holders of the revenue bonds shall never have the right to demand payment thereof out of monies raised or to be raised by taxation. All such bonds shall be issued in conformity with the laws of the State of Texas.

3. Bonds Incontestable: All bonds of the City having been issued and sold and having been delivered to the purchaser thereof shall thereafter be incontestable and all bonds issued to refund in exchange for outstanding bonds previously issued shall and after said exchange, be incontestable.

4. Use of Bond Funds: Any and all bond funds approved by a vote of the citizens of Heath will be expended only for the purposes stated in the bond issue.

5. Certificates of Obligation: All certificates of obligation issued by the City shall be approved by ordinance and issued in accordance with the laws of the State of Texas.

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**CHARTER REGARDING BUDGET ADOPTION**

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## **CHAPTER EIGHT: CITY DEPARTMENTS/FISCAL ADMINISTRATION**

### **SECTION 8.01 ADMINISTRATIVE DEPARTMENTS**

There shall be such administrative departments as are established by this Charter and such other administrative departments as may be deemed necessary by the Council and as are established by ordinance, all of which shall be under the control and direction of the City Manager.

### **SECTION 8.02 TAX ADMINISTRATION**

- A. There shall be a Department of Taxation to assess and collect taxes, the Director of which shall be the City Tax Assessor and Collector who shall be appointed by the City Council. The Tax Assessor and Collector shall provide a bond with such sureties and in such amount as the City Council may require. The premiums on such bond shall be paid by the City. The City Council may provide for such services by contract.
- B. The City Council shall have the power, and is hereby authorized, to levy, assess, and collect annual taxes not to exceed the maximum limit set by the Constitution and laws of the State of Texas, as they now exist or as they may be amended, on each one hundred dollars (\$100.00) assessed valuation of all property having a location within the corporate limits of the City and not exempt from taxation by the Constitution and laws of the State of Texas.
- C. All taxes due the City shall be payable at the office of the City Assessor and Collector and may be paid at any time after the tax rolls for the year have been completed and approved, which completion and approval shall be not later than October 1st. Taxes shall be paid before February 1st of each year succeeding the year for which the taxes are levied. All such taxes not paid prior to such date shall be deemed delinquent and shall be subject to such penalty and interest as may be provided by law. Failure to levy and assess taxes through omission in preparation of the approved tax rolls shall not relieve the person, firm or corporation so omitted from the obligation to pay such current or past due taxes shown to be payable by recheck of the rolls and receipts for the years in question, unless otherwise provided by law.
- D. All property having its location in the City on January 1st of each year shall stand charged with a lien in favor of the City from said date for the taxes due thereon. The lien provided hereby shall be superior to all other liens except other tax liens, regardless of when such other liens were created. All persons purchasing any of said property on or after January 1st in any year shall take the property subject to the lien herein provided. In addition to the lien herein provided on January 1st of any year, the owner of property subject to taxation by the City shall be personally liable for the taxes due thereon for such year. The City shall have the power to sue for and recover personal judgment for taxes without foreclosure, or to foreclose its lien or liens, or to recover both personal judgment and foreclosure. In such suit where it appears that the description of any property in the City assessment rolls is insufficient to identify such property, the City shall have the right to plead a good description of the property to be assessed, to prove the same, and to have its judgment foreclosing the

tax lien and/or for personal judgment against the owner for such taxes as such ownership and property appears on the certified tax roll.

### **SECTION 8.03 FISCAL YEAR**

The fiscal year of the City shall begin on October 1st and end on the following September 30th of each year, but the fiscal year may be changed by the Council by ordinance.

### **SECTION 8.04 ANNUAL BUDGET**

It shall be the duty of the City Manager to submit an annual budget not later than thirty (30) days prior to the end of the current fiscal year to the Council for its review, consideration and revision. The Council shall call a public hearing or hearings on the budget. The Council may adopt a budget with or without amendments. The Council may increase or decrease amounts or programs and may delete any programs or amounts except expenditures required by law or for a debt service, provided that no amendment shall increase the authorized expenditures to an amount greater than the total of the estimated income for the current fiscal year plus funds available from prior years. At the close of each fiscal year, the unencumbered balance of each appropriation shall revert to the fund from which it was appropriated and shall be subject to future appropriations, but appropriations may be made in furtherance of improvements or other objects of work of the City that will not be completed within the current year.

### **SECTION 8.05 FAILURE TO ADOPT ANNUAL BUDGET**

If the Council fails to adopt the budget by September 30th, the amounts appropriated for the current fiscal year shall be deemed adopted for the ensuing fiscal year on a month to month basis with all items in it prorated accordingly until such time as the Council adopts a budget for the ensuing fiscal year. The levy of property tax will be set to equal the total current fiscal year tax receipts, unless the ensuing fiscal year budget is approved by September 30th of the current fiscal year.

### **SECTION 8.06 BONDS AND OTHER EVIDENCES OF INDEBTEDNESS**

The City shall have the power to borrow money on the credit of the City and to issue general obligation bonds and other evidences of indebtedness for permanent public improvements or for any other public purpose not prohibited by the Constitution and laws of the State of Texas and to issue refunding bonds to refund outstanding bonds and other evidences of indebtedness of the City previously issued. All such bonds shall be issued in conformity with the laws of the State of Texas.

The City shall further have the power to borrow money for the purpose of constructing, acquiring, improving, extending or repairing of public utilities, recreational facilities or any other self-liquidating municipal function not prohibited by the Constitution and laws of the State of Texas, and to issue revenue bonds to evidence the obligations created thereby. Such bonds shall be a charge upon and payable from the properties, or interest therein pledged, or the income there from, or both. The holders of the revenue bonds of the City shall not have the right to demand payment thereof out of monies raised or to be raised by taxation. All such bonds shall be issued in conformity with the laws of the State of Texas. The City shall have the power to borrow money

for public improvements in any other manner provided by law, including certificates of obligation as authorized by Chapter 271 of the Texas Local Government Code. All bonds and evidences of indebtedness of the City having been approved by the Attorney General and registered by the Comptroller of Public Accounts shall thereafter be incontestable in any court or other forum for any reason, and shall be valid and binding obligations of the City in accordance with their terms for all purposes.

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**FEE SCHEDULE**

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<i>FISCAL YEAR 2025-2026</i>	<b>2026 PROPOSED FEE SCHEDULE</b>	<b>NOTES</b>
<b>COMMUNITY ROOM</b>		
Entire Room	\$50/per hour reserved	
Entire Room	\$50/per hour reserved	
Note: HOA's - 4 times per year for 1/2 rate	\$25/per hour reserved	
Lost Key Charge	\$60.00	
Deposit - (Refundable based on Room Condition)	\$500.00	
<b>ADMINISTRATIVE - COPIES/FILING</b>		
Copies (50 pages or less)	\$0.10 per page	
Copies (for oversized copies)	\$0.50 per page	
Copies (50 pages or more)	\$15.00 per hour for labor	
County Filing	Actual Cost plus 20% admin	
Lien Filing Fee	Actual Cost plus 20% admin	
<b>PUBLIC SAFETY</b>		
Accident Report	\$6.00	
Solicitation Permit Application Fee (Per Applicant/Non-Refundable)	\$65.00	Ordinance 150526F
<b>SECURITY SYSTEM/ALARMS</b>		
		Ordinance 080916E
Annual Registration - Residential	\$35.00	
Annual Registration - Commercial	\$50.00	
Non-registration Penalty	\$200.00	
<b><i>False Alarm Penalty / Year - POLICE</i></b>		
First - Third False Alarms	No Charge	
Fourth and Fifth False Alarms	\$50.00	
Sixth and Each Subsequent False Alarm	\$75.00	
<b><i>Residential False Alarm Penalty / Year - FIRE</i></b>		
First - Third False Alarms	No Charge	
Fourth False Alarm	\$100.00	
Fifth False Alarm	\$250.00	
Sixth and Each Subsequent False Alarm	\$500.00	
<b><i>Commercial False Alarm Penalty / Year - FIRE</i></b>		
First - Third False Alarms	No Charge	
Fourth False Alarm	\$250.00	
Fifth False Alarm	\$500.00	
Sixth and Each Subsequent False Alarm	\$750.00	
<b>LAND USE APPLICATIONS</b>		
Rough Proportionality Study Fee	Actual cost passed through w/o mark up	
Comprehensive Plan Amendment	\$500.00	
Request For Zoning Change	\$1,200.00	
Conditional Use Permit	\$1,200.00	
Board of Adjustment Appeal/Variance/Special Exception	\$850.00	
Concept Plan	\$500.00	
Notice Publication Fee for 2nd and subsequent notices	\$350.00	
Neighborhood Notices for 2nd and subsequent notices	\$375.00	
Development Review Committee Pre-Application Meeting	First meeting is free. Each subsequent meeting is \$300	
Photometric Plan Review by 3rd Party	Actual cost pass through w/o markup	
Flood Plain Study Review	\$175.00/hour	
Extraordinary Review/Expert Consultation	Cost of Consultation	
Extraordinary Review/City Engineer	\$175.00/hour	
Site Plan Review	\$1,200.00	
Street Name Change Request	\$150 + assoc. costs pass through	
Request to Abandon Right-of-Way or Easement	\$300 + assoc. costs pass through	

<i>FISCAL YEAR 2025-2026</i>	<b>2026 PROPOSED FEE SCHEDULE</b>	<b>NOTES</b>
Encroachment Agreement	\$200.00	
Beer and Wine Permit Application (Off-premise Only) <i>Non-refundable, initial application fee</i>	\$100.00	Ordinance 120605
Beer and Wine Variance Request	\$100.00	
Beer and Wine Retailers (Off-Premise), <i>Permit valid for two years</i>	\$60.00	
Preliminary Plat	\$1,500.00 + \$25.00/acre	
Short-Form Plat (less than 5 acres)	\$750.00+\$25.00/lot	
Final Plat	\$1,500.00 + \$25.00/acre	
Replat or Amending Plat	\$750.00+\$25.00/acre	
Vacating Plat if Not Filed with a Replat	\$750.00 + \$25.00/acre	
Official Filing Fees - plat and required documents	Fees set per County	
Public Improvements Plan Review and Inspections	A deposit of 4% of the improvement value or a minimum of \$4,500 is due with the civil plan application. The actual staff cost of \$185.00 per hour will be charged against the deposit with a refund of the unused deposit issued upon city Acceptance of Improvements. If actual staff costs exceed the deposit, an invoice will be issued for the excess expense due before Acceptance of Improvements.	
<b>VARIANCE REQUESTS</b>		
Variance (Fence, Parking, Lighting, Subdivision Regulations, Other)	\$400.00	
<b>TAKE AREA</b>		
Annual Sublease Fee - First Year	\$600.00	
Annual Sublease Fee - Subsequent Years	\$350.00	
Application for Appeal - Appeals Panel	\$100.00	
Application for Appeal - City Council	\$100.00	
Annual Sublease Ownership Transfer	\$200.00	
<b>ANIMAL CONTROL</b>		
Annual Dog Registration - Neutered	\$5.00	
Annual Dog Registration - Non-Neutered	\$10.00	
Impoundment - Initial Fee	\$30.00	
Impoundment - 2nd incident	\$50.00	
Impoundment - 3rd incident	\$75.00	
Impoundment - 4th incident or more	\$100.00	
Impoundment-Daily fee subsequent to Initial day	\$10.00	
<b>Permits (Non-transferable)</b>		
Show or Exhibition	\$10.00/occurrence, valid 30 days	
Grooming	\$10.00/annually	
Dealer (retail and/or wholesale distributor)	\$25.00/annually	
Commercial (not covered by "dealer")	\$25.00/annually	
<b>INSPECTIONS - OSSF</b>		
After Hours/Weekends Inspections two hour minimum	\$80.00/hour	
Extraordinary Inspections of Systems or Components applicable after 3rd inspection has failed	\$100/inspection	
OSSF New or Replace. Sys. (payable at application)	\$750.00	
OSSF - Existing System Modifications	\$400.00	
<b>INSPECTIONS - FOOD SERVICE</b>		
Restaurant/Club (New or Renewal)	\$250.00	
Convenience Store (New or Renewal)	\$250.00	

<i>FISCAL YEAR 2025-2026</i>	<b>2026 PROPOSED FEE SCHEDULE</b>	<b>NOTES</b>
Mobile Food Vendor/Commissary (New or Renewal)	\$250.00	
Grocer per Department	\$150.00	
Day Care Facility	\$150.00	
Special Event Food Trucks - Annual Permit	\$250.00	
Special Event/Food Trucks - Each Event	\$100.00	
No Inspection	\$0.00	
Additional Inspection	\$100.00	
RISD	Exempt	
<b>CODE ENFORCEMENT</b>		
Administrative Fee	\$200.00	
Non-Compliance Watering Penalty		
1 <sup>st</sup> Notice	Warning No Penalty	Ordinance 250624B
2 <sup>nd</sup> Notice	\$150.00	Ordinance 250624B
3 <sup>rd</sup> Notice	\$200.00	Ordinance 250624B
4 <sup>th</sup> Notice	\$250.00	Ordinance 250624B
5 <sup>th</sup> Notice	\$300.00	Ordinance 250624B
6 <sup>th</sup> Notice	\$350.00	Ordinance 250624B
7 <sup>th</sup> Notice	\$400.00	Ordinance 250624B
8 <sup>th</sup> Notice	\$450.00	Ordinance 250624B
9 <sup>th</sup> Notice	\$500.00	Ordinance 250624B
<b>REPLACE PERMIT</b>		
Replace Permit Pack	\$25.00	
<b>BUILDING PERMITS</b>		
<b>New Single-family Dwelling fee per square foot (entire square feet of building, including non-heated/cooled areas)</b>		
1,501 - 2,000	\$1,050.00	
2,001 - 2,250	\$1,050.00	
2,251 - 2,500	\$1,050.00	
2,501 - 3,000	\$1,050.00	
3,001 - 3,500	\$1,150.00	
3,501 - 4,000	\$1,250.00	
4,001 - 4,500	\$1,500.00	
4,501 - 5,000	\$2,500.00	
5,001 - 5,500	\$3,500.00	
5,501 - 6,000	\$4,500.00	
6,001 - 7,500	\$6,000.00	
7,501 and over	\$7,500.00	
<b>Residential Permit Fees</b>		
Approach/Flatwork	\$100.00	
Demo	\$100.00	
Electrical	\$100.00	
Mechanical	\$100.00	
Plumbing	\$100.00	
Addition/Remodel (interior/exterior)		
400 sq ft or less	\$250.00	
401 sq ft to 800 sq ft	\$350.00	
801 sq ft to 1,500 sq ft	\$450.00	
1,501 sq ft to 3,000 sq ft	\$550.00	
3,001 sq ft to 4,500 sq ft	\$650.00	
4,501 sq ft or larger	\$1,000.00	
<b>Auxiliary Building (Pool Houses, Cabanas, Out Buildings, etc.....)</b>		
400 sq ft or less	\$250.00	

<i>FISCAL YEAR 2025-2026</i>	2026 PROPOSED FEE SCHEDULE	NOTES
401 sq ft to 800 sq ft	\$350.00	
801 sq ft to 1,500 sq ft	\$450.00	
1,501 sq ft to 3,000 sq ft	\$550.00	
3,001 sq ft to 4,500 sq ft	\$650.00	
4,501 sq ft or larger	\$1,000.00	
Retaining Walls	\$200.00	
Roofs	\$100.00	
Windows	\$100.00	
Grading	\$200.00	
Foundation	\$100.00	
Lake Structure	\$350.00	
Pool	\$400.00	
Commercial Minimum Fee	\$100.00	
Commercial Permit Fee (minimum \$100)	1/2 of 1% of value	
Temporary Sales/Construction Trailer Permit	\$100.00	
Certificate of Occupancy	\$100.00	
Re-inspection Fee for Buildings	\$100.00	
Plan Check/Inspection Fees for Outside Consultants & Inspections	Actual cost passed through w/o mark up	
After Hours/Weekends Construction Inspections four hour minimum	\$100.00/hour	
Sprinkler/Irrigation Permit	\$100.00	
Fence Permit	\$100.00	
Underground Fire Line Permit	\$150.00	
Underground Gas and Diesel Storage Tank Permit	\$150.00	
Residential/Commercial Fire Sprinkler Permit	\$150.00	
Fire Alarm Permit	\$150.00	
Residential/Commercial Generator Permit	\$150.00	
Above Ground Fuel Storage Tank Permit	\$150.00	
Type I Commercial Cooking Hoods Permit	\$150.00	
Contractor Registration - Initial	\$100.00	
Contractor Registration - Renewal	\$75.00	
Penalty for Working without Registration	\$500.00/occurrence	
Penalty for Working without Permit	\$500.00/occurrence	
<i>Note: per state law, plumbers and electricians do not pay registration fee; however, they will be subject to a penalty for failure to register prior to work.</i>		
Temporary Utility Deposit	\$500.00	
<b>SIGN PERMITS</b>		
Sign Permit	\$100.00	
Temporary Banner Permit	\$50.00	
<b>IMPACT FEES</b>		
		Ordinance 200310A
Meter Pass Through Fee	Cost of Meter, plus 20% markup, plus cost of meter can replacement if required	
Water - 3/4" meter	\$2,087.00	Rate set by Impact Fee Study
Water - 1" meter	\$3,478.00	Rate set by Impact Fee Study
Sewer - (3/4" water meter)	\$3,940.00	Rate set by Impact Fee Study
Sewer - (1" water meter)	\$6,567.00	Rate set by Impact Fee Study
Water and Sewer for meter sizes not listed		Rate set by Impact Fee Study
Roadway per residential unit	\$2,419.07	Rate set by Impact Fee Study
Roadway non-residential		Rate set by Impact Fee Study
<b>STORMWATER MANAGEMENT</b>		
Stormwater Violation Fee Not to Exceed	\$500.00 per offense	
Stormwater Reinspection Fee	\$100.00	
Administration Fee	\$200.00	

<b>FISCAL YEAR 2025-2026</b>	<b>2026 PROPOSED FEE SCHEDULE</b>	<b>NOTES</b>
<b>PARK DEVELOPMENT FEES</b>		
Fee-In-Lieu of Land Dedication per Dwelling Unit	\$2,246.94	Ordinance 180327B
Park Development Fees per Dwelling Unit	\$1,293.19	Ordinance 180327B
Tree Mitigation Fee per Diameter Inch	\$160.00	Ordinance 200825A
<b>PARKS RENTALS</b>		
<b>Field Rental - Towne Center Park</b>		
Practice Fields at City Hall - Resident	\$15.00 / hour	
Practice Fields at City Hall - Non-Resident	\$50.00 / hour	
Youth Teams May Reserve 1/2 Field - Resident	\$15.00 / hour	
Youth Teams May Reserve 1/2 Field - Non-Resident	\$50.00 / hour	
Adult Teams Must Reserve the Full Field - Resident	\$30.00 / hour	
Adult Teams Must Reserve the Full Field - Non-Resident	\$100.00 / hour	
Add lights to any of the above - Resident	\$15.00 / hour	
Add lights to any of the above - Non-Resident	\$50.00 / hour	
<b>Picnic Pavilions</b>		
Towne Center Park - Resident	\$50.00 / 3-hr period	
Towne Center Park - Non-Resident	\$150.00 / 3-hr period	
Terry Park -- Heath or Dallas residents	\$100.00 / 3-hr period	
Terry Park -- Non-Heath or Non-Dallas residents	\$200.00 / 3-hr period	
<b>GARBAGE COLLECTION</b>		
Residential Curbside w/ Recycling	\$25.09	2.63% CPI Increase
Premium Service w/ Recycling (Residential Carry Out)	\$44.05	2.63% CPI Increase
Commercial Collection	\$29.46	2.63% CPI Increase
Commercial 2-Cart	\$42.11	2.63% CPI Increase
Commercial Polycart Recycling	\$1.66	2.63% CPI Increase
Additional Polycart	\$12.36	2.63% CPI Increase
Brush exceeding three cubic yards	\$12.58/cubic yard	2.63% CPI Increase
<i>Billed by Waste Connections</i>		
Commercial - 3 cubic yard container 1 x Week	\$112.90	2.63% CPI Increase
Commercial - 4 cubic yard container 1 x Week	\$132.62	2.63% CPI Increase
Commercial - 6 cubic yard container 1 x Week	\$163.20	2.63% CPI Increase
Commercial - 8 cubic yard container 1 x Week	\$211.48	2.63% CPI Increase
A complete list of services billed by Progressive Waste Solutions of Texas, Inc. will be provided upon request.		
Hazardous Waste Charge	\$1.16	2.6% CPI Increase
<b>SANITARY SEWER SERVICE</b>		
Residential Winter Averaging Base Rate	\$63.70	Willdan Rate Study
Volume Rate/1,000 Gallons - Winter Averaging	\$7.91	Willdan Rate Study
Non-Residential Rate/1,000 Gallons	\$13.45	Willdan Rate Study
Residential New Winter Averaging Base Rate - Less than 12 Months	\$63.70	Willdan Rate Study
Residential New Volume Rate/1,000 Gallons Winter Averaging - Less than 12 Months Average of 7,000 Gallons	\$7.91	Willdan Rate Study
<b>WATER SERVICE</b>		
<b>Base Rates (includes 2,000 gallons)</b>		
5/8" & 3/4" Meters	\$41.86	Willdan Rate Study
1" Meters	\$64.76	Willdan Rate Study
1 1/2" Meters	\$102.93	Willdan Rate Study
2" Meters	\$148.74	Willdan Rate Study
3" Meters	\$293.79	Willdan Rate Study
4" Meters	\$484.64	Willdan Rate Study
6" Meters		
Fire Protection Meter		Check detector is exempt

<b>FISCAL YEAR 2025-2026</b>	<b>2026 PROPOSED FEE SCHEDULE</b>	<b>NOTES</b>
<b>Usage Rates</b>	<b>per 1,000 gallons</b>	
2,001 - 10,000 gallons	\$7.50	Willdan Rate Study
10,001 - 20,000 gallons	\$7.69	Willdan Rate Study
20,001-30,000 gallons	\$9.53	Willdan Rate Study
30,001-50,000 gallons	\$11.39	Willdan Rate Study
50,001-100,000 gallons	\$13.60	Willdan Rate Study
Greater than 100,000 gallons	\$16.25	Willdan Rate Study
Hydrant Rate (\$150.00 minimum)	\$18.25	
<b>General</b>		
Late Penalty on Delinquent Balance	10%	
Administration Fee	\$200.00	
Reconnect Fee during business hours M-F, 8 am-5 pm	\$50.00	
Reconnect Fee after business hours and weekends until 10 pm <i>(No reconnections after 10 pm)</i>	\$100.00	
Water Meter Re-read (except initial request)	\$25.00	
Water Meter Inaccessible Re-Read Fee	\$60.00	
Water Meter Leak Check (except initial request) (fee waived if leak detected on subsequent checks)	\$25.00	
Water Meter Consumption Report (except initial request)	\$25.00	
Water Meter Testing	\$150.00	
Unauthorized Use of Water/Jump Service/Removal of Meter Lock	\$500.00	
Fire Hydrant Meter Refundable Deposit	\$2,250.00	
Fire Hydrant Meter Water Consumption Refundable Deposit	\$500.00	
Fire Hydrant Meter Installation Administration Fee	\$50.00	
Installation & Accessory Fee for 3/4" meter	Actual cost plus 20% admin and stocking	
Installation & Accessory Fee for 1" meter	Actual cost plus 20% admin and stocking	
Utility Deposits / Refunded per Ordinance		Ordinance 090120
Water/Sewer/Garbage	\$325.00	
Water/Garbage	\$250.00	
Sewer/Garbage	\$125.00	
Garbage Only	\$50.00	
NSF Payment Fee	\$35.00	
Address Labels from Utility System - electronic	\$25.00	
Online Payment Credit Card Fee - Court Payments	Actual cost passed through w/o mark up	
Online Payment Credit Card Fee - Utility Payments	Actual cost passed through w/o mark up	
Credit Card Processing Fee	3% Convenience Fee	
Automated Phone Payment Fee	\$1.75	
Unpaid debts and accounts receivable such as fines, fees, court costs, and restitution ordered paid by the Heath Municipal Court	30% fee	Resolution 231024B

**TAX RATE CALCULATION WORKSHEET**

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# 2025 Tax Rate Calculation Worksheet

## Taxing Units Other Than School Districts or Water Districts

**CITY OF HEATH**

Taxing Unit Name

200 Laurence Drive Heath TX 75032

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

972-771-6228

Phone (area code and number)

www.heathtx.com

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>	\$ 3,508,251,304
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>	\$ 832,978,431
3.	<b>Preliminary prior year adjusted taxable value.</b> Subtract Line 2 from Line 1.	\$ 2,675,272,873
4.	<b>Prior year total adopted tax rate.</b>	\$ 0.290311 /\$100
5.	<b>Prior year taxable value lost because court appeals of ARB decisions reduced the prior year's appraised value.</b>	
	<b>A. Original prior year ARB values:</b> ..... \$ 10,004,198	
	<b>B. Prior year values resulting from final court decisions:</b> ..... - \$ 8,847,676	
	<b>C. Prior year value loss.</b> Subtract B from A. <sup>3</sup>	\$ 1,156,522
6.	<b>Prior year taxable value subject to an appeal under Chapter 42, as of July 25.</b>	
	<b>A. Prior year ARB certified value:</b> ..... \$ 0	
	<b>B. Prior year disputed value:</b> ..... - \$ 0	
	<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.	\$ 1,156,522

<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)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
8.	<b>Prior year taxable value, adjusted for actual and potential court-ordered adjustments.</b> Add Line 3 and Line 7.	\$ 2,676,429,395
9.	<b>Prior year taxable value of property in territory the taxing unit deannexed after Jan. 1, 2024.</b> Enter the prior year value of property in deannexed territory. <sup>5</sup>	\$ 0
10.	<p><b>Prior year taxable value lost because property first qualified for an exemption in the current year.</b> 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.</p> <p><b>A. Absolute exemptions.</b> Use prior year market value: ..... \$ <u>807,827</u></p> <p><b>B. Partial exemptions.</b> Current year exemption amount or current year percentage exemption times prior year value: ..... + \$ <u>5,737,774</u></p> <p><b>C. Value loss.</b> Add A and B.<sup>6</sup></p>	\$ 6,545,601
11.	<p><b>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.</b> Use only properties that qualified for the first time in the current year; do not use properties that qualified in the prior year.</p> <p><b>A. Prior year market value:</b> ..... \$ <u>0</u></p> <p><b>B. Current year productivity or special appraised value:</b> ..... - \$ <u>0</u></p> <p><b>C. Value loss.</b> Subtract B from A.<sup>7</sup></p>	\$ 0
12.	<b>Total adjustments for lost value.</b> Add Lines 9, 10C and 11C.	\$ 6,545,601
13.	<b>Prior year captured value of property in a TIF.</b> 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.	<b>Prior year total value.</b> Subtract Line 12 and Line 13 from Line 8.	\$ 2,669,883,794
15.	<b>Adjusted prior year total levy.</b> Multiply Line 4 by Line 14 and divide by \$100.	\$ 7,750,966
16.	<b>Taxes refunded for years preceding the prior tax year.</b> 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>	\$ 11,766
17.	<b>Adjusted prior year levy with refunds and TIF adjustment.</b> Add Lines 15 and 16. <sup>10</sup>	\$ 7,762,732
18.	<p><b>Total current year taxable value on the current year certified appraisal roll today.</b> 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></p> <p><b>A. Certified values:</b> ..... \$ <u>3,874,531,319</u></p> <p><b>B. Counties:</b> Include railroad rolling stock values certified by the Comptroller's office: ..... + \$ <u>0</u></p> <p><b>C. Pollution control and energy storage system exemption:</b> Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: ..... - \$ <u>0</u></p> <p><b>D. Tax increment financing:</b> 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 23 below.<sup>12</sup> ..... - \$ <u>0</u></p> <p><b>E. Total current year value.</b> Add A and B, then subtract C and D.</p>	\$ 3,874,531,319

<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)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
19.	<p><b>Total value of properties under protest or not included on certified appraisal roll.</b> <sup>13</sup></p> <p><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> ..... § <u>9,760,632</u></p> <p><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> ..... + § <u>0</u></p> <p><b>C. Total value under protest or not certified.</b> Add A and B. <u>§ 9,760,632</u></p>	
20.	<p><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></p>	<u>§ 954,228,941</u>
21.	<p><b>Current year total taxable value.</b> Add Lines 18E and 19C. Subtract Line 20. <sup>17</sup></p>	<u>§ 2,930,063,010</u>
22.	<p><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>18</sup></p>	<u>§ 0</u>
23.	<p><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>19</sup></p>	<u>§ 76,227,942</u>
24.	<p><b>Total adjustments to the current year taxable value.</b> Add Lines 22 and 23.</p>	<u>§ 76,227,942</u>
25.	<p><b>Adjusted current year taxable value.</b> Subtract Line 24 from Line 21.</p>	<u>§ 2,853,835,068</u>
26.	<p><b>Current year NNR tax rate.</b> Divide Line 17 by Line 25 and multiply by \$100. <sup>20</sup></p>	<u>§ 0.27201</u> /\$100
27.	<p><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>21</sup></p>	<u>§ 0</u> /\$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.

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
28.	<p><b>Prior year M&amp;O tax rate.</b> Enter the prior year M&amp;O tax rate.</p>	<u>§ 0.191375</u> /\$100
29.	<p><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>.</p>	<u>§ 2,676,429,395</u>

<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(6)(B)  
<sup>17</sup> Tex. Tax Code §26.012(6)  
<sup>18</sup> Tex. Tax Code §26.012(17)  
<sup>19</sup> Tex. Tax Code §26.012(17)  
<sup>20</sup> Tex. Tax Code §26.04(c)  
<sup>21</sup> Tex. Tax Code §26.04(d)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
30.	<b>Total prior year M&amp;O levy.</b> Multiply Line 28 by Line 29 and divide by \$100.	\$ 5,122,016
31.	<p><b>Adjusted prior year levy for calculating NNR M&amp;O rate.</b></p> <p><b>A. M&amp;O taxes refunded for years preceding the prior tax year.</b> Enter the amount of M&amp;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. . . . . + \$ <u>7,835</u></p> <p><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. . . . . - \$ <u>0</u></p> <p><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. . . . . +/- \$ <u>0</u></p> <p><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. . . . . \$ <u>7,835</u></p> <p><b>E.</b> Add Line 30 to 31D.</p>	\$ 5,129,851
32.	<b>Adjusted current year taxable value.</b> Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 2,853,835,068
33.	<b>Current year NNR M&amp;O rate (unadjusted).</b> Divide Line 31E by Line 32 and multiply by \$100.	\$ 0.179752 /\$100
34.	<p><b>Rate adjustment for state criminal justice mandate.</b> <sup>23</sup></p> <p><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. \$ _____</p> <p><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. . . . . - \$ <u>0</u></p> <p><b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100. . . . . \$ <u>0</u> /\$100</p> <p><b>D.</b> Enter the rate calculated in C. If not applicable, enter 0.</p>	\$ 0 /\$100
35.	<p><b>Rate adjustment for indigent health care expenditures.</b> <sup>24</sup></p> <p><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. . . . . \$ <u>0</u></p> <p><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. . . . . - \$ <u>0</u></p> <p><b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100. . . . . \$ <u>0</u> /\$100</p> <p><b>D.</b> Enter the rate calculated in C. If not applicable, enter 0.</p>	\$ 0 /\$100

<sup>22</sup> [Reserved for expansion]  
<sup>23</sup> Tex. Tax Code §26.044  
<sup>24</sup> Tex. Tax Code §26.0441

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
36.	<p><b>Rate adjustment for county indigent defense compensation.</b> <sup>25</sup></p> <p><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. . . . . \$ <u>0</u></p> <p><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. . . . . \$ <u>0</u></p> <p><b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100. . . . . \$ <u>0</u> /\$100</p> <p><b>D.</b> Multiply B by 0.05 and divide by Line 32 and multiply by \$100. . . . . \$ <u>0</u> /\$100</p> <p><b>E.</b> Enter the lesser of C and D. If not applicable, enter 0.</p>	\$ <u>0</u> /\$100
37.	<p><b>Rate adjustment for county hospital expenditures.</b> <sup>26</sup></p> <p><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. . . . . \$ <u>0</u></p> <p><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. . . . . \$ <u>0</u></p> <p><b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100. . . . . \$ <u>0</u> /\$100</p> <p><b>D.</b> Multiply B by 0.08 and divide by Line 32 and multiply by \$100. . . . . \$ <u>0</u> /\$100</p> <p><b>E.</b> Enter the lesser of C and D, if applicable. If not applicable, enter 0.</p>	\$ <u>0</u> /\$100
38.	<p><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.</p> <p><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. . . . . \$ <u>0</u></p> <p><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 . . . . . \$ <u>0</u></p> <p><b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100 . . . . . \$ <u>0</u> /\$100</p> <p><b>D.</b> Enter the rate calculated in C. If not applicable, enter 0.</p>	\$ <u>0</u> /\$100
39.	<p><b>Adjusted current year NNR M&amp;O rate.</b> Add Lines 33, 34D, 35D, 36E, and 37E. Subtract Line 38D.</p>	\$ <u>0.179752</u> /\$100
40.	<p><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&amp;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.</p> <p><b>A.</b> 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. . . . . \$ <u>0</u></p> <p><b>B.</b> Divide Line 40A by Line 32 and multiply by \$100 . . . . . \$ <u>0</u> /\$100</p> <p><b>C.</b> Add Line 40B to Line 39.</p>	\$ <u>0.179752</u> /\$100
41.	<p><b>Current year voter-approval M&amp;O rate.</b> Enter the rate as calculated by the appropriate scenario below.</p> <p><b>Special Taxing Unit.</b> If the taxing unit qualifies as a special taxing unit, multiply Line 40C by 1.08.</p> <p><b>- or -</b></p> <p><b>Other Taxing Unit.</b> If the taxing unit does not qualify as a special taxing unit, multiply Line 40C by 1.035.</p>	\$ <u>0.186043</u> /\$100

<sup>25</sup> Tex. Tax Code §26.0442  
<sup>26</sup> Tex. Tax Code §26.0443

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
D41.	<p><b>Disaster Line 41 (D41): 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:</p> <p>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</p> <p>2) the third tax year after the tax year in which the disaster occurred.</p> <p>If the taxing unit qualifies under this scenario, multiply Line 40C by 1.08. <sup>27</sup> If the taxing unit does not qualify, do not complete Disaster Line 41 (Line D41).</p>	\$ 0 /\$100
42.	<p><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:</p> <p>(1) are paid by property taxes;</p> <p>(2) are secured by property taxes;</p> <p>(3) are scheduled for payment over a period longer than one year; and</p> <p>(4) are not classified in the taxing unit's budget as M&amp;O expenses.</p> <p><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>28</sup></p> <p>Enter debt amount ..... \$ <u>3,616,802</u></p> <p><b>B. Subtract unencumbered fund amount</b> used to reduce total debt. .... - \$ <u>0</u></p> <p><b>C. Subtract certified amount spent from sales tax to reduce debt</b> (enter zero if none) ..... - \$ <u>0</u></p> <p><b>D. Subtract amount paid</b> from other resources ..... - \$ <u>473,925</u></p> <p><b>E. Adjusted debt.</b> Subtract B, C and D from A. .... \$ <u>3,142,877</u></p>	\$ 3,142,877
43.	<b>Certified prior year excess debt collections.</b> Enter the amount certified by the collector. <sup>29</sup>	\$ 593,292
44.	<b>Adjusted current year debt.</b> Subtract Line 43 from Line 42E.	\$ 2,549,585
45.	<p><b>Current year anticipated collection rate.</b></p> <p><b>A.</b> Enter the current year anticipated collection rate certified by the collector. <sup>30</sup> ..... <u>100</u> %</p> <p><b>B.</b> Enter the prior year actual collection rate ..... <u>100.32</u> %</p> <p><b>C.</b> Enter the 2023 actual collection rate ..... <u>99.59</u> %</p> <p><b>D.</b> Enter the 2022 actual collection rate ..... <u>100.08</u> %</p> <p><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>31</sup></p>	<u>100</u> %
46.	<b>Current year debt adjusted for collections.</b> Divide Line 44 by Line 45E.	\$ 2,549,585
47.	<b>Current year total taxable value.</b> Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 2,930,063,010
48.	<b>Current year debt rate.</b> Divide Line 46 by Line 47 and multiply by \$100.	\$ 0.087014 /\$100
49.	<b>Current year voter-approval M&amp;O rate plus current year debt rate.</b> Add Lines 41 and 48.	\$ 0.273057 /\$100
D49.	<p><b>Disaster Line 49 (D49): 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 D41. Add Line D41 and 48.</p>	\$ 0 /\$100

<sup>27</sup> Tex. Tax Code §26.042(a)

<sup>28</sup> Tex. Tax Code §26.012(7)

<sup>29</sup> Tex. Tax Code §26.012(10) and 26.04(b)

<sup>30</sup> Tex. Tax Code §26.04(b)

<sup>31</sup> Tex. Tax Code §§26.04(h), (h-1) and (h-2)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
50.	<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 /\$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
51.	<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>32</sup> Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November of the prior year, enter 0.	\$ 0
52.	<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>33</sup> <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 51 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. <sup>34</sup> <b>- or -</b> <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
53.	<b>Current year total taxable value.</b> Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0
54.	<b>Sales tax adjustment rate.</b> Divide Line 52 by Line 53 and multiply by \$100.	\$ 0 /\$100
55.	<b>Current year NNR tax rate, unadjusted for sales tax.</b> <sup>35</sup> Enter the rate from Line 26 or 27, as applicable, on the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0 /\$100
56.	<b>Current year NNR tax rate, adjusted for sales tax.</b> <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 54 from Line 55. Skip to Line 57 if you adopted the additional sales tax before November of the prior tax year.	\$ 0 /\$100
57.	<b>Current year voter-approval tax rate, unadjusted for sales tax.</b> <sup>36</sup> Enter the rate from Line 49, Line D49 (disaster) or Line 50 (counties) as applicable, of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0 /\$100
58.	<b>Current year voter-approval tax rate, adjusted for sales tax.</b> Subtract Line 54 from Line 57.	\$ 0 /\$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
59.	<b>Certified expenses from the Texas Commission on Environmental Quality (TCEQ).</b> Enter the amount certified in the determination letter from TCEQ. <sup>37</sup> The taxing unit shall provide its tax assessor-collector with a copy of the letter. <sup>38</sup>	\$ 0
60.	<b>Current year total taxable value.</b> Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 2,930,063,010
61.	<b>Additional rate for pollution control.</b> Divide Line 59 by Line 60 and multiply by \$100.	\$ 0 /\$100

<sup>32</sup> Tex. Tax Code §26.041(d)  
<sup>33</sup> Tex. Tax Code §26.041(i)  
<sup>34</sup> Tex. Tax Code §26.041(d)  
<sup>35</sup> Tex. Tax Code §26.04(c)  
<sup>36</sup> Tex. Tax Code §26.04(c)  
<sup>37</sup> Tex. Tax Code §26.045(d)  
<sup>38</sup> Tex. Tax Code §26.045(i)

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
62.	<b>Current year voter-approval tax rate, adjusted for pollution control.</b> Add Line 61 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties) or Line 58 (taxing units with the additional sales tax).	\$ <u>0.273057</u> /\$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>39</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>40</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>41</sup>
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a);<sup>42</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>43</sup>

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit.<sup>44</sup>

Line	Unused Increment Rate Worksheet	Amount/Rate
63.	<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 68) ..... B. Unused increment rate (Line 67) ..... C. Subtract B from A ..... D. Adopted Tax Rate ..... E. Subtract D from C ..... F. 2024 Total Taxable Value (Line 60) ..... G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero.....	\$ <u>0.293603</u> /\$100 \$ <u>0.015215</u> /\$100 \$ <u>0.278388</u> /\$100 \$ <u>0.290311</u> /\$100 \$ <u>-0.011923</u> /\$100 \$ <u>2,779,078,228</u> \$ <u>0</u>
64.	<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 67) ..... B. Unused increment rate (Line 66) ..... C. Subtract B from A ..... D. Adopted Tax Rate ..... E. Subtract D from C ..... F. 2023 Total Taxable Value (Line 60) ..... G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero.....	\$ <u>0.300736</u> /\$100 \$ <u>0.023456</u> /\$100 \$ <u>0.27728</u> /\$100 \$ <u>0.277493</u> /\$100 \$ <u>-0.000213</u> /\$100 \$ <u>2,568,485,933</u> \$ <u>0</u>
65.	<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 67) ..... B. Unused increment rate (Line 66) ..... C. Subtract B from A ..... D. Adopted Tax Rate ..... E. Subtract D from C ..... F. 2022 Total Taxable Value (Line 60) ..... G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero.....	\$ <u>0.317674</u> /\$100 \$ <u>0.022985</u> /\$100 \$ <u>0.294689</u> /\$100 \$ <u>0.291175</u> /\$100 \$ <u>0.003514</u> /\$100 \$ <u>2,162,686,143</u> \$ <u>75,996.79</u>
66.	<b>Total Foregone Revenue Amount.</b> Add Lines 63G, 64G and 65G	\$ <u>75,996.79</u> /\$100
67.	<b>2025 Unused Increment Rate.</b> Divide Line 66 by Line 21 of the <i>No-New-Revenue Rate Worksheet</i> . Multiply the result by 100	\$ <u>0.002593</u> /\$100
68.	<b>Total 2025 voter-approval tax rate, including the unused increment rate.</b> Add Line 67 to one of the following lines (as applicable): Line 49, Line 50 (counties), Line 58 (taxing units with additional sales tax) or Line 62 (taxing units with pollution)	\$ <u>0.27565</u> /\$100

<sup>39</sup> Tex. Tax Code §26.013(b)  
<sup>40</sup> Tex. Tax Code §26.013(a)(1-a), (1-b), and (2)  
<sup>41</sup> Tex. Tax Code §§26.04(c)(2)(A) and 26.042(a)  
<sup>42</sup> Tex. Tax Code §§26.0501(a) and (c)  
<sup>43</sup> Tex. Local Gov’t Code §120.007(d)  
<sup>44</sup> Tex. Local Gov’t Code §26.04(c)(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>45</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>46</sup>

Line	De Minimis Rate Worksheet	Amount/Rate
69.	<b>Adjusted current year NNR M&amp;O tax rate.</b> Enter the rate from Line 39 of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ <u>0.179752</u> /\$100
70.	<b>Current year total taxable value.</b> Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>2,930,063,010</u>
71.	<b>Rate necessary to impose \$500,000 in taxes.</b> Divide \$500,000 by Line 70 and multiply by \$100.	\$ <u>0.017064</u> /\$100
72.	<b>Current year debt rate.</b> Enter the rate from Line 48 of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ <u>0.087014</u> /\$100
73.	<b>De minimis rate.</b> Add Lines 69, 71 and 72.	\$ <u>0.28383</u> /\$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>47</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>48</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
74.	<b>2024 adopted tax rate.</b> Enter the rate in Line 4 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>0</u> /\$100
75.	<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>49</sup>  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> . - or - 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 form 50-856-a, <i>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>50</sup> Enter the final adjusted 2024 voter-approval tax rate from the worksheet. - or - 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.	\$ <u>0</u> /\$100
76.	<b>Increase in 2024 tax rate due to disaster.</b> Subtract Line 75 from Line 74.	\$ <u>0</u> /\$100
77.	<b>Adjusted 2024 taxable value.</b> Enter the amount in Line 14 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>2,669,883,794</u>
78.	<b>Emergency revenue.</b> Multiply Line 76 by Line 77 and divide by \$100.	\$ <u>0</u>
79.	<b>Adjusted 2024 taxable value.</b> Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>2,853,835,068</u>
80.	<b>Emergency revenue rate.</b> Divide Line 78 by Line 79 and multiply by \$100. <sup>50</sup>	\$ <u>0</u> /\$100

<sup>45</sup> Tex. Tax Code §26.012(8-a)  
<sup>46</sup> Tex. Tax Code §26.063(a)(1)  
<sup>47</sup> Tex. Tax Code §26.042(b)  
<sup>48</sup> Tex. Tax Code §26.042(f)  
<sup>49</sup> Tex. Tax Code §26.042(c)  
<sup>50</sup> Tex. Tax Code §26.042(b)

Line	Emergency Revenue Rate Worksheet	Amount/Rate
81.	<b>Current year voter-approval tax rate, adjusted for emergency revenue.</b> Subtract Line 80 from one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax), Line 62 (taxing units with pollution control) or Line 68 (taxing units with the unused increment rate).	\$ <u>0</u> /\$100

**SECTION 8: Total Tax Rate**

Indicate the applicable total tax rates as calculated above.

**No-new-revenue tax rate.** ..... \$ 0.27201 /\$100  
 As applicable, enter the current year NNR tax rate from: Line 26, Line 27 (counties), or Line 56 (adjusted for sales tax).  
 Indicate the line number used: 26

**Voter-approval tax rate.** ..... \$ 0.27565 /\$100  
 As applicable, enter the current year voter-approval tax rate from: Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (adjusted for sales tax), Line 62 (adjusted for pollution control), Line 68 (adjusted for unused increment), or Line 81 (adjusted for emergency revenue).  
 Indicate the line number used: 68

**De minimis rate.** ..... \$ 0.28383 /\$100  
 If applicable, enter the current year de minimis rate from Line 73.

**SECTION 9: 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>51</sup>

**print here** → Kevin R. Passons  
 Printed Name of Taxing Unit Representative

**sign here** →   
 Taxing Unit Representative

08/07/2025  
 Date

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<sup>51</sup> Tex. Tax Code §§26.04(c-2) and (d-2)