

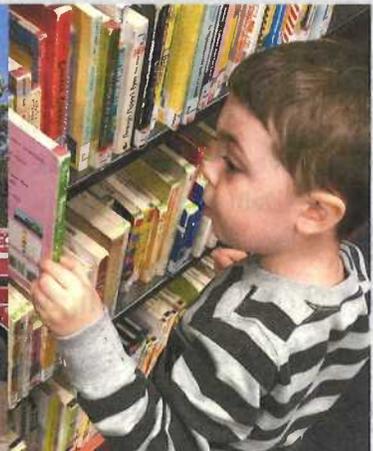
THE CITY OF
BURLESON
TEXAS

Received by
City Secretary's Office

AUG 04 2025

ANNUAL OPERATING PROPOSED BUDGET

FY 2025-2026



City of Burleson

Fiscal Year 2025–2026

Budget Cover Page

This budget will raise more total property taxes than last year’s budget by \$3,115,704, which is an increase of 7.38%, and of that amount \$873,089 is tax revenue to be raised from new property added to the tax roll this year.

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

FOR:

AGAINST:

PRESENT and not voting:

ABSENT:

Property Tax Rate Comparison

	2025–2026	2024–2025
Property Tax Rate:	\$0.6989/100	\$0.6627/100
No-New-Revenue Tax Rate:	\$0.6591/100	\$0.6239/100
No-New-Revenue Maintenance & Operations Tax Rate:	\$0.4721/100	\$0.4391/100
Voter-Approval Tax Rate:	\$0.7218/100	\$0.6627/100
Debt Rate:	\$0.2285/100	\$0.1923/100

Total debt obligation for City of Burleson secured by property taxes:
\$89,422,526

**FY2026 Annual Operating Budget
Advertising and Lobbying Disclosure**

Per Section 140.0045 of the Texas Local Government Code, the City must itemize certain expenditures in certain political subdivision budgets. These citywide expenditures include advertising costs for notices required by law to published in a newspaper, and expenditures for lobbying costs which directly or indirectly influence or attempt to influence the outcome of legislation or lobbying in FY2025, with the amount budgeted for similar activities in FY2026.

<i>Expenditures for Comparison</i>	<i>FY2025 Estimated Actuals</i>	<i>FY2026 Budget</i>
Advertising-Required Legal Notices	\$40,089	\$42,000
Lobbying Expenditures	\$107,956	\$36,000

2026 Annual Proposed Budget





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Burleson
Texas**

For the Fiscal Year Beginning

October 01, 2024

Christopher P. Morrill

Executive Director

Management Letter





City Manager's Budget Message

August 4, 2025

To the Honorable Mayor and City Council:

In accordance with the city charter and the laws of the State of Texas governing home rule cities, please accept this letter as my budget transmittal and executive summary of the proposed annual budget. In developing this document, a significant amount of time is devoted by city council members and city staff. The city's proposed budget is developed through an extensive process of reviewing requests received by various city departments then prioritizing those requests in a manner that utilizes resources effectively, within fiscal limitations, while working to achieve the city's strategic goals. As prepared and submitted, the proposed budget is intended to:

- Serve as an operating plan for the new fiscal year
- Provide fiscal policy direction to the city staff
- Provide a basis of accountability to the taxpayers of the investment of their tax dollar
- Serve as a basis for measuring the performance of those individuals charged with the management of the city's operations

The annual operations and maintenance budget represents the single most important management tool of the governing body and the staff.

Budget Overview

The city of Burleson fiscal year (FY) 25-26 proposed budget addresses increased service levels to city residents through various supplemental items addressed in this year's budget to respond to continued growth, provides required or recommended investments in infrastructure and other public improvements, as well as additional public safety resources. The city has continued to thrive relative to many markets. Despite the city's current and future growth potential and

general optimism, this budget has been prepared with conservative revenue assumptions in mind.

In evaluating the FY25-26 proposed budget, it is important to consider it in context with several historical organizational initiatives, current conditions, and the impact each has on planning for additional appropriations. Those with the greatest impact are listed below.

The FY25-26 proposed budget appropriations total \$180,847,779 for all operating funds, \$85,388,055 for capital projects, for a total budget of \$266,235,834. Within the operating budget, a listing of the significant funds includes approximately \$62,875,682 for general fund operations and maintenance, \$13,124,620 is for 4A fund, \$9,114,162 is for 4B fund, \$1,344,365 is for the emergency medical services fund, \$5,019,517 is for the solid waste fund, and \$31,244,414 is for the water and sewer utilities. General debt service appropriations for the coming fiscal year are \$22,866,805.

Value of Taxable Property and Growth

The growth in taxable value of real property corresponds to a significant increase in residential growth and population over the past 60 months. According to the most recent population estimates published by the North Central Texas Council of Governments (NCTCOG), the city of Burleson's new population as of January 1, 2025 was 55,144. The city has 14 actively developing residential subdivision phases with a total of 716 single-family lots that are either under construction or shovel-ready for development.

The city is anticipating an overall 2.5% increase in projected assessed values for the 2025 tax roll. On September 9, 2024, in an effort to help provide tax relief for its residents the Council approved an increase in the homestead exemption rate from 3% to 5% of appraised value. This increase will be effective in FY25-2026. The city also offers tax exemptions for individuals over 65 and disabled veterans, and has seen an increase in the total property values that qualify for these exemptions from the previous year's tax roll.

Property Values

Certified property valuations increased by \$134,962,019 (2.48%) for FY25-26. Property values increased from \$5,449,777,686 to \$5,584,739,705. Of the increase, \$124,934,282 or 2.29%, resulted from new construction, compared with \$189,895,607 last year. New value added to the tax roll will continue to be primarily from residential growth, however, commercial and industrial growth continues to expand at a strong rate.

Property Tax Rate

The FY25-26 budget is proposing a property tax rate of \$0.6989 per \$100 of taxable assessed valuation. The total tax rate is divided between general fund maintenance and operations and the debt service fund. Of the total tax rate, \$0.4704 cents is dedicated to general fund

maintenance and operations, and \$0.2285 is dedicated to general obligation debt service. The maintenance and operations tax rate will remain flat for FY25-26 in comparison to FY24-25, and the debt service component of the tax rate will increase by \$.0362 to provide sufficient funding to support the city's critical infrastructure initiatives. The portion of the tax rate dedicated to maintenance and operations comprises 67.31% of the proposed revenue in the general fund. The portion of the tax rate dedicated to debt service is approximately 32.69% of the overall city tax rate. The city continues to maintain a level below a reasonable debt management policy limit of 40% of the overall city tax rate.

The blended average taxable single-family home value for the 2025 tax year is \$300,210 in Tarrant and Johnson County. This reflects an increase of \$321 or 0.001% from the previous year. At the proposed tax rate of \$0.6989, the municipal taxes paid on the average single-family home will be \$2,098, which is an average increase of \$110.80 annually.

Sales Tax

The city of Burleson levies a 2.00% tax on all taxable items sold within its borders. Of that, 1% is remitted to the city's general fund, 0.50% to the 4A corporation, and 0.50% to the 4B corporation. Overall, the proposed budget includes \$31,974,928 in sales tax revenues, compared to \$30,575,376 in the FY24-25 budget. This is largely attributable to the continuing retail and commercial development growth in Burleson. The 1% sales and use tax reported to the general fund comprises 18.59% of revenue in the proposed budget. See the Economic Development section below, which reflects significant retail developments and projections. The proposed budget reflects a conservative sales tax estimate of 3% growth from the current year projection. Due to current economic conditions and our conservative approach, we have not projected significant sales tax from new retail establishments.

Employee Compensation and Benefits

Sworn fire and police personnel are on a step plan and civilian pay is based on a performance merit system. The police and fire sworn personnel (full-time and part-time) will receive a 3% increase on January 1, 2026, as part of the step plan. In addition to the step plan, the FY25-26 budget includes an additional market-based adjustment for police and fire personnel to ensure the city continues to offer competitive compensation for its first responders. The city's non-sworn employees on average will see a 3% merit increase based on their annual performance. The effective date of the merit increase is also January 1, 2026. This represents a change as a budget balancing strategy. In previous years, the effective date of both step and merit increases was October 1st. Employees will continue to see their steps or annual merit adjustments based on performance.

The city has historically provided a competitive and innovative benefits package to employees, offering a selection which best suits employees' individual and family needs. Providing these options has benefitted not only recruitment efforts, but also retention of employees. The city's

estimated contribution for employee healthcare benefits is \$ 6,401,335 for fiscal year 2025-2026. The fiscal year 2025-2026 budget includes a 5% employer and employee rate increase to the cost of health benefits provided to employees. In an effort to control cost, the city is evaluating plan designs changes and other reasonable options.

Program and Staffing Levels

The city of Burleson currently has 484.79 authorized full-time equivalent (FTE) staff members allocated among the various operating departments. The proposed budget recommends an increase of 7.0 full-time positions, 2.0 part-time positions, and 2.0 seasonal positions. The proposed budget recommends the following staffing additions and changes to occur between October 2025 and January 2026:

Department	Proposed Staffing Positions	FTE
GF Fire	Arson investigator / Fire Inspector	1.0
GF Parks and Recreation	Seasonal Drainage Worker	0.5
GF Fire	Firefighters to staff a 4th Ambulance	3.0
GF Police	Police Officer	1.0
PPF Recreation	Aquatic Maintenance Specialist	1.0
PPF Athletic Fields	Athletic Field Attendant	0.5
PPF Parks	Urban Forester	1.0
Golf Course Maintenance	Seasonal Groundskeeper	0.5
Golf Course Club House & Pro Shop	Cart Barn Attendant, Part Time	0.5
Total FTE		9.0

Economic Development

Upcoming Development

- Barnes and Noble Bookstore
- Sprouts Market
- Profit trade school, Craftmasters to close on 54-acre site at Hooper Business Park
- 2 new-to-market retail/restaurant businesses will open in Old Town
- Three new-to-market retail/restaurant businesses will open at the Wilshire and Summercrest intersection
- New master planned community on the western side of the community bringing new jobs, commercial activity and residences over the next 20 years.

Hotel/Convention Center

- Economic development staff completed a comprehensive hotel/convention center study identifying Burleson as a strong market for 150 bed select-service hotel/convention center
- A request for qualifications (RFQ) was released and staff received multiple responses from interested hotel developers
- Staff will continue to work with developers, management and the community to put together a successful project

Old Town Development

- Staff is marketing two greenfield sites in Old Town owned by the Economic Development Corporation
 - 130 East Renfro Street is the former site of Hill College. At roughly two acres, council envisions a commercial development with a mix of retail and restaurant users with architectural designs consistent with Old Town and sufficient parking
 - 114 West Ellison is a former building that has become vacant and the EDC is marketing the site for regional and corporate office users.

HighPoint Business Park

- Paris Baguette USA will be constructing their new North American manufacturing plant employing 450 new jobs and investing \$175 million in the development.
- Economic development staff is marketing industrial greenfield sites located in HighPoint Business Park
- KMP Plumbing will be constructing their new corporate office and service center that will provide for 100 new jobs.

To date, HighPoint Business Park has created close to 2,000 jobs

Utility Rates

The city of Burleson has continued its implementation of rate recommendations that align with the city council's commitment to establishing fiscally responsible reserves, performing appropriate maintenance, and funding a capital replacement and improvement program necessary to provide sufficient water and sewer capacity as the city continues to grow. These efforts are aimed at ensuring the long-term sustainability of the city's water and wastewater utility systems. In 2024, the city hired a rate consultant to evaluate the city's utility system's operation costs, debt service payments, and future capital needs for infrastructure improvements and to recommend any rate adjustments that would be necessary to fully fund the cost of operating our system while maintaining an adequate financial reserve. We continue to use the rate model they provided. The recommended rate adjustments in FY25-26 will be for

both residential and commercial water and sewer customers. The recommended increase is 5%. The city will continue to re-evaluate the rate plan every year.

The city is approaching the annual renewal for solid waste collection and recycling services with Waste Connections. Staff has reviewed the annual rate adjustment as outlined in the franchise agreement with Waste Connections as it relates to CPI, fuel, and disposal rate adjustments. The proposed solid waste rate increase is 4.00%.

Major Funds Budget Summary

General Fund The FY25-26 proposed budget, as presented, is based on using the current tax rate of \$0.6989 per \$100 of assessed value. The no-new-revenue tax rate, that is the rate that would generate the same amount of property tax revenues next year from the same taxed properties in FY24-25, is \$0.6591 per \$100 of assessed value. The voter-approval tax rate calculation allows municipalities to raise 103.5 percent of the prior year's operating and maintenance money, plus the necessary debt rate. The voter-approval tax rate is \$0.7218 per \$100 of assessed value. This includes the use of the unused increment of \$0.0047 per \$100 of assessed value. Each additional penny of the tax rate generates approximately \$558,474 in property tax revenue.

The audited fund balance at the end of F23-24 was \$20,358,733. The revised fund balance prior to the final audit for FY24-25 is expected to increase by \$476,207 to \$20,834,940. The increase to fund balance is smaller than the original \$774,908 planned increase due to mid-year adjustments which is primarily comprised of a Street and Stormwater fee study, legal settlements and re-wiring of city maintained overhead lights along Wilshire. Additionally, the city previously re-evaluated the cash funding of various capital projects and shifted to issuing debt, allowing for the continued preservation of a strong fund balance over the next five years.

The target reserve level (fund balance) is set at 20% (or 73 days) to 25% (or 90 days) of total appropriations. The target fund balance is based on a city's financial policy requirement. Budget estimates project fund balance to be at 33.17% at the end of FY25-26.

At the end of FY25-26, the projected total fund balance reflects an increase of \$20,467 to \$20,855,408. The city continues to focus on utilizing recurring revenues to fund enhancements with a one-time cost, rather than funding items with a recurring cost. This practice allows the city to gain these dollars back in future years to be utilized in a similar manner.

General Fund Revenues For the FY25-26, general fund revenues are expected to total \$62,896,149 which is a decrease of 1.79% over the previous year's amended budget. This decreased revenue is primarily a result of an adjustment in the treatment of non-grant related reimbursements. The growth of this fund is largely the result of continuing residential and

commercial development and population growth in Burleson. It is the city's preference to take a conservative approach in budgeting these major revenue sources.

Historically, the city has conservatively forecasted the sales tax revenues. Continuing this approach, the proposed budget reflects a 3% growth from the FY24-25 year-end projected sales tax receipts. The general fund is projecting sales tax revenue of \$15,987,464 for FY25-26.

License, fees and permits revenues are projected at \$1,474,714. This is less than the prior year's collections due to conservative growth estimates for residential permits. FY25-26 budget still reflects steady new residential and non-residential construction. It is assumed the city will issue at least 200 new residential permits in the coming year. Licenses and franchise fees are projected to rise with population. Municipal court fines are projected to decline in FY25-26.

General Fund Revenues by Source

Revenue Category	FY25-26 Proposed	% of Total
Property Taxes	\$31,326,956	49.81%
Sales & Use Taxes	\$16,246,211	25.83%
Franchise Fees	\$4,424,280	7.03%
License, Permit & Fee	\$1,474,714	2.34%
Fines	\$655,243	1.04%
Charges For Services	\$363,722	0.58%
Intergovernmental	\$1,016,038	1.62%
Investment Earnings	\$828,100	1.32%
Miscellaneous	\$604,384	0.96%
Oper Grant & Contr	\$1,262,125	2.01%
Cost Allocation Rev	\$3,182,750	5.06%
Transfer In	\$1,511,626	2.40%
Total Revenues	\$62,896,149	100.00%

General Fund Expenditures for the FY25-26 proposed budget are \$62,875,682. This is a decrease of approximately 3.0% compared to the previous year's amended budget. The categories of personnel and benefits make up the majority of the general fund expenditures and account for approximately 69% of the total budget. Contributions to the Internal Services Funds and Outside Services account for approximately 16% of the budget, and pay the general fund's proportionate share of internal services necessary to operate the city including information technology needs, equipment replacement, maintenance functions, and third party contractual and professional services.

Expenditure Category	FY25-26 Proposed	% of Total
Salaries	\$31,201,150	49.62%
Benefits	\$13,394,869	21.30%
Reimbursement Personnel	\$ (1,251,620)	-1.99%
Personnel Development	\$570,297	0.91%
Supplies	\$877,457	1.40%
Minor Furniture & Equipment	\$530,328	0.85%
Outside Services	\$2,416,451	3.85%
Infrastructure Maintenance & Repair	\$1,447,078	2.31%
Equipment Maintenance & Repair	\$73,624	0.12%
Utilities	\$1,727,312	2.75%
Contribution to Internal Service Funds	\$7,448,607	11.88%
Claims & Insurance	\$569,887	0.91%
Miscellaneous	\$911,350	1.45%
Debt Service Charges	\$76,005	0.12%
Economic Development Incentives	\$1,123,672	1.79%
Capital Expenditures	\$92,171	0.15%
Transfers Out	\$1,667,045	2.66%
Total Expenditures	\$ 62,875,682	100%

Debt Service (Interest & Sinking [I&S]) Fund The city of Burleson currently holds \$230,487,891 outstanding general obligation and certificate of obligation debt, including the estimated 2025 debt sales. \$56,880,290 of that amount was issued for water, sewer infrastructure projects and are paid from water, sewer revenues; however, to obtain more favorable financing terms, the debt also has a tax pledge. \$41,725,076 was issued on behalf of the 4A Corporation, \$34,215,000 was issued on behalf of the 4B Corporation, and \$8,245,000 was issued on behalf of the TIF2 Fund. The balance of tax supported debt, \$89,422,525, was issued for general capital purposes and is repaid from property taxes. Staff anticipates reducing the fund balance in the Debt Service Fund from the projected FY24-25 year-end amount of \$4,676,225 to 1,092,656 over the next two years. This reduction will enable the city to implement a short-term financing strategy to fund the purchase of costly apparatus.

In June 2022, the city received a rating upgrade from Moody's. The city's debt rating was upgraded from Aa3 to Aa2 from Moody's. The city applied for a rating from both Moody's and S&P Global in connection with the 2025 debt issuance. Both rating agencies reaffirmed the Aa2 by Moody's and AA by S&P Global. The agencies stated the ratings reflect the city's consistently strong financial management while maintaining a healthy reserve.

Currently, the utility fund holds \$58,720,290 in outstanding general obligation, certificate of obligation, and revenue bonds. Of that amount, \$1,840,000 is associated with principal from outstanding revenue bonds. The city has worked closely with its financial advisors, Hilltop Securities, to develop a sound debt management plan for the utility fund. In the future, the city anticipates annual debt service increasing steadily.

Appropriations for FY25-26 in the debt service fund will total \$22,866,805. This represents a 10.1 % increase from the current year’s budget. The increase is based on the estimated cost of additional debt service for tax-supported debt as well as additional debt service for the 4A Corporation, the 4B Corporation, and the TIF2 Fund. This summer, the city plans to issue 2025 certificates of obligation bonds and 2025 general obligation bonds which are reflected in the increase of appropriations.

Water and Sewer Fund The water and sewer fund’s principle source of revenues are charges to customers for water consumption, wastewater collection, and fees related to providing consumers with new water and wastewater services. Total fund revenues for FY25-26 are estimated to increase to \$ 31,727,239 (an increase of 5.96%). The continued use of best practices for the water and sewer utility fund identifies the need for revenue growth to cover existing and future operations and maintenance costs as well as debt service and contracted water and sewer costs with the city of Fort Worth.

Water & Sewer Fund Revenues by Source

Revenue Category	FY25-26 Proposed	% of Total
License, Permit & Fee	\$20,000	0.06%
Charges For Services	\$30,092,338	94.85%
Investment Earnings	\$450,000	1.42%
Impact Fees	1,030,000	3.25%
Miscellaneous	\$43,922	0.14%
Cost Allocation Rev	\$44,000	0.14%
Transfer In	\$46,979	0.15%

The city of Burleson along with other surrounding municipalities’ purchases treated surface water from the City of Fort Worth. The proposed budget for next year reflects increased water consumption due to growth and customer demand. Wholesale water rates are projected to increase to \$2.4876 (pending rate adoption by Fort Worth City Council) per 1,000 gallons of water purchased from \$2.3612 which would represents a 5.35% increase. Wholesale sewer treatment rates are projected to decrease to \$1.7735 per 1,000 gallons of treated wastewater from \$1.8275 which represents 2.95% decrease.

To appropriately manage the utility fund debt, the city and Hilltop Securities developed a plan to monitor the debt limits of this fund. The Utility fund will goal the maintain net revenues available for debt service greater than 1.25 times its outstanding debt service payments, ensuring current and future debt can be supported.

4A Fund The FY25-26 proposed budget, as presented, includes revenues of \$8,524,854. In total, 93% of the revenues, or \$7,993,732, are collected via the .5% sales tax. The audited FY23-24 fund balance was \$7,992,307. The revised fund balance prior to the final audit from FY24-25 is expected to increase by \$1,407,165 to \$9,399,472. This is a change from the revised budget due to the change in timing of incentives to our business community and an increase in sales tax revenue. At the end of FY25-26, the projected fund balance reflects a decrease of \$ 4,599,766, for an ending fund balance of \$4,799,706. Budget estimates project fund balance to be at 36.50% at the end of FY25-26.

The FY25-26 appropriations includes \$7,445,000 in incentives for multiple projects including a trade school, a bread manufacturing facility, and a plumbing and heating corporate headquarters. The budget includes \$3,997,929 for "Transfers Out", which includes payment for debt service for capital projects within the city that allow for the expansion of the business community.

4B Fund The FY25-26 proposed budget, as presented, includes revenues of \$8,157,339. In total 97.9% of the revenues or \$7,993,732, are collected via the .5% sales tax. The audited FY23-24 fund balance was \$5,084,986. The revised fund balance prior to the final audit from FY24-25 is expected to increase by \$683,777 to \$5,768,764. This is a change from the revised budget due to cost saving measures and an increase in sales tax revenues. At the end of FY25-26, the projected fund balance reflects a decrease of \$9,56,823, for an ending fund balance of \$4,811,940. Budget estimates project fund balance to be at 52.8% at the end of FY25-26.

The FY25-26 appropriations include \$8,279,847 in "Transfer Out", which includes payments for debt service for 4B eligible projects such as updating the Centennial Park playground and installing artificial turf at Chisenhall, as well as previous years' projects. The "Transfer Out" also includes partial funding of the Park Performance Fund (PPF) which funds certain recreation operations including the BRiCk, Athletic Field Maintenance, and Russell Farm.

Street Maintenance Fund The last fiscal year's budget introduced a newly established Street Maintenance Fund aimed at improving the maintenance and repair of roads within the city. Historically, \$1,100,000 was allocated annually for street maintenance in the General Fund. With the creation of this new fund, the city provided an additional \$1,665,833 in the FY24-25 budget for street maintenance. The FY25-26 budget continues this enhanced commitment to street maintenance and incorporates \$1,667,045 into the street maintenance fund. Several different street maintenance activities will be employed to improve street conditions throughout the fiscal year.

Capital Improvement Funds The capital improvement fund accounts for financial resources to be used for the acquisition or construction of major capital facilities. The budget for these projects is independent of the operating budget and is typically funded with bonds, grants, fund balance, special restricted revenue or other sources of funding. The table below summarizes the capital projects for FY25-26.

GO Bond Projects	
Neighborhood Street Rebuilds	\$750,000
Police Expansion	\$13,607,500
Hulen at Wilshire Intersection	\$1,501,027
Hulen Widening (SH174 to Candler)	\$6,003,653
Elk, Hillside, & FM731- Ped. & Int. Improvements	\$204,871
FM 1902 and CR 910 Pedestrian Mobility	\$300,000
Total	\$22,367,051
General Government Additional Projects	
Hulen Widening (SH174 to Candler)	\$11,770,242
Village Creek Parkway Expansion (Tarrant Co. Bond 50% Match)	\$3,289,059
Wicker Hill and Greenridge Reconstruction	\$1,200,000
CR 914 Reconstruction from CR 914A to CR1021	\$1,000,000
Two New Ambulances	\$1,326,000
One Replacement Street Sweeper	\$325,000
Total	\$18,910,301
4A Projects	
West Side Infrastructure	\$5,000,000
Total	\$5,000,000
4B Projects	
Warren Park-Study	\$75,075
Green Ribbon	\$120,750
BRiCk - Dry Sauna	\$444,087
Russell Farm - Domestic Water	\$21,000
Russell Farm - Bathroom at Chesapeake Building	\$75,448
Russell Farm - Master Plan	\$32,051
Golf - Fence	\$262,500
Golf - Additional Well	\$183,750
Total	\$1,214,661
Water Projects	
Waterline Rehabilitation	\$2,000,000
Industrial Blvd Pump Station Expansion & Alsbury Pump Station Decom.	\$3,857,228
Hulen Ground Storage Tank Rehabilitation	\$152,000
Mountain Valley EST and GST Demolition	\$84,395
12" Waterline Loop for Mountain Valley	\$1,072,813

Total	\$7,166,436
Sewer Projects	
Sewer Line Rehabilitation	\$1,687,839
Trunk Relief Line (Town Creek Basin Parallel Buildout Interceptors)	\$24,178,034
Parkview Dr Sewer Upsizing to 10"	\$139,285
12" Wastewater line Replacement in Village Creek Basin (Golf Course)	\$2,454,224
FM 917 and 35W Lift Station and Pressure Main	\$600,724
Future Sewer Capacity Study	\$105,000
Chisholm West Lift Station Force Main / Collector	\$913,500
Legacy Hill Sewer Extension	\$651,000
Total	\$30,729,606

Service Enhancements

The major service delivery and program enhancements included within the proposed FY25-26 budget are as follows by department:

Community Service Department

- **Senior Center Accessibility Ramp** – The FY25-26 proposed budget includes \$3,500 funding for the installation of a new accessibility ramp at the Senior Center. The ramp will be installed adjacent to existing accessible parking and will provide for enhanced access to both the front and back entrances of the center.

Information Technology

- **Information Technology Disaster Recovery Infrastructure** – A total of \$606,235 of funding for a one time expenditure is included within the Information Technology Department in the FY25-26 budget for a Disaster Recovery Infrastructure Upgrade. This funding will provide for a modernization of end of life infrastructure that is critical and necessary for the backup of the city's information technology ecosystem. This hardware will enable the city to preserve data and restore critical information technology data in the event of a critical system failure.

Fire Department

- **Arson Investigator / Fire Inspector** - This supplemental request proposes funding \$149,911, with an offsetting revenue of \$109,920 for the addition of an Arson Investigator

/ Fire Inspector within the Fire Marshal's Office. This position will play a critical role in performing inspections, supporting fire prevention, community risk reduction, and investigative functions while relieving operational companies of a workload that pulls them away from their core responsibilities, including emergency response, training, equipment maintenance, and community engagement.

- **Staffing of the Fourth Ambulance** – The city took over emergency medical transport services from MedStar on October 1, 2023. Since that time, the city has seen a continual rise in call volume and responded to over 9,000 calls for service in FY24-25. To continue to provide exemplary service to its residents, on February 3, 2025, the City Council approved the purchase of two additional ambulances to support the continued increase in service demand and the expanding geographic footprint of Burleson's Fire and Emergency Medical Service response area. Upon delivery of the ambulances, one will serve as a 4th front line unit during peak call volume periods, and the second will serve as an additional reserve unit. The FY25-26 proposed budget provides funding for three additional firefighter/paramedics to staff the 4th ambulance. While full-time, around the clock staffing of a dedicated ambulance requires 7 FTEs, this approach serves as a steppingstone to implementation of a full time 4th ambulance. The personnel cost for the three FTEs is \$411,010.

Human Resources Department

- **Public Safety Market Adjustment** – The FY25-26 proposed budget includes funding of \$573,750 for a market based adjustment for police and fire personnel. This adjustment is in addition to step based annual pay increases and will help to ensure the city stays competitive with peer municipalities in retaining and recruiting critical public safety personnel. The total 12 month cost of the market adjustment is \$765,000, but the full cost is not realized within the FY25-26 budget, as the adjustment will not come into effect until January 1, 2026.

Parks Department

- **Athletic Field Enhancements** – The FY25-26 budget incorporates funding to continue to improve athletic field operations. The city will purchase a new dump trailer, for \$10,321, which will allow parks personnel to haul materials to job sites and remove material for disposal more efficiently. The budget also provides \$24,000 to purchase 8 portable pitching mounds, 5 of which will replace existing mounds that have reached their end of life, and 3 will serve to accommodate increased tournament play. Finally, the budget includes \$13,608 in funding to hire an additional part time athletic field attendant, who is needed to support the field due to the enhanced number of tournaments held at the fields.

- **BRiCk Enhancements** – A total of \$131,646 in funding will be included in the budget for various enhancements at the BRiCk in FY25-26. The vast majority of this funding, \$94,896, is associated with the addition of a new aquatic maintenance specialist who will take on maintenance responsibilities for the various aquatic equipment within the natatorium. A total of \$17,527 in funding is incorporated in the budget to provide for enhanced chemicals to treat and preserve the large pool slide stair structure, as well as to have a third party company provide annual maintenance for the slide. The program room, which is utilized as a flex space for gymnastics, camps, and fitness classes, will undergo a renovation which will provide for new flooring, fresh paint, and replace missing window tent. In addition, \$1,000, is included in the budget to purchase an additional ice machine to support the various programs at the BRiCk.
- **Hidden Creek Golf Course Enhancements** – The FY25-26 budget provides \$135,399 in one time and \$75,036 in ongoing funding to continue to enhance player experience and course conditions at the Hidden Creek Golf Course. Enhancements include (2) additional part time employees, one of whom will serve in a groundskeeping function and a second who will provide additional support for golf cart maintenance. Funding is also included to purchase new equipment that will enhance turf conditions and reduce the need to expend funds on rental equipment. Funding is included for new inground trash receptacles throughout the course and additional ball washing stations. The course will also see additional irrigation and drainage improvements, and ongoing funding is also provided for enhanced tree trimming and limb removal.
- **Seasonal Drainage Worker** – The FY25-26 proposed budget includes \$28,585 funding for a seasonal drainage worker. This position will provide essential support, allowing for safer and more efficient operations. With an additional team member, mowing cycles will be completed more frequently, improving overall aesthetics and reducing overgrowth that can contribute to drainage obstructions. Furthermore, with increased staffing, the team will more proactively address tree trimming in these areas, preventing encroachment on drainage flow and reducing the risk of fallen limbs during storms. Beyond safety and efficiency, an extra seasonal worker will enhance proactive maintenance efforts. This will lead to a cleaner, more well-maintained drainage system, benefiting both the environment and the community's overall appearance.
- **Third Party Playground Inspection** – The FY25-26 proposed budget includes funding of \$12,750 for a playground inspection audit. While the Parks team conducts regular weekly inspections of all playgrounds, this annual audit provides an additional layer of oversight through a certified third party. Partnering with a third party brings a fresh set of eyes, offering a proactive approach to reinforce the work performed by the city team. It helps ensure nothing is overlooked, supports safety, reduces liability risk, and maintains compliance with national safety standards and best practices.
- **Urban Forester** – The Parks and Recreation Department was awarded the Texas A&M Forest Service Urban Forestry Grant in July 2025. The grant will provide \$100,000 in

funding over a three year period to assist the city in hiring an arborist. In total \$50,000 will be provided through the grant in the first year, and \$25,000 will be provided in each of the subsequent two years. The FY25-26 budget includes \$143,693 in funding for an arborist, of which \$61,152 are one time cost for a vehicle and supporting equipment. This position will be responsible for conducting a tree survey of the city's parks system, identifying tree species, existing tree conditions, developing treatment and replacement protocols, identifying the most appropriate tree species for new plantings and replacements, and creating an overall urban forestry plan for the city.

Police Department

- **Additional Police Officer** - The FY25-26 proposed budget includes \$288,505 for the addition of one new Police Officer, including \$108,767 for equipment and a patrol vehicle. This position provides partial funding for the total number of staffing called for in the 2022 Matrix Police Staffing and Facility Study. The Matrix study found that based on the city's anticipated population and geographic growth, the Police Department will need to hire approximately 14 additional officers by 2028 to provide optimal police coverage and response. Funding for this position provides a continuation of the implementation of this staffing plan and a commitment to public safety.
- **Axon Contract Amendment** – The FY25-26 proposed budget includes funding for a contract amendment with Axon, a third party company that supports the Police Department by providing critical services including in car cameras, body worn cameras, and other critical software and tools. This funding will allow the city to amend its contract with Axon, extending the term and establishing long term fixed pricing, and providing for enhanced capacities and capabilities, including artificial intelligence tools, enhanced report writing features, virtual reality simulator training, and additional software features enabling a continuation of the departments real time crime center initiatives. The cost increase associated with this contract amendment is approximately \$100,000 annually over the next five years. This cost will be offset through a subsequent reduction in the Police Department's operating budget, made possible through efficiencies from the additional Axon features.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the city of Burleson for its annual budget for the fiscal year beginning October 1, 2024. In order to receive this award, a governmental unit must

publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe the current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award. We anticipate receiving the award again for the FY 25-26 Annual Operating Budget.

In Conclusion

While budgets are always a challenge, we have worked diligently to propose a budget that accomplishes council goals to expand services and competitively compensate staff to attract and retain the very best. We have also presented a future five-year financial plan to help manage the decisions made for the next fiscal year and the impact it has on future fiscal responsibilities. The city's proposed budget attempts to address the current and future growth and infrastructure expansion demands while recognizing the needs of its residents.

I would also like to compliment and thank the entire city staff for their dedication, diligence, and fiscal accountability in providing their respective services to the governing body and the residents of Burleson.

Best regards,

Tommy Ludwig
City Manager

About Burleson





About Burleson

Burleson, Texas, is a thriving city on the southern edge of the Dallas–Fort Worth metroplex, spanning both Johnson and Tarrant counties. Home to more than 50,000 residents, Burleson offers the charm of small-town living with the conveniences of a growing, modern community. Known for its friendly atmosphere, the city boasts vibrant community events, 20+ parks and outdoor spaces and a variety of unique local shopping and dining experiences.

Established in 1881 as a depot on the Missouri–Kansas–Texas Railroad and incorporated in 1912, Burleson has grown from its agricultural roots into a dynamic destination for families, businesses and visitors alike. Historic Old Town serves as the city’s cultural heart, where live music, restored buildings and welcoming storefronts reflect Burleson’s rich past and bright future. With excellent schools, strong community values and a commitment to quality of life, Burleson continues to attract those seeking both opportunity and connection.



28.32
SQUARE MILES



28,948
LABOR FORCE



\$96,210 Median Household
Income



3.2% Unemployment Rate



\$40,538 Per Capita Income



36.7 Median Age

Sources: US Bureau of Labor Statistics, US Census Bureau, Burleson Economic Development Corporation, US Population



Burleson is located along Interstate 35W, just 15 miles south of downtown Fort Worth and 40 miles southwest of Dallas. The city offers strategic connectivity through several key transportation corridors. I-35W bisects Burleson, providing direct access to Fort Worth and I-30. FM 1187 and SH 174 further connect Burleson to neighboring communities and regional destinations.

The city benefits from proximity to three major airports within a 45-minute drive, including Dallas/Fort Worth International Airport, Dallas Love Field and Fort Worth Meacham International. Local access is enhanced by Fort Worth Spinks Airport, featuring a lighted 6,000-foot concrete runway and serving general aviation, executive and commuter flights. These connections support regional mobility for residents and businesses while offering convenient access to employment centers, logistics hubs and broader North Texas markets.

Burleson boasts a robust industrial market characterized by a significant presence of manufacturing, logistics, and distribution companies. The commercial market in Burleson is also expanding, with an emphasis on



Principal Officials

Budget Year 2026

Elected Officials

Mayor	Chris Fletcher
Council Place 1	Victoria Johnson
Council Place 2	Phil Anderson
Council Place 3	Alexa Boedeker
Council Place 4	Larry Scott
Council Place 5 & Mayor Pro-Tem	Dan McClendon
Council Place 6	Adam Russell

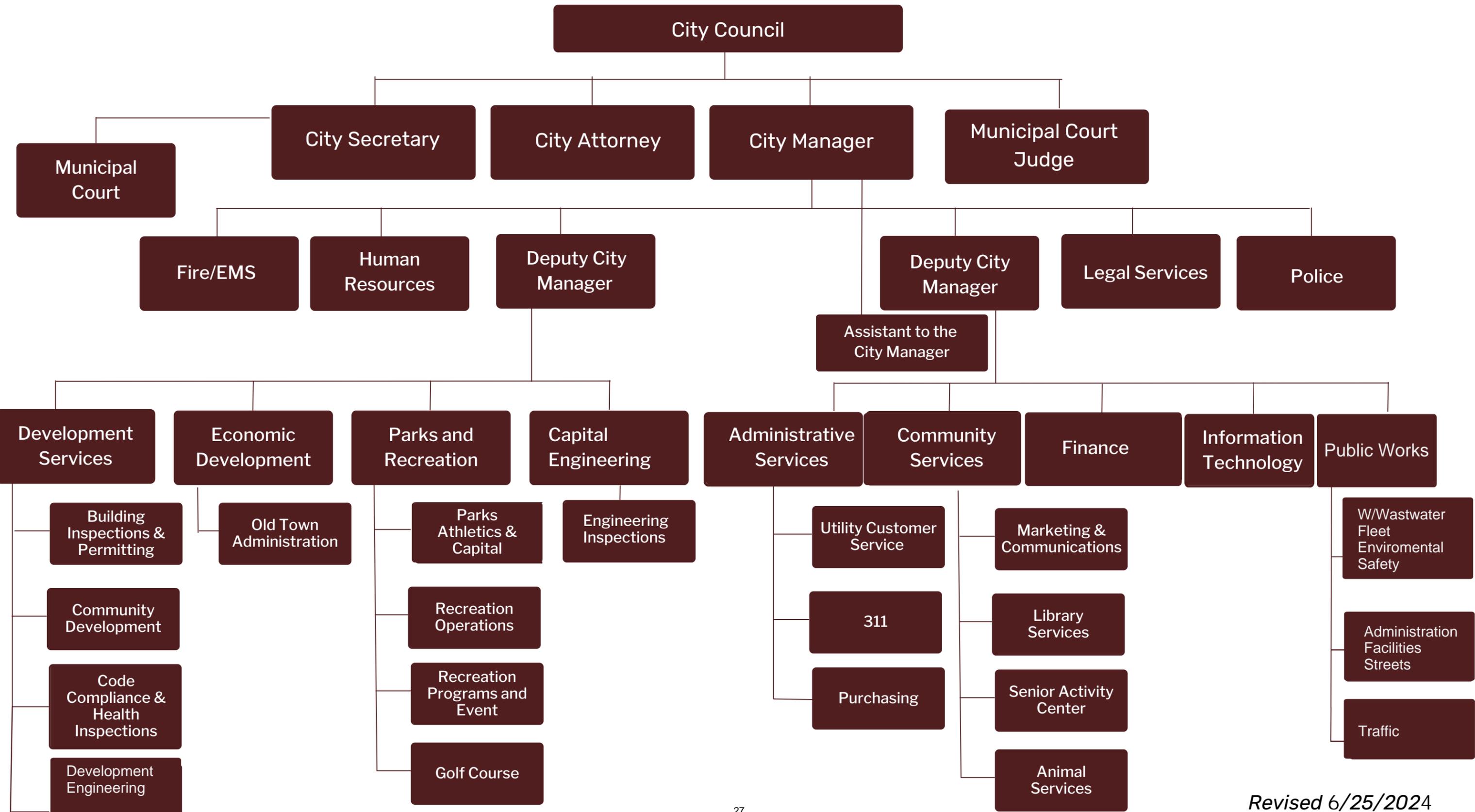
Council Appointed Officials

City Manager	Tommy Ludwig
City Secretary	Amanda Campos

Department Directors

Deputy City Manager	Harlan Jefferson
Deputy City Manager	Eric Oscarsson
Deputy City Attorney	Matt Ribitzki
Police Chief	Billy Cordell
Fire Chief	Casey Davis
Director of Human Resources	Cheryl Marthiljohni
Director of Community Services	DeAnna Phillips
Chief Technology Officer	James Grommersch
Director of Public Works	Errick Thompson
Interim Finance Director	Kevin Hennessey
Director of Economic Development	Alex Phillips
Director of Park and Recreation	Jen Basham
Director of Development Services	Tony McIlwain
Director of Capital Engineering	Randy Morrison

Organizational Chart



Detailed Departmental Budgeted FTEs

Org	Department	FY2024	FY2025	FY2026	DIFF	EXPLANATION
1011001	City Manager	4	4.5	4.5	0	
1011003	Human Resources	7	7	7	0	
1011002	Legal Services	1	1	1	0	
1016050	Communications	3.5	3.5	3.5	0	
1011101	City Secretary	3	3	3	0	
1011103	Records	1	1	1	0	
1011104	Judicial	1.5	1.5	1.5	0	
1016001	Library	14	14	14	0	
1011201	Finance	10	9	9	0	
1011005	Purchasing	2	2	2	0	
1012001	Police	102.5	106.5	106.5	0	Police Officer (+1)
1012201	Fire	67	61	65	4	Firefighter (+3); Arson Investigator (+1)
1011105	Municipal Court	5	5	5	0	
1012002	Marshals	2	0	0	0	
1012101	Public Safety Communications	21	21	21	0	
1013001	Public Works Admin	6	5	5	0	
1013002	Facilities	5	5	5	0	
1013004	Streets - Pavement	11	11	11	0	
1013005	Streets - Drainage	5	4	4	0	
1013006	Streets - Traffic	6	7	7	0	
1014001	Neighborhood Services	1	0	0	0	
1014004	Animal Services	6	6.5	6.5	0	
1014003	Environmental Services	1	1	1	0	
1014101	Development Services	2	0	0	0	
1014102	Community Development	3	4	4	0	
1014103	Bldg Inspections	9	8	8	0	
1014002	Code Compliance	4	5	5	0	
1013101	Engineering - Capital	7	7	7	0	
1013102	Engineering - Development	3	2	2	0	
1013103	Engineering - Inspections	5	5	5	0	
1015003	Parks Maintenance	11.91	11.91	12.41	0.5	(Seasonal Drainage Worker +1)
1016030	Senior Citizens Center	2.84	2.84	2.84	0	
1015007	ROW Maintenance	4	4	4	0	
1052202	Medical Transport	12	18	18	0	
2014201	4A Economic Dev	3	4	4	0	
2016050	4A Communications	1	1	1	0	
2025001	4B Parks Admin	2	2	2	0	
2025003	4B Parks	0	0	1	1	(Urban Forester +1)
2035004	BRiCk	44.76	43.76	44.76	1	(Aquatic Maintenance Specialist +1)
2035005	Athletic Fields	8.83	8.83	9.33	0.5	(Part Time Athletic Field Attendant +1)
2035006	Russell Farm	2.28	2.28	2.28	0	
2154201	TIF#2 Fund - Economic Dev	0	0	0	0	
2155003	TIF#2 Fund - Parks Maint	1	1	1	0	
5017001	Customer Service	9	8	8	0	
5017101	Water Operations	19	19	19	0	
5017102	Wastewater Operations	6	6	6	0	
5307302	Golf Club House	7.8	7.8	8.3	0.5	(Part Time Cart Barn Attendant +1)
5307303	Golf Maintenance	7.68	7.68	8.18	0.5	(Seasonal Groundskeeper +1)
5307304	Golf Food/Bev	4.19	4.19	4.19	0	
6013201	Equipment Services	7	7	7	0	
6108001	Info Technology	13	14	14	0	
6108002	Pub Safety Consortium	1	1	1	0	
		486.79	484.79	492.79	8.0	FTEs

CITY OF BURLESON FUND STRUCTURE BY BUDGETARY BASIS

**Governmental
Activities**

Modified Accrual Basis
of Accounting

General Fund

**Debt Service
Funds**

General Debt Service

Type 4B Debt Service

Type 4A Debt Service

**Special
Revenue Fund**

Parks Performance Fund

Type 4B Special Revenue Fund

Type 4A Special Revenue Fund

Economic Development Fund

Hotel/Motel Fund

Burleson TIF #2 Fund

Municipal Court Fund

**Business
Activities**

Accrual Basis of
Accounting

Enterprise

Water and Wastewater

Solid Waste

Hidden Golf Course

Cemetery

**Internal
Service**

Equipment Services

Equipment Replacement-Government

Equipment Replacement-Business

Support Services

Equipment Replacement-Support Services

Note: Basis for budget is the same as for audited financial statements.

CITY OF BURLESON FUND DESCRIPTION

Governmental

Modified Accrual Basis of Accounting

MAJOR FUNDS:

Fund	Description	Major Revenue Sources	Major Services Provided
General	General Fund	<ul style="list-style-type: none"> • Property Taxes • Sales Taxes • Licenses and Permits • Fines & Forfeitures • Interest • Miscellaneous • Other Sources 	<ul style="list-style-type: none"> • General Administration • Public Safety • Community Services • Public Works (Except Water/Wastewater and Solid Waste)
Burleson Community Services Development Corporation (4B) Special Revenue Fund	Special Revenue Fund	<ul style="list-style-type: none"> • 1/2 cent Sales Tax 	<ul style="list-style-type: none"> • Economic Development
4A Corporation Special Revenue Fund	Special Revenue Fund	<ul style="list-style-type: none"> • 1/2 cent Sales Tax 	<ul style="list-style-type: none"> • Economic Development
Parks Performance Special Revenue Fund	Special Revenue Fund	<ul style="list-style-type: none"> • User Fees 	<ul style="list-style-type: none"> • Burleson Recreation Center (BRiCk) • Ballfields
General Debt Service Fund	Debt Service Fund	<ul style="list-style-type: none"> • Property Taxes 	<ul style="list-style-type: none"> • Payment of General Long-term Debt Obligations

NON-MAJOR FUNDS:

Fund	Description	Major Revenue Sources	Major Services Provided
Economic Development Fund	Special Revenue Fund	<ul style="list-style-type: none"> • Property Taxes • Sales Taxes 	<ul style="list-style-type: none"> • Economic Development Incentives
Hotel/Motel Fund	Special Revenue Fund	<ul style="list-style-type: none"> • 7% room occupancy tax 	<ul style="list-style-type: none"> • Economic Development
Burleson TIF 2 Fund	Special Revenue Fund	<ul style="list-style-type: none"> • Property Tax Increment 	<ul style="list-style-type: none"> • Financial Assistance of Development Projects
Municipal Court Fund	Special Revenue Fund	<ul style="list-style-type: none"> • Fines and Court Fees 	<ul style="list-style-type: none"> • Court Hearings and Case Processing
Burleson 4A Corporation Debt Service Fund	Debt Service Fund	<ul style="list-style-type: none"> • 1/2 cent Sales Tax 	<ul style="list-style-type: none"> • Payment of 4A Long-term Debt Obligations
Burleson Community Service Development Corporation (4B) Fund	Debt Service Fund	<ul style="list-style-type: none"> • 1/2 cent Sales Tax 	<ul style="list-style-type: none"> • Payment of 4B Long-term Debt Obligations

CITY OF BURLESON FUNDS DESCRIPTION

Proprietary

Accrual Basis of Accounting

MAJOR FUNDS:

Fund	Description	Major Revenue Sources	Major Services Provided
Water & Wastewater Fund	Enterprise Fund	<ul style="list-style-type: none"> Water and Wastewater Charges 	<ul style="list-style-type: none"> Water and wastewater services for citizens
Hidden Creek Golf Course Fund	Enterprise Fund	<ul style="list-style-type: none"> Golf Fees 	<ul style="list-style-type: none"> Golf Course
Solid Waste	Enterprise Fund	<ul style="list-style-type: none"> Solid Waste Fees 	<ul style="list-style-type: none"> Garbage and recycling services for citizens

NON-MAJOR FUNDS:

Fund	Description	Major Revenue Sources	Major Services Provided
Cemetery	Enterprise Fund	<ul style="list-style-type: none"> Cemetery Fees 	<ul style="list-style-type: none"> Vehicles and other equipment for other departments
Equipment Services	Internal Service Fund	<ul style="list-style-type: none"> Equipment charges received from other funds 	<ul style="list-style-type: none"> Vehicles and other equipment for other departments
Equipment Replacement - Governmental	Internal Service Fund	<ul style="list-style-type: none"> Replacement charges from other governmental departments 	<ul style="list-style-type: none"> Money set aside for the replacement of governmental funds' vehicles and equipment
Equipment Replacement - Business	Internal Service Fund	<ul style="list-style-type: none"> Replacement charges from enterprise departments 	<ul style="list-style-type: none"> Money set aside for the replacement of enterprise funds' vehicles and equipment
Support Services Fund	Internal Service Fund	<ul style="list-style-type: none"> Transfers from other funds 	<ul style="list-style-type: none"> Centralized Information Technology charges
Equipment Replacement - Support Services	Internal Service Fund	<ul style="list-style-type: none"> Replacement charges from Support Services Fund 	<ul style="list-style-type: none"> Money set aside for the replacement of support services equipment

**The Relationship Between Functional Units
OPERATIONS and ACCOUNTING FUNDS**

Division Description	GENERAL	WATER & WASTEWATER	SOLID WASTE	EQUIPMENT SERVICES	GOLF COURSE	GOVT. EQUIP REPL.	PROP. EQUIP REPL.	PARKS PERFORMANCE	Tif 2	4A SPEC. REVENUE	4B SPEC. REVENUE	SUPPORT SVCS.
CITY MANAGER												
City Managers Office	X					X						
Human Resources	X					X						
Legal Services	X					X						
COMMUNITY SERVICES												
Communication	X					X						
Library	X					X						
Senior Citizens Center	X					X						
Animal Services	X					X						
CITY SECRETARY												
City Secretary's Office	X					X						
City Council	X											
Records and Info.	X					X						
Judicial Services	X					X						
Municipal Court	X					X						
FINANCE												
Finance	X					X						
PUBLIC SAFETY												
Police	X					X						
Fire	X					X						
ADMINISTRATIVE SERVICES												
Utility Customer Service		X					X					
Purchasing	X					X						
Solid Waste			X				X					
PUBLIC WORKS												
Public Works Admin	X											
Facilities Maint.						X						
Street Pavement Maint	X					X						
Street Drainage Maint	X					X						
Street Traffic Maint	X					X						
Water/Wastewater Services		X					X					
Equipment Services				X		X						
ENGINEERING CAPITAL												
Engineering Capital	X					X						
DEVELOPMENT SERVICES												
Development Services Admin	X											
Planning	X											
Building Inspections	X					X						
Neighborhood Services Admin	X											
Environmental Services	X											
Code Enforcement	X					X						
Engineering Development	X					X						
PARKS AND RECREATION												
Parks and Rec Admin	X										X	
Special Events											X	
Parks	X					X			X		X	
Recreation						X		X				
Brick						X		X				
Athletics						X		X				
Russel Farm						X		X				
ECONOMIC DEVELOPMENT												
Economic Development										X		
GOLF COURSE												
Golf Course Admin					X		X					
Pro Shop					X		X					
Golf Course Maint					X		X					
Food and Beverage					X		X					
TECHNOLOGY												
Information Technology						X						X

GOVERNMENTAL FUNDS

All budgets prepared for governmental funds are budgeted on a basis similar to the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when they become measurable and available to finance expenditures of the current period.

Expenditures are generally recognized when the related fund liability is incurred. However, there are two fundamental differences between the bases used to report the City's financial plan, (i.e., the budget) versus the basis used to report the historical results of financial operations (the Annual Comprehensive Financial Report or ACFR).

Firstly, the City employs full encumbrance accounting at the budgetary level. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year end represent the estimated amount of expenditures ultimately to result if unperformed contracts in process at year-end are completed. Encumbrances outstanding at year-end constitute neither expenditures nor liabilities on a modified accrual basis of accounting. However, on a budgetary basis these amounts are reflected as having been funded by appropriations of the budget in force at the time the encumbrance was created. For example, assume that an item was encumbered and ordered in 20X4 then delivered and invoiced in 20X5. For budgetary purposes, the transaction would be reflected in the 20X4 budget, the year the encumbrance is established. For financial reporting purposes, the transaction would be reported in 20X5; the year the item was delivered and the related liability was incurred. One should note that encumbrance accounting affects the timing of expenditure recognition, not the amount.

Employing encumbrance accounting at the budgetary level tends to promote the earliest possible recognition of financial obligations and requires the City to officially identify and

appropriate funding at this early stage. The City's CAFR contains a reconciliation between the budget or financial plan and the actual results of operations. This reconciliation reflects the adjustments necessary to report the results of operations on a budgetary basis rather than a modified accrual basis.

PROPRIETARY FUNDS

Budgeting for business-like funds are called Proprietary Funds. There are two types, the Enterprise and Internal Service Funds. Both are prepared in a manner similar to the basis used in the accrual method of accounting but the treatment of capital purchases represents an area in which fundamental differences exist. These differences are, once again related to the timing rather than the amount of expenditures.

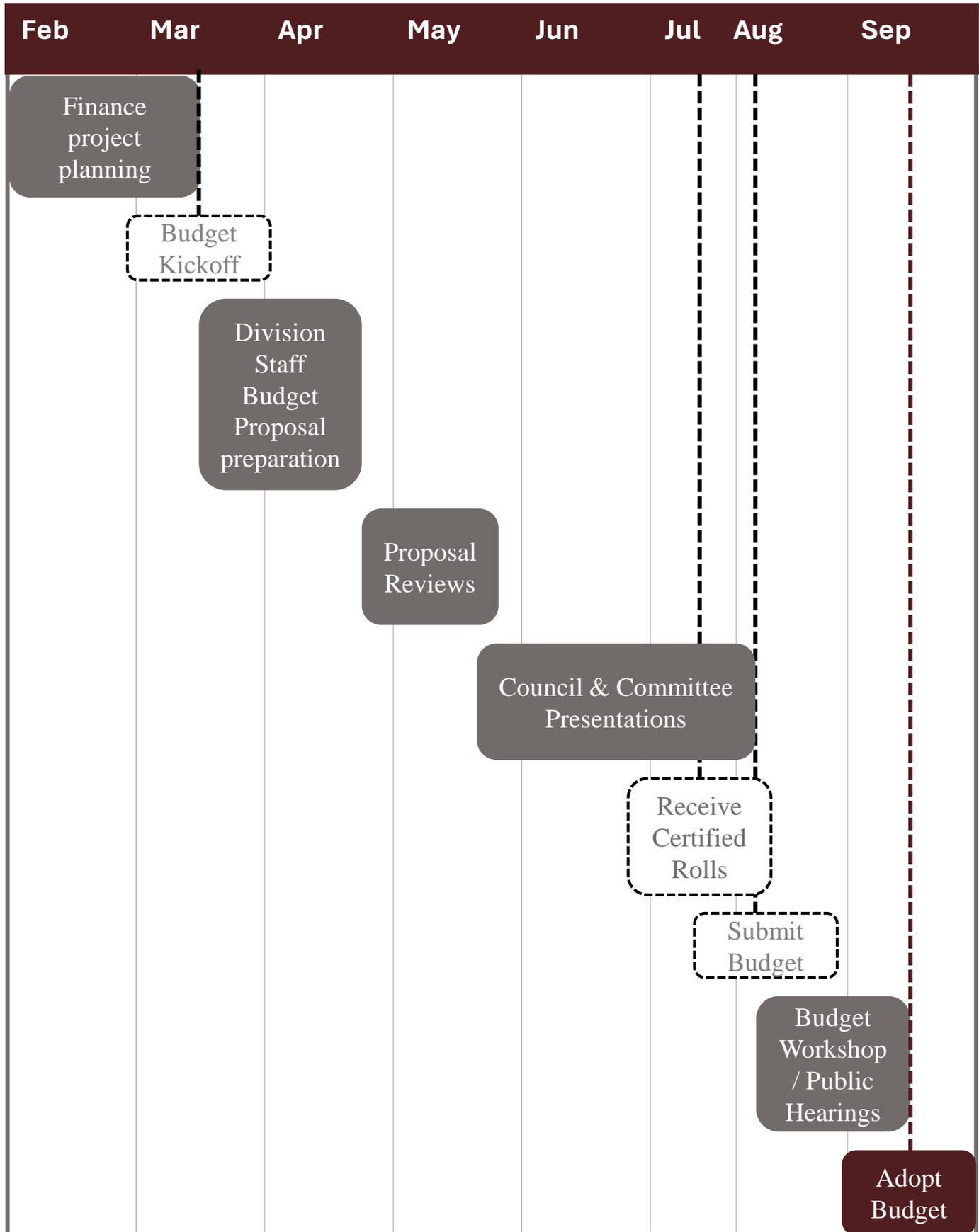
In an accrual accounting environment, such as that used in the preparation of appropriate sections of the CAFR, capital purchases do not immediately give rise to expenses. Instead, capital items are recorded as assets and depreciated over their useful lives.

Each year an amount of depreciation is recorded as an expense. So, in effect, the cost of the asset is spread over a period equal to the life of the asset. For budgetary purposes, the full cost of the asset is charged to the budget during the period in which the item was purchased. This method accelerates the recognition of an item's cost and forces the City to officially identify and appropriate funding at the earliest possible stage.

Financial Summaries



FY 2025 Budget Timeline



March 13	Budget Kickoff
March 13	Budget Training in Munis (One focused session, follow up one-on-one sessions as requested.)
March 13	Equipment Replacement Committee and Technology Governance initial meetings.
March 13 - 19	Equipment Replacement requests submitted by departments.
March 20- 28	Equipment Replacement Committee reviews and prepares recommendations.
March 31	ERF Committee presents recommendations to CMO and budget team.
April 07	Internal Phase 1 of budget entry to Munis completed by departments. Phase 1 includes supplemental/capital requests, supplemental reductions, technology, and personnel requests. Technology Governance and personnel reviews begin.
April 07	CIP updates due from Capital Team, Parks, and Economic Development.
April 07	Initial Salary and Wage file completed by Finance
April 16 - April 18	CMO and DCMO review their department submissions
April 8 - 11	CMO Review of CIP
April 8 - April 21	IT Governance review of department requests completed.
April 8 - April 21	Personnel requests reviewed by HR and Finance.
April 11 - April 18	Cost Allocations Deadline: ESF allocation from PW&E, Support Services from IT. GF Allocations are due from consultant and entered in Munis.
April 16 - May 16	Community Budget Survey completed.
April 17	Regular Meeting:
April 18	Internal Phase 2 of budget entry in Munis completed by departments. Phase 2 includes Fiscal Year 2025 year-end estimates, Fiscal Year 2026 base budget, proposed changes to the Fee Schedule with revenue projections, and updated department summaries with strategic plans and performance measures. Technology and personnel reviews completed.
April 21	Budget Team meets with Hilltop Securities for preliminary debt issuance projections.
April 28	HUB benefit projections updated by HUB.
April 23 – May 15	CMO Line-Item Review Budget Meetings. The CMO and budget team will meet with departments to review Department Strategic Plans, all department requests, personnel and benefits, proposed fee changes with revenue projections, and Equipment Replacement Committee recommendations.

April 30	Preliminary appraisal roll from Appraisal District.
May 07	Finance Committee – Approve Equipment Replacement Funds proposal for purchase, Updated CIP, Review Debt Service Plan and Tax Rate discussion.
May 12 - 16	Additional meetings with Hilltop Securities regarding debt issuance.
May 27	Special Council Meeting – Approve Equipment Replacement Funds proposal for purchase, Five Year Forecast of major funds, Review Updated CIP, Review Fee Schedules, Review Debt Service Plan, Review Community Budget Survey Results, Tax Rate and Calendar.
June 16	Regular Council Meeting - Notice of Intent to Issue Debt, City Council resolution asking the City Manager to prepare a calendar for the orderly adoption of the property tax rate and budget assuming a tax rate over or under the voter-approval rate. ¹ Items relating to Property Tax including calendar, Assessor Collector, items to organize publishing and delivering tax rate forms, Five Year Forecast of minor funds. City Council resolution designating the Johnson County Tax AC to perform the required calculations and the City Manager to publish and deliver the tax rate forms. Updates to Compensation and Benefits. Present budget amendment and purchase authorization agenda items for the proposed ERF vehicles replacements.
June 18	Finance Committee Meeting –CMO Recommended Supplementals and supplemental reductions. Fee Schedule Review.
July 01	Deadline for Property Tax Exemption Changes (If applicable).
July 21	Regular Council Meeting – Updates to Compensation and Benefits and CMO Recommendations, CMO Recommended Supplementals and supplemental reductions. Fee Schedule projections. Updated fund projections, tax levy direction
July 25	Deadline to receive certified tax roll from appraisal district. ²
July 26 – Aug 1	Budget updated with certified appraisals.
August 04	City Manager will submit a copy of the proposed budget to City Secretary’s Office, City Council, and post on City website. ³ See footnotes for specific legal requirements for the budget. ⁴
August 04	Submit to the City Council and both county assessor-collectors no new revenue tax rate and voter-approval tax rate completed tax rate calculation forms. ⁵ Post completed forms prominently on the homepage of the City’s website. ⁶
August 4	Regular Council Meeting – Authorize Issuance of Bonds.

August 06	Finance Committee – Review TNT Calculation of Rates, CMO Proposed Budget Presentation.
August 11	Special Council Meeting – Budget Work Session ⁷ . CMO budget presentation, propose tax rate, set public hearing dates for budget and tax rate. Propose fee schedule updates.
August 15	Verify County Assessor Collector has updated their databases.
August 18	4A/4B/TIF Board - Present Budget for Board Approvals.
August 20	Internal Deadlines – Publish Notices for Public Hearing on tax rate and budget in the newspaper. Post tax rate public hearing notice prominently on the City’s home page of website and on public access channel until public hearing concluded. ⁸
September 02	Regular Meeting – Public Hearing ⁹ and first reading of Proposed Budget and Tax Rate ¹⁰ , Additional Budget Related Ordinances for fees. ¹¹
September 08	Special Meeting – Second Reading of Ordinances, Adoption of Budget ¹² , and Adoption of Tax Rate ^{13 14} , Ratify Property Tax Rate in Budget if rate is above NNR ¹⁵ , Additional Budget Related Ordinances and Reimbursement Resolution. FY 2026 Debt Issuance Reimbursement Resolution
September 08	Post tax rate, budget, and record vote approving tax rate to website after adoption. Notify both Tax ACs of the tax rate adopted. CSO file the budget with the county clerks.
September 18	Special Meeting – Tentative if needed.
September 19	CMO Budget Presentation to Staff – Summary of approved budget and key allocations.
October 01	New fiscal year begins.

¹ If the City Council does not pass a resolution asking the City Manager to prepare the budget assuming a tax rate that does not exceed the voter-approval rate, the deadlines in this calendar will change significantly. In such a situation the deadline to file the proposed budget would be July 20th and the deadline to adopt the budget, tax rate, and order an election would be August 19th.

² Certified tax rolls are due on 7/25. Texas Tax Code §§ 26.01(a).

³ The proposed budget must be filed with the municipal clerk “before the 30th day before the date the governing body of the municipality makes its tax levy for the fiscal year.” If filing occurs 8/2, the tax levy must occur after 9/2. Texas Local Government Code § 102.005. On posting the budget on the City’s website, see Texas Local Government Code § 102.005(c).

⁴ The proposed budget must include two things. First, a line item comparing expenditures in the proposed budget and actual expenditures in the preceding year for: (1) notices required to be published in the newspaper; and (2) directly or indirectly influencing or attempting to influence the outcome of legislation or administrative action, as those terms are defined in Government Code § 305.002. Texas Local Government Code § 140.0045. Second, if the budget will raise more revenue from property taxes than the previous year, the proposed budget must contain a special cover page. Texas Local Government Code § 102.005(b).

⁵ The tax rate calculations must be submitted by August 7 or as soon thereafter as practicable. Texas Tax Code § 26.04(e). The calculations must be on the prescribed comptroller forms. Texas Tax Code § 26.04(d-1).

⁶ The internet posting to the homepage of the City’s website must include: (1) the tax rates and an explanation as to how they were calculated, (2) the estimated I&S, M&O, and general fund balances, and (3) a schedule of the City’s debt obligations. Texas Tax Code § 26.04(e).

⁷ Texas Tax Code §§ 26.06(b-1), (b-2), (b-3), and 26.061(b).

⁸ If the proposed tax rate exceeds the no-new revenue tax rate, the notice must be posted continuously for at least seven days immediately before the public hearing on the proposed tax rate increase and at least seven days immediately before the date of the vote proposing the increase in the tax rate. For content of published notice and Internet notice, see Texas Tax Code Sections 26.06(b-1), (b-2), and (b-3). The notice must also include the table described in Tax Code Section 26.062. Texas Tax Code § 26.065.

⁹ The public hearing on the tax rate may not be held before the fifth day after the date the notice of the public hearing is given, and the hearing must be held on a weekday that is not a public holiday. Texas Tax Code § 26.06(a). The public hearing on the tax rate may not be held until the fifth day after the date the chief appraiser of each appraisal district in which the city participates has delivered its tax estimate notice under Tax Code Sec. 26.04(e-2) and made various types of tax rate information and the tax rate calculation forms available on to the public via the property tax database under Tax Code Sec. 26.17(f). Texas Tax Code Section 26.05(d-1).

¹⁰ There are several precise requirements regarding notice in the tax rate ordinance itself that must be complied with if the city adopts a rate exceeding the no- new-revenue tax rate. Texas Tax Code § 26.05.

¹¹ Texas Tax Code § 26.06(d).

¹² City Council may only levy taxes in accordance with budget. Texas Local Government Code § 102.009. Record vote required by Texas Local Government Code § 102.007.

¹³ Texas Tax Code § 26.05(b).

¹⁴ Texas Tax Code § 26.05(a).

¹⁵ City Council must take a separate ratification vote to adopt any budget that will raise total property tax revenue. Texas Tax Code § 102.007(d). Record vote required by Texas Local Government Code § 102.007.

BUDGET SUMMARY

BY FUND

REVENUES	2023-2024	2024-2025	2024-2025	2025-2026	2024-2025/
	Actual	Original Budget	Revised Budget	Budget	2025-2026 Change
GENERAL FUND	\$ 59,065,945	\$ 64,042,836	\$ 64,042,836	\$ 62,896,149	-1.79%
DEBT SERVICE FUND - GENERAL*	\$ 10,116,767	\$ 18,327,139	\$ 18,327,139	\$ 21,119,119	15.23%
MEDICAL TRANSPORT	\$ 1,229,085	\$ 2,614,727	\$ 2,614,727	\$ 2,314,052	-11.50%
BCBD 4A SALES TAX SRF	\$ 8,076,246	\$ 10,395,414	\$ 10,395,414	\$ 8,524,854	-17.99%
BCBD 4B SALES TAX SRF	\$ 7,701,903	\$ 7,815,306	\$ 7,815,306	\$ 8,157,339	4.38%
PARKS PERFORMANCE FUND	\$ 6,022,931	\$ 5,633,995	\$ 5,633,995	\$ 6,584,632	16.87%
HOTEL/MOTEL TAX FUND	\$ 591,614	\$ 530,000	\$ 530,000	\$ 553,450	4.42%
BURLESON TIF #2	\$ 1,263,174	\$ 1,362,673	\$ 1,362,673	\$ 1,451,041	6.48%
BURLESON PID #1	\$ 127,467	\$ 111,230	\$ 111,230	\$ 115,081	3.46%
BURLESON PID #2	\$ 358	\$ 8,000	\$ 8,000	\$ 7,787	-2.66%
CABLE FRANCHISE PEG SRF	\$ 42,576	\$ 42,000	\$ 42,000	\$ 42,000	0.00%
MC JUVENILE CASE MGR SRF	\$ 20,263	\$ 26,450	\$ 26,450	\$ 15,370	-41.89%
MC BLDG SECURITY SRF	\$ 24,882	\$ 28,750	\$ 28,750	\$ 18,800	-34.61%
MC TECHNOLOGY SRF	\$ 17,647	\$ 21,085	\$ 21,085	\$ 12,700	-39.77%
OTHER SPECIAL REVENUE FUNDS	\$ 100,069	\$ 56,500	\$ 56,500	\$ 50,000	-11.50%
WATER & WASTEWATER FUND	\$ 28,297,855	\$ 29,943,590	\$ 29,943,590	\$ 31,727,239	5.96%
HIDDEN CREEK GOLF COURSE	\$ 3,479,691	\$ 3,560,279	\$ 3,560,279	\$ 3,624,816	1.81%
EQUIPMENT SERVICE FUND	\$ 2,336,429	\$ 2,400,790	\$ 2,400,790	\$ 2,188,845	-8.83%
EQPT REPL - GOVERNMENTAL	\$ 1,777,193	\$ 1,913,190	\$ 1,913,190	\$ 1,605,290	-16.09%
EQP REPL - PROPRIETARY	\$ 523,383	\$ 605,636	\$ 605,636	\$ 578,105	-4.55%
SUPPORT SERVICES FUND	\$ 5,774,675	\$ 6,648,060	\$ 6,648,060	\$ 6,757,125	1.64%
SOLID WASTE FUND	\$ 4,388,895	\$ 4,797,841	\$ 4,797,841	\$ 5,163,995	7.63%
CEMETERY OPERATIONS FUND	\$ 111,423	\$ 63,500	\$ 63,500	\$ 73,790	16.20%
CEMETERY ENDOWMENT FUND	\$ 23,731	\$ 13,500	\$ 13,500	\$ 13,500	0.00%
HEALTH INSURANCE FUND	\$ 7,299,672	\$ 7,367,402	\$ 7,367,402	\$ 7,814,439	6.07%
STREET MAINTENANCE FUND	\$ -	\$ 1,665,833	\$ 1,680,833	\$ 1,701,345	
TOTAL REVENUES	\$ 148,413,874	\$ 169,995,726	\$ 170,010,726	\$ 173,110,863	1.82%

EXPENDITURES	2023-2024	2024-2025	2024-2025	2025-2026	2024-2025/
	Actual	Original Budget	Revised Budget	Budget	2025-2026 Change
GENERAL FUND	\$ 58,313,925	\$ 63,267,928	\$ 64,641,740	\$ 62,875,682	-2.73%
DEBT SERVICE FUND - GENERAL*	\$ 8,758,002	\$ 20,772,166	\$ 20,772,166	\$ 22,866,805	10.08%
MEDICAL TRANSPORT	\$ 255,807	\$ 2,604,333	\$ 2,604,333	\$ 1,344,365	-48.38%
BCBD 4A SALES TAX SRF	\$ 5,517,335	\$ 10,976,718	\$ 13,383,503	\$ 13,124,620	-1.93%
BCBD 4B SALES TAX SRF	\$ 7,956,972	\$ 8,381,605	\$ 8,401,753	\$ 9,114,162	8.48%
PARKS PERFORMANCE FUND	\$ 5,299,335	\$ 5,633,995	\$ 5,736,250	\$ 6,584,632	14.79%
HOTEL/MOTEL TAX FUND	\$ 451,842	\$ 574,393	\$ 574,393	\$ 723,390	25.94%
BURLESON TIF #2	\$ 1,116,848	\$ 1,213,341	\$ 1,213,341	\$ 1,945,048	60.31%
BURLESON PID #1	\$ 66,609	\$ 62,420	\$ 62,420	\$ 62,420	0.00%
BURLESON PID #2	\$ 604	\$ 7,620	\$ 7,620	\$ 7,620	0.00%
CABLE FRANCHISE PEG SRF	\$ 570	\$ 90,560	\$ 90,560	\$ 90,703	0.16%
MC JUVENILE CASE MGR SRF	\$ 39,584	\$ 31,000	\$ 31,000	\$ 10,000	-67.74%
MC BLDG SECURITY SRF	\$ 1,817	\$ 10,420	\$ 10,420	\$ 10,420	0.00%
MC TECHNOLOGY SRF	\$ 44,000	\$ 2,340	\$ 2,340	\$ 2,340	0.00%
OTHER SPECIAL REVENUE FUNDS	\$ 111,701	\$ 91,720	\$ 166,717	\$ 90,220	-45.88%
WATER & WASTEWATER FUND	\$ 28,937,561	\$ 29,824,167	\$ 31,717,670	\$ 31,244,414	-1.49%
HIDDEN CREEK GOLF COURSE	\$ 3,258,855	\$ 3,560,279	\$ 3,560,279	\$ 3,624,816	1.81%
EQUIPMENT SERVICE FUND	\$ 1,939,022	\$ 2,366,406	\$ 2,366,406	\$ 2,117,501	-10.52%
EQPT REPL - GOVERNMENTAL	\$ 349,343	\$ 1,064,188	\$ 2,659,277	\$ 1,751,413	-34.14%
EQP REPL - PROPRIETARY	\$ 1,088,687	\$ 207,361	\$ 1,251,492	\$ 556,518	-55.53%
SUPPORT SERVICES FUND	\$ 5,224,141	\$ 6,641,932	\$ 6,641,932	\$ 8,047,279	21.16%
SOLID WASTE FUND	\$ 4,314,516	\$ 4,704,493	\$ 4,744,433	\$ 5,019,517	5.80%
CEMETERY OPERATIONS FUND	\$ 24,001	\$ 33,330	\$ 33,330	\$ 26,712	-19.86%
CEMETERY ENDOWMENT FUND	\$ -	\$ -	\$ -	\$ -	
HEALTH INSURANCE FUND	\$ 7,441,656	\$ 7,184,423	\$ 7,189,423	\$ 7,890,837	9.76%
STREET MAINTENANCE FUND	\$ -	\$ 1,665,833	\$ 1,665,833	\$ 1,716,345	
TOTAL OPERATING EXPENDITURES	\$ 140,512,732	\$ 170,972,971	\$ 179,528,631	\$ 180,847,779	0.73%
CAPITAL PROJECTS- GOVERNMENTAL		\$ 55,724,341	\$ 43,723,688	\$ 47,492,013	8.62%
CAPITAL PROJECTS- PROPRIETARY		\$ 29,467,018	\$ 23,333,837	\$ 37,896,042	62.41%
TOTAL CAPITAL EXPENDITURES		\$ 85,191,359	\$ 67,057,525	\$ 85,388,055	27.34%
TOTAL EXPENDITURES	\$ 140,512,732	\$ 256,164,330	\$ 246,586,156	\$ 266,235,834	7.97%

*In FY24-25 the city combined the debt service for General Government, 4A, and 4B.

MAJOR GOVERNMENTAL FUND GENERAL FUND					
	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ 19,606,713	\$ 17,421,851	\$ 17,421,851	\$ 20,358,733	\$ 20,834,940
Revenues					
Property Taxes	27,327,952	30,111,223	30,111,223	30,111,223	31,326,956
Sales & Use Taxes	15,166,366	15,503,578	15,503,578	15,773,020	16,246,211
Franchise Fees	4,109,918	4,254,115	4,254,115	4,254,115	4,424,280
License,Permit & Fee	1,562,939	1,554,968	1,554,968	1,474,714	1,474,714
Fines	736,244	853,000	853,000	655,243	655,243
Charges For Services	397,683	290,300	290,300	67,109	363,722
Intergovernmental	1,120,077	999,322	999,322	999,322	1,016,038
Investment Earnings	1,275,617	600,000	600,000	845,000	828,100
Miscellaneous	1,409,661	600,045	600,045	604,384	604,384
Oper Grant & Contr	1,122,004	1,078,614	1,078,614	1,078,614	1,262,125
Ofs-Sale Of Capital	-	1,200,000	1,200,000	1,100,000	-
Cost Allocation Rev	3,674,523	3,774,050	3,774,050	3,774,050	3,182,750
Transfer In	1,162,961	3,223,621	3,223,621	1,987,639	1,511,626
Total Revenues	59,065,945	64,042,836	64,042,836	62,724,433	62,896,149
Expenditures					
Salaries	29,425,732	30,421,633	30,363,933	30,176,167	31,201,150
Benefits	12,205,359	12,725,817	12,725,817	12,573,216	13,394,869
Reimb Personnel	(2,111,507)	-	-	(1,370,982)	(1,251,620)
Personnel Developmnt	487,848	576,302	620,614	641,747	570,297
Supplies	1,209,422	969,376	1,007,470	999,654	877,457
Minor Furn & Equip	504,784	712,814	662,497	617,250	530,328
Outside Services	1,956,484	2,698,551	3,421,690	3,137,179	2,416,451
Infr Maint & Repair	1,886,140	1,338,903	1,502,830	1,537,768	1,447,078
Equip Maint & Repair	59,922	93,680	94,267	76,132	73,624
Utilities	1,745,124	1,718,393	1,661,965	1,781,134	1,727,312
Contribution To Isf	6,802,732	7,501,210	7,501,210	7,501,210	7,448,607
Claims And Insurance	421,666	454,633	454,633	454,635	569,887
Misc	1,592,991	1,120,708	1,245,736	1,063,719	911,350
Debt Service Charges	76,005	76,005	76,005	76,005	76,005
Eco Dev Incentive	948,920	957,070	957,070	888,106	1,123,672
Capital Expenditures	502,303	257,000	700,169	449,453	92,171
Tranfers Out	600,000	1,645,833	1,645,833	1,645,833	1,667,045
Total Expenditures	58,313,925	63,267,928	64,641,740	62,248,226	62,875,682
Change in fund balance	752,020	774,908	(598,904)	476,207	20,467
Ending fund balance/ working capital	\$ 20,358,733	\$ 18,196,759	\$ 16,822,947	\$ 20,834,940	\$ 20,855,408

MAJOR GOVERNMENTAL FUND GENERAL DEBT SERVICE FUND					
	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ 5,492,377	\$ 6,545,650	\$ 6,545,650	\$ 6,851,142	\$ 4,676,225
Revenues					
Property Taxes	8,898,932	10,322,724	10,322,724	10,403,000	12,761,130
Investment Earnings	563,146	150,000	150,000	275,000	125,000
Bonds		-	-	-	-
Transfer In	654,689	7,854,415	7,854,415	7,812,720	8,232,989
Total Revenues	10,116,767	18,327,139	18,327,139	18,490,720	21,119,119
Expenditures					
Debt Service Charges	8,757,326	20,771,466	20,771,466	20,664,937	22,866,105
Cost Allocation Exp	676	700	700	700	700
Total Expenditures	8,758,002	20,772,166	20,772,166	20,665,637	22,866,805
Change in fund balance	1,358,765	(2,445,027)	(2,445,027)	(2,174,917)	(1,747,686)
Ending fund balance/ working capital	\$ 6,851,142	\$ 4,100,623	\$ 4,100,623	\$ 4,676,225	\$ 2,928,539

MAJOR GOVERNMENTAL FUND MEDICAL TRANSPORT					
	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ (224,612)	\$ 867,231	\$ 867,231	\$ 748,667	\$ 965,564
Revenues					
Charges For Services	1,222,608	1,960,251	1,960,251	1,991,170	2,281,052
Investment Earnings	6,478	40,000	40,000	40,000	33,000
Transfer In	-	614,476	614,476	-	-
Total Revenues	1,229,085	2,614,727	2,614,727	2,031,170	2,314,052
Expenditures					
Salaries	1,081,959	1,616,835	1,616,835	1,561,563	1,578,527
Benefits	442,667	723,116	723,116	638,902	660,147
Reimb Personnel	(1,454,393)	-	-	(614,476)	(1,263,755)
Supplies	122,173	103,814	103,814	103,814	120,484
Outside Services	63,400	95,048	95,048	58,950	95,000
Contribution To Isf	-	65,520	65,520	65,520	153,962
Total Expenditures	255,807	2,604,333	2,604,333	1,814,273	1,344,365
Change in fund balance	973,279	10,394	10,394	216,897	969,687
Ending fund balance/ working capital	\$ 748,667	\$ 877,625	\$ 877,625	\$ 965,564	\$ 1,935,251

MAJOR GOVERNMENTAL FUND					
4A SALES TAX REVENUE					
	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ 5,433,397	\$ 6,295,522	\$ 6,295,522	\$ 7,992,307	\$ 9,399,472
Revenues					
Sales & Use Taxes	7,462,408	7,643,839	7,643,839	7,760,905	7,993,732
Investment Earnings	281,436	75,000	75,000	225,000	220,500
Miscellaneous	332,401	301,575	301,575	301,575	310,622
Ofs-Sale Of Capital	-	2,375,000	2,375,000	2,375,000	-
Total Revenues	8,076,246	10,395,414	10,395,414	10,662,480	8,524,854
Expenditures					
Salaries	365,885	524,266	524,266	503,155	527,401
Benefits	162,357	216,859	216,859	194,784	206,143
Reimb Personnel	52,908	-	-	-	-
Personnel Developmnt	72,204	87,175	101,575	75,675	119,500
Misc	244,184	296,500	338,625	323,458	332,500
Supplies	4,413	8,750	8,750	5,500	6,500
Minor Furn & Equip	-	1,500	1,500	1,500	-
Outside Services	248,397	144,067	162,542	162,542	155,000
Infr Maint & Repair	8,297	27,500	27,500	25,000	27,500
Utilities	13,897	26,885	26,885	26,885	20,915
Contribution To Isf	220,674	463,220	463,220	463,220	124,972
Eco Dev Incentive	749,481	4,755,900	5,987,685	1,949,500	7,445,000
Cost Allocation Exp	156,564	161,260	161,260	161,260	161,260
Capital Expenditures	-	-	1,100,000	1,100,000	-
Tranfers Out	3,218,074	4,262,836	4,262,836	4,262,836	3,997,929
Total Expenditures	5,517,335	10,976,718	13,383,503	9,255,315	13,124,620
Change in fund balance	2,558,910	(581,304)	(2,988,089)	1,407,165	(4,599,766)
Ending fund balance/ working capital	\$ 7,992,307	\$ 5,714,218	\$ 3,307,433	\$ 9,399,472	\$ 4,799,706

MAJOR GOVERNMENTAL FUND					
4B SALES TAX REVENUE					
	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ 5,340,055	\$ 5,035,601	\$ 5,035,601	\$ 5,084,986	\$ 5,768,764
Revenues					
Sales & Use Taxes	7,462,408	7,643,839	7,643,839	7,760,905	7,993,732
Investment Earnings	211,004	130,000	130,000	120,000	117,600
Miscellaneous	28,490	41,467	41,467	44,667	46,007
Total Revenues	7,701,903	7,815,306	7,815,306	7,925,572	8,157,339
Expenditures					
Salaries	257,234	253,462	253,462	253,323	257,941
Benefits	109,964	94,271	94,271	106,114	110,144
Personnel Developmnt	2,913	4,865	4,865	4,865	4,865
Supplies	-	900	3,400	2,500	4,500
Minor Furn & Equip	18,786	32,000	32,000	32,000	32,900
Outside Services	25,388	20,000	20,517	20,517	30,000
Infr Maint & Repair	-	-	-	-	-
Utilities	23,502	52,600	52,600	52,600	52,600
Contribution To Isf	30,592	36,510	36,510	36,510	5,402
Misc	180,473	143,940	140,923	140,923	141,440
Cost Allocation Exp	102,250	105,320	105,320	105,320	105,320
Capital Expenditures	-	50,000	70,148	70,148	50,000
Eco Dev Incentive	725,000	136,150	136,150	23,289	39,203
Tranfers Out	6,480,870	7,451,587	7,451,587	6,393,686	8,279,847
Total Expenditures	7,956,972	8,381,605	8,401,753	7,241,795	9,114,162
Change in fund balance	(255,069)	(566,299)	(586,447)	683,777	(956,823)
Ending fund balance/ working capital	\$ 5,084,986	\$ 4,469,302	\$ 4,449,154	\$ 5,768,764	\$ 4,811,940

MAJOR GOVERNMENTAL FUND PARKS PERFORMANCE FUND					
	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ -	\$ -	\$ -	\$ 723,596	\$ 0
Revenues					
License,Permit & Fee	-	-	-	-	-
Charges For Services	2,518,853	2,369,627	2,369,627	2,756,372	2,941,652
Investment Earnings	36,439	10,300	10,300	50,000	49,000
Miscellaneous	14,405	4,120	4,120	30,000	30,000
Intergovernmental	-	-	-	-	70,000
Transfer In	3,453,234	3,249,948	3,249,948	2,425,393	3,493,980
Total Revenues	\$6,022,931	\$5,633,995	\$5,633,995	\$5,261,765	\$6,584,632
Expenditures					
Salaries	2,373,497	2,408,514	2,408,514	2,326,990	2,480,589
Benefits	677,556	703,766	703,766	812,369	897,509
Personnel Developmnt	19,389	19,284	23,737	23,477	130,049
Misc	123,057	145,901	154,381	145,384	186,770
Supplies	182,844	184,547	187,256	183,856	193,162
Minor Furn & Equip	16,808	48,660	46,571	41,210	141,043
Outside Services	60,438	71,300	58,258	50,389	68,738
Infr Maint & Repair	131,805	253,954	309,970	317,498	349,421
Equip Maint & Repair	36,330	34,922	30,038	99,697	121,784
Utilities	536,811	557,996	558,608	558,608	581,712
Contribution To Isf	305,883	372,300	372,300	372,300	387,040
Claims And Insurance	98,869	110,345	110,345	110,345	170,043
Cost Allocation Exp	694,770	715,620	715,620	715,620	715,620
Capital Expenditures	41,280	6,886	56,886	227,617	161,152
Total Expenditures	\$5,299,335	\$5,633,995	\$5,736,250	\$5,985,360	\$6,584,632
Change in fund balance	\$ 723,596	\$ -	\$ (102,255)	\$ (723,595)	\$ (0)
Ending fund balance/ working capital	\$ 723,596	\$ -	\$ (102,255)	\$ 0	\$ 0

NON-MAJOR GOVERNMENTAL FUND HOTEL/MOTEL TAX FUND					
	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ 404,094	\$ 499,176	\$ 499,176	\$ 543,866	\$ 603,547
Revenues					
Hotel Occupancy Tax	570,830	515,000	515,000	520,000	530,000
Investment Earnings	20,034	10,000	10,000	19,307	18,450
Miscellaneous	750	5,000	5,000	2,000	5,000
Total Revenues	\$ 591,614	\$ 530,000	\$ 530,000	\$ 541,307	\$ 553,450
Expenditures					
Supplies	-	237	237	237	237
Minor Furn & Equip	-	1,530	1,530	1,530	1,530
Outside Services	54,887	122,100	122,100	115,832	332,335
Infr Maint & Repair	1,275	3,500	3,500	2,000	3,500
Utilities	10,992	10,706	10,706	10,706	9,881
Contribution To Isf	37,320	38,440	38,440	38,440	2,277
Misc	321,514	371,250	371,250	286,250	347,000
Cost Allocation Exp	25,853	26,630	26,630	26,630	26,630
Capital Expenditures	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Expenditures	\$ 451,842	\$ 574,393	\$ 574,393	\$ 481,625	\$ 723,390
Change in fund balance	\$ 139,772	\$ (44,393)	\$ (44,393)	\$ 59,682	\$ (169,941)
Ending fund balance/ working capital	\$ 543,866	\$ 454,783	\$ 454,783	\$ 603,547	\$ 433,607

**NON-MAJOR GOVERNMENTAL FUND
TIF 2**

	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ 339,812	\$ 740,059	\$ 740,059	\$ 486,138	\$ 589,022
Revenues					
Property Taxes	1,204,520	1,327,673	1,327,673	1,327,673	1,392,041
Investment Earnings	46,837	25,000	25,000	50,000	49,000
Miscellaneous	11,817	10,000	10,000	10,000	10,000
Transfer In	-	-	-	-	-
Total Revenues	1,263,174	1,362,673	1,362,673	1,387,673	1,451,041
Expenditures					
Salaries	68,368	37,996	37,996	43,618	38,756
Benefits	14,346	3,352	3,352	12,145	10,378
Reimb Personnel	220,019	-	-	-	-
Minor Furn & Equip	332	16,800	16,800	16,800	-
Outside Services	1,152	-	-	-	-
Infr Maint & Repair	101,937	110,000	110,000	110,000	117,250
Equip Maint & Repair	-	1,500	1,500	1,500	-
Contribution To Isf	2,217	2,280	2,280	2,280	5,379
Eco Dev Incentive	-	53,045	53,045	110,888	740,181
Misc	17,295	26,900	26,900	26,900	26,500
Cost Allocation Exp	36,492	37,590	37,590	37,590	37,590
Capital Expenditures	-	-	-	-	-
Tranfers Out	654,689	923,878	923,878	923,068	969,014
Total Expenditures	1,116,848	1,213,341	1,213,341	1,284,789	1,945,048
Change in fund balance	\$146,326	\$149,332	\$149,332	\$102,884	(\$494,007)
Ending fund balance/ working capital	\$ 486,138	\$ 889,391	\$ 889,391	\$ 589,022	\$ 95,015

NON-MAJOR GOVERNMENTAL FUND PID #1 PANCHASARP FUND					
	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ 239,877	\$ 267,024	\$ 267,024	\$ 300,735	\$ 283,279
Revenues					
Assessment	112,303	101,230	101,230	124,350	101,230
Investment Earnings	15,164	10,000	10,000	14,133	13,851
Miscellaneous	-	-	-	-	-
Total Revenues	127,467	111,230	111,230	138,483	115,081
Expenditures					
Outside Services	64,256	60,000	60,000	153,520	60,000
Cost Allocation Exp	2,353	2,420	2,420	2,420	2,420
Total Expenditures	66,609	62,420	62,420	155,940	62,420
Change in fund balance	60,858	48,810	48,810	(17,457)	52,661
Ending fund balance/ working capital	\$ 300,735	\$ 315,834	\$ 315,834	\$ 283,279	\$ 335,939

NON-MAJOR GOVERNMENTAL FUND PID #2 CHISHOLM SUMMIT					
	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ 7,628	\$ 8,024	\$ 8,024	\$ 7,382	\$ 7,055
Revenues					
Investment Earnings	358	500	500	293	287
Miscellaneous	-	7,500	7,500	-	7,500
Transfer In	-	-	-	-	-
Total Revenues	358	8,000	8,000	293	7,787
Expenditures					
Outside Services	-	7,000	7,000	-	7,000
Cost Allocation Exp	604	620	620	620	620
Total Expenditures	604	7,620	7,620	620	7,620
Change in fund balance	(247)	380	380	(327)	167
Ending fund balance/ working capital	\$ 7,382	\$ 8,404	\$ 8,404	\$ 7,055	\$ 7,222

NON-MAJOR GOVERNMENTAL FUND CABLE FRANCHISE PEG SRF					
	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ 84,617	\$ 129,047	\$ 129,047	\$ 126,623	\$ 76,340
Revenues					
Assessment	37,816	38,000	38,000	34,800	38,000
Investment Earnings	4,760	4,000	4,000	5,477	4,000
Transfer In	-	-	-	-	-
Total Revenues	42,576	42,000	42,000	40,277	42,000
Expenditures					
Minor Furn & Equip	-	-	-	-	-
Utilities	30	-	-	-	-
Contribution To Isf	-	-	-	-	143
Cost Allocation Exp	540	560	560	560	560
Capital Expenditures	-	90,000	90,000	90,000	90,000
Tranfers Out	-	-	-	-	-
Total Expenditures	570	90,560	90,560	90,560	90,703
Change in fund balance	42,006	(48,560)	(48,560)	(50,283)	(48,703)
Ending fund balance/ working capital	\$ 126,623	\$ 80,487	\$ 80,487	\$ 76,340	\$ 27,637

NON-MAJOR GOVERNMENTAL FUND JUVENILE CASE MANAGER FUND					
	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ 31,820	\$ 17,491	\$ 17,491	\$ 12,499	\$ 1,150
Revenues					
Fines	19,175	25,750	25,750	15,116	15,100
Investment Earnings	1,088	700	700	273	270
Transfer In	-	-	-	-	-
Total Revenue	20,263	26,450	26,450	15,389	15,370
Expenditures					
Personnel Developmnt	55	1,000	1,000	1,000	-
Cost Allocation Exp	39,529	30,000	30,000	30,000	10,000
Total Expenditure	39,584	31,000	31,000	31,000	10,000
Change in fund balance	(19,321)	(4,550)	(4,550)	(15,611)	5,370
Ending fund balance/ working capital	\$ 12,499	\$ 12,941	\$ 12,941	\$ (3,112)	\$ 6,520

NON-MAJOR GOVERNMENTAL FUND BUILDING SECURITY FUND					
	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ 116,130	\$ 134,913	\$ 134,913	\$ 139,195	\$ 154,024
Revenues					
Fines	18,647	25,750	25,750	13,659	13,600
Investment Earnings	6,236	3,000	3,000	5,281	5,200
Transfer In	-	-	-	-	-
Total Revenues	24,882	28,750	28,750	18,939	18,800
Expenditures					
Personnel Developmnt	-	3,500	3,500	3,500	3,500
Supplies	96	-	-	-	-
Minor Furn & Equip	-	5,150	5,150	5,150	5,150
Equip Maint & Repair	-	-	-	-	-
Cost Allocation Exp	1,721	1,770	1,770	1,770	1,770
Total Expenditures	1,817	10,420	10,420	10,420	10,420
Change in fund balance	23,065	18,330	18,330	8,519	8,380
Ending fund balance/ working capital	\$ 139,195	\$ 153,243	\$ 153,243	\$ 147,715	\$ 162,404

**NON-MAJOR GOVERNMENTAL FUND
COURT TECHNOLOGY FUND**

	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ 62,833	\$ 28,883	\$ 28,883	\$ 36,480	\$ 48,581
Revenues					
Fines	15,299	20,085	20,085	20,085	11,300
Investment Earnings	2,348	1,000	1,000	1,000	1,400
Total Revenue	17,647	21,085	21,085	21,085	12,700
Expenditures					
Personnel Developmnt	-	-	-	-	-
Utilities	758	-	-	-	-
Contribution To Isf	40,970	-	-	-	-
Cost Allocation Exp	2,272	2,340	2,340	2,340	2,340
Total Expenditure	44,000	2,340	2,340	2,340	2,340
Change in fund balance	(26,353)	18,745	18,745	18,745	10,360
Ending fund balance/ working capital	\$ 36,480	\$ 47,628	\$ 47,628	\$ 55,225	\$ 58,941

NON-MAJOR GOVERNMENTAL FUND OTHER SPECIAL REVENUE FUND					
	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ 99,209	\$ 64,532	\$ 64,532	\$ 87,577	\$ 45,037
Revenues					
Intergovernmental	-	6,500	6,500	-	-
Oper Grant & Contr	100,069	50,000	50,000	87,880	50,000
Total Revenues	100,069	56,500	56,500	87,880	50,000
Expenditures					
Personnel Developmnt	-	10,000	10,000	2,000	10,000
Misc	79,348	46,000	46,000	30,000	46,000
Supplies	14,176	13,300	13,300	10,000	13,300
Minor Furn & Equip	-	3,000	11,997	3,000	1,500
Infr Maint & Repair	-	700	700	700	700
Cost Allocation Exp	18,177	18,720	18,720	18,720	18,720
Capital Expenditures	-	-	66,000	66,000	-
Total Expenditures	111,701	91,720	166,717	130,420	90,220
Change in fund balance	(11,632)	(35,220)	(110,217)	(42,540)	(40,220)
Ending fund balance/ working capital	\$ 87,577	\$ 29,312	\$ (45,685)	\$ 45,037	\$ 4,817

MAJOR GOVERNMENTAL FUND WATER & WASTEWATER FUND					
	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ 14,731,909	\$ 14,241,182	\$ 14,241,182	\$ 14,092,203	\$ 15,987,673
Revenues					
License,Permit & Fee	8,616	20,000	20,000	20,000	20,000
Charges For Services	26,168,614	28,308,689	28,308,689	28,308,689	30,092,338
Investment Earnings	927,532	450,000	450,000	450,000	450,000
Miscellaneous	52,366	43,922	43,922	43,922	43,922
Impact Fee	1,094,690	1,030,000	1,030,000	613,500	1,030,000
Cost Allocation Rev	-	44,000	44,000	44,000	44,000
Transfer In	46,038	46,979	46,979	46,979	46,979
Total Revenues	28,297,855	29,943,590	29,943,590	29,527,090	31,727,239
Expenditures					
Salaries	2,149,155	2,323,168	2,323,168	2,084,392	2,156,124
Benefits	1,022,390	1,102,643	1,102,643	1,066,500	1,127,669
Personnel Developmnt	34,092	41,056	101,242	100,005	115,173
Misc	1,349,405	1,423,334	1,387,534	1,263,854	1,297,350
Supplies	116,942	113,313	113,964	118,586	119,995
Minor Furn & Equip	312,289	38,500	287,287	267,098	221,275
Outside Services	11,383,350	12,125,186	12,099,692	12,065,184	12,641,981
Infr Maint & Repair	189,149	299,716	284,736	256,172	286,050
Equip Maint & Repair	19,474	33,500	33,544	32,836	25,325
Utilities	332,268	423,747	423,747	421,404	396,441
Contribution To Isf	1,894,723	2,109,150	2,109,150	2,109,150	2,312,991
Claims And Insurance	105,760	120,682	120,682	120,682	298,308
Debt Service Charges	7,417,469	6,963,230	6,963,230	6,963,230	7,536,331
Cost Allocation Exp	1,275,127	1,313,390	1,313,390	1,313,390	1,313,390
Capital Expenditures	173,007	263,500	359,606	228,252	263,500
Tranfers Out	1,162,961	1,130,052	2,694,055	1,130,052	1,132,511
Total Expenditues	28,937,561	29,824,167	31,717,670	29,540,787	31,244,414
Change in fund balance	(639,706)	119,423	(1,774,080)	(13,697)	482,825
Ending fund balance/ working capital	\$ 14,092,203	\$ 14,360,605	\$ 12,467,102	\$ 14,078,506	\$ 16,470,498

MAJOR GOVERNMENTAL FUND HIDDEN CREEK GOLF COURSE FUND				
2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET

Beginning fund balance/ working capital	\$	-	\$	-	\$	-	\$	220,836	\$	-
Revenues										
Charges For Services		2,248,183		2,388,414		2,388,414		2,442,853		2,474,028
Investment Earnings		59		1,500		1,500		400		1,500
Miscellaneous		1,445		4,500		4,500		4,500		4,500
Ofs-Sale Of Capital		-		-		-		-		-
Transfer In		1,230,004		1,165,865		1,165,865		942,810		1,144,788
Total Revenues		3,479,691		3,560,279		3,560,279		3,390,563		3,624,816
Expenditures										
Salaries		990,447		956,251		956,251		946,332		1,024,585
Benefits		473,961		474,505		474,505		509,542		546,287
Personnel Developmnt		23,995		54,392		54,392		58,300		138,547
Supplies		110,851		123,950		123,950		123,250		130,950
Minor Furn & Equip		41,158		20,596		20,596		18,350		37,346
Outside Services		29,720		17,800		17,800		14,800		17,800
Infr Maint & Repair		80,130		49,950		49,950		56,950		98,950
Equip Maint & Repair		36,311		33,500		33,500		29,750		67,580
Utilities		129,772		145,006		145,006		145,006		155,706
Contribution To Isf		426,649		536,386		536,386		536,386		476,461
Claims And Insurance		19,969		22,079		22,079		22,636		151,948
Misc		504,525		428,866		428,866		453,158		427,866
Debt Service Charges		20,622		382,208		382,208		382,208		-
Cost Allocation Exp		279,860		288,260		288,260		288,260		288,260
Capital Expenditures		90,883		26,530		26,530		26,530		62,530
Tranfers Out		-		-		-		-		-
Total Expenditures		3,258,855		3,560,279		3,560,279		3,611,458		3,624,816
Change in fund balance		220,836		-		-		(220,895)		-
Ending fund balance/ working capital	\$	-	\$	-	\$	-	\$	-	\$	-

MAJOR GOVERNMENTAL FUND EQUIPMENT SERVICE FUND					
	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ (51,743)	\$ 333,172	\$ 333,172	\$ 345,665	\$ 149,405
Revenues					
Contr From - Isf	2,325,024	2,394,790	2,394,790	2,394,790	2,169,643
Investment Earnings	11,405	6,000	6,000	19,593	19,201
Miscellaneous	-	-	-	-	-
Ofs-Sale Of Capital	-	-	-	-	-
Transfer In	-	-	-	-	-
Total Revenue	2,336,429	2,400,790	2,400,790	2,414,383	2,188,845
Expenditures					
Salaries	363,291	475,550	475,550	443,678	477,780
Benefits	168,561	227,880	227,880	196,803	210,301
Personnel Developmnt	9,908	19,250	19,250	13,977	13,100
Supplies	44,132	49,707	209,854	156,031	304,160
Minor Furn & Equip	14,961	28,700	28,700	41,916	28,075
Outside Services	-	225,000	265,134	300,552	306,400
Equip Maint & Repair	542,086	386,703	261,422	275,839	-
Utilities	494,231	603,685	528,685	544,365	544,215
Contribution To Isf	105,821	148,660	148,660	148,660	40,585
Claims And Insurance	22,970	27,051	27,051	27,031	16,215
Misc	3,918	-	-	1,000	2,450
Cost Allocation Exp	169,143	174,220	174,220	174,220	174,220
Total Expenditures	1,939,022	2,366,406	2,366,406	2,324,072	2,117,501
Change in fund balance	397,408	34,384	34,384	90,311	71,344
Ending fund balance/ working capital	\$ 345,665	\$ 367,556	\$ 367,556	\$ 435,976	\$ 220,749

MAJOR GOVERNMENTAL FUND					
EQUIPMENT REPLACEMENT FUND GOVERNMENTAL					
	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ 3,931,088	\$ 3,817,622	\$ 3,817,622	\$ 5,358,938	\$ 6,025,676
Revenues					
Contr From - Isf	1,553,588	1,763,190	1,763,190	1,763,190	1,455,290
Investment Earnings	223,605	150,000	150,000	150,000	150,000
Miscellaneous	-	-	-	-	-
Ofs-Sale Of Capital	-	-	-	-	-
Total Revenue	1,777,193	1,913,190	1,913,190	1,913,190	1,605,290
Expenditures					
Cost Allocation Exp	3,664	3,770	3,770	3,770	3,770
Capital Expenditures	345,679	1,060,418	2,655,507	2,508,507	1,747,643
Tranfers Out	-	-	-	-	-
Total Expenditure	349,343	1,064,188	2,659,277	2,512,277	1,751,413
Change in fund balance	1,427,850	849,002	(746,087)	(599,087)	(146,123)
Ending fund balance/ working capital	\$ 5,358,938	\$ 4,666,624	\$ 3,071,535	\$ 4,759,851	\$ 5,879,553

MAJOR GOVERNMENTAL FUND EQUIPMENT REPLACEMENT FUND PROP					
	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ 1,061,000	\$ 160,249	\$ 160,249	\$ 495,696	\$ 2,244,578
Revenues					
Contr From - Isf	475,000	575,636	575,636	575,636	548,105
Investment Earnings	42,821	30,000	30,000	30,000	30,000
Miscellaneous	5,562	-	-	-	-
Ofs-Sale Of Capital	-	-	-	-	-
Total Revenues	523,383	605,636	605,636	605,636	578,105
Expenditures					
Cost Allocation Exp	2,023	-	-	-	-
Capital Expenditures	1,086,664	207,361	1,251,492	1,251,492	556,518
Tranfers Out	-	-	-	-	-
Total Expenditures	1,088,687	207,361	1,251,492	1,251,492	556,518
Change in fund balance	(565,304)	398,275	(645,856)	(645,856)	21,587
Ending fund balance/ working capital	\$ 495,696	\$ 558,524	\$ (485,607)	\$ (150,160)	\$ 2,266,165

MAJOR GOVERNMENTAL FUND SUPPORT SERVICE FUND					
	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ 1,132,532	\$ 265,242	\$ 265,242	\$ 1,683,066	\$ 1,924,033
Revenues					
Contr From - Isf	5,513,969	6,540,060	6,540,060	6,540,060	6,713,025
Intergovernmental	146,638	73,000	73,000	148,756	-
Investment Earnings	69,070	35,000	35,000	45,000	44,100
Miscellaneous	44,998	-	-	-	-
Transfer In	-	-	-	-	-
Total Revenues	5,774,675	6,648,060	6,648,060	6,733,816	6,757,125
Expenditures					
Salaries	1,143,480	1,510,103	1,510,103	1,459,229	1,551,804
Benefits	439,574	598,272	598,272	550,913	588,537
Personnel Developmnt	66,575	63,100	63,100	63,100	64,900
Supplies	7,138	6,750	6,750	6,750	11,000
Minor Furn & Equip	340,883	219,100	219,100	219,100	216,080
Outside Services	210,994	144,750	144,750	144,750	133,750
Infr Maint & Repair	-	-	-	250,000	-
Equip Maint & Repair	2,276,006	3,803,858	3,803,858	3,503,008	4,226,869
Utilities	34,551	29,790	29,790	29,790	298,702
Claims And Insurance	3,057	3,061	3,061	3,061	131
Misc	110,000	148	148	148	-
Cost Allocation Exp	255,342	263,000	263,000	263,000	263,000
Transfer Out	-	-	-	-	692,506
Capital Expenditures	336,541	-	-	-	-
Total Expenditures	5,224,141	6,641,932	6,641,932	6,492,849	8,047,279
Change in fund balance	550,534	6,128	6,128	240,967	(1,290,154)
Ending fund balance/ working capital	\$ 1,683,066	\$ 271,370	\$ 271,370	\$ 1,924,033	\$ 633,879

NON-MAJOR GOVERNMENTAL FUND SOLID WASTE FUND					
	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ 519,420	\$ 416,698	\$ 416,698	\$ 593,799	\$ 655,371
Revenues					
Charges For Services	4,358,801	4,777,841	4,777,841	4,778,883	5,143,995
Investment Earnings	30,093	20,000	20,000	25,000	20,000
Transfer In	-	-	-	-	-
Total Revenues	4,388,895	4,797,841	4,797,841	4,803,883	5,163,995
Expenditures					
Outside Services	3,828,089	4,066,550	4,106,490	4,106,103	4,351,866
Infr Maint & Repair	-	135,000	135,000	135,000	135,000
Utilities	9,431	11,440	11,440	10,420	10,733
Claims And Insurance	1,449	1,631	1,631	1,631	1,680
Misc	377,880	389,713	389,713	388,998	417,544
Cost Allocation Exp	51,629	53,180	53,180	53,180	54,775
Tranfers Out	46,038	46,979	46,979	46,979	47,919
Total Expenditures	4,314,516	4,704,493	4,744,433	4,742,311	5,019,517
Change in fund balance	74,379	93,348	53,408	61,572	144,478
Ending fund balance/ working capital	\$ 593,799	\$ 510,046	\$ 470,106	\$ 655,371	\$ 799,849

**NON-MAJOR GOVERNMENTAL FUND
CEMETERY FUND**

	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ 343,364	\$ 396,153	\$ 396,153	\$ 430,786	\$ 470,456
Revenues					
Charges For Services	79,102	45,000	45,000	45,000	46,350
Investment Earnings	32,321	18,500	18,500	28,000	27,440
Total Revenues	111,423	63,500	63,500	73,000	73,790
Expenditures					
Outside Services	19,834	20,600	20,600	20,600	20,600
Infr Maint & Repair	-	1,030	1,030	1,030	1,030
Utilities	3,406	10,920	10,920	10,920	4,270
Contribution To Isf	-	-	-	-	32
Cost Allocation Exp	761	780	780	780	780
Total Expenditures	24,001	33,330	33,330	33,330	26,712
Change in fund balance	87,422	30,170	30,170	39,670	47,078
Ending fund balance/ working capital	\$ 430,786	\$ 426,323	\$ 426,323	\$ 470,456	\$ 517,534

NON-MAJOR GOVERNMENTAL FUND CEMETERY ENDOWMENT FUND					
	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ 163,484	\$ 179,775	\$ 179,775	\$ 187,215	\$ 200,639
Revenues					
Charges For Services	23,731	13,500	13,500	13,425	13,500
Total Revenues	23,731	13,500	13,500	13,425	13,500
Expenditures					
Expenditures	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Change in fund balance	23,731	13,500	13,500	13,425	13,500
Ending fund balance/ working capital	\$ 187,215	\$ 193,275	\$ 193,275	\$ 200,639	\$ 214,139

**NON-MAJOR GOVERNMENTAL FUND
HEALTH INSURANCE FUND**

	2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET
Beginning fund balance/ working capital	\$ 3,462,577	\$ 3,530,219	\$ 3,530,219	\$ 3,320,593	\$ 3,962,172
Revenues					
Contr Fr Hlth Ins Fd	6,480,238	6,769,017	6,769,017	6,769,017	7,085,140
Investment Earnings	156,671	100,000	100,000	100,000	100,000
Miscellaneous	264,195	242,385	242,385	242,385	337,552
Oper Grant & Contr	398,567	256,000	256,000	256,000	291,746
Total Revenues	7,299,672	7,367,402	7,367,402	7,367,402	7,814,439
Expenditures					
Benefits	448,224	458,600	463,600	-	379,252
Outside Services	62,829	100,000	100,000	100,000	100,000
Claims And Insurance	6,350,281	6,019,523	6,027,523	6,019,523	7,388,679
Misc	25,659	35,000	27,000	35,000	22,906
Cost Allocation Exp	554,663	571,300	571,300	571,300	-
Total Expenditures	7,441,656	7,184,423	7,189,423	6,725,823	7,890,837
Change in fund balance	(141,984)	182,979	177,979	641,579	(76,398)
Ending fund balance/ working capital	\$ 3,320,593	\$ 3,713,198	\$ 3,708,198	\$ 3,962,172	\$ 3,885,774

MAJOR GOVERNMENTAL FUND STREET MAINTENANCE FUND					
2023-24 ACTUAL	2024-25 ORIGINAL BUDGET	2024-25 REVISED BUDGET	2024-25 ESTIMATE	2025-26 PROPOSED BUDGET	
Beginning fund balance/ working capital	\$ -	\$ -	\$ -	\$ -	15,000
Revenues					
Investment Earnings	-	20,000	35,000	38,667	34,300
Transfer In	-	1,645,833	1,645,833	1,645,833	1,667,045
Total Revenues	-	1,665,833	1,680,833	1,684,500	1,701,345
Expenditures					
Supplies	-	-	-	-	-
Outside Services	-	30,000	59,489	80,000	30,000
Infr Maint & Repair	-	1,635,833	1,599,389	1,593,878	1,686,345
Equip Maint & Repair	-	-	-	-	-
Capital Expenditures	-	-	6,955	6,955	-
Tranfers Out	-	-	-	-	-
Total Expenditures	-	1,665,833	1,665,833	1,680,833	1,716,345
Change in fund balance	-	-	15,000	3,667	(15,000)
Ending fund balance/ working capital	\$ -	\$ -	\$ 15,000	\$ 3,667	\$ -

City of Burleson Supplemental Requests

FY 2026

Fund	Department	Function	Request Summary	FTE	One-Time	Ongoing	Revenue Offset	Total FY25-26
General Fund	Human Resources	General Government	Public Safety Equity Pay*			573,750		573,750
General Fund	Police	Public Safety	Axon master service agreement		-	-		-
General Fund	Fire	Public Safety	Arson Investigator / Fire Inspector	1	6,645	149,911	109,920	46,636
General Fund	Senior Center	Community Service	Handicap Access Ramp		3,500			3,500
General Fund	Parks	Parks & Recreation	Playground inspection audit			12,750		12,750
General Fund	Parks	Parks & Recreation	Seasonal Drainage Worker	0.5		28,585		28,585
General Fund	Fire	Public Safety	Staffing for fourth ambulance	3	28,935	411,010		439,945
General Fund	Police	Public Safety	One new patrol unit	1	108,767	179,738		288,505
Subtotal – General Fund				5.5	147,847	1,355,744	109,920	1,393,671
								-
Parks Perf. Fund	PPF Recreation	Parks & Recreation	FTE Aquatic Maintenance Specialist	1		94,896		94,896
Parks Perf. Fund	PPF Athletic Fields	Parks & Recreation	Athletic Field Attendant	0.5		13,608		13,608
Parks Perf. Fund	PPF Russell Farm	Parks & Recreation	Sensory garden irrigation		3,000			3,000
Parks Perf. Fund	PPF Recreation	Parks & Recreation	Slide maintenance		12,155			12,155
Parks Perf. Fund	PPF Recreation	Parks & Recreation	Rust prevention chemicals (BRiCk)			5,372		5,372
Parks Perf. Fund	PPF Athletic Fields	Parks & Recreation	Portable Pitching Mounds Athletics		24,000			24,000
Parks Perf. Fund	PPF Recreation	Parks & Recreation	Program room update		17,583			17,583
Parks Perf. Fund	PPF Athletic Fields	Parks & Recreation	Dump trailer Athletics		10,321	688		11,009
Parks Perf. Fund	PPF Recreation	Parks & Recreation	Additional ice machine		1,640			1,640
Parks Perf. Fund	Parks	Parks & Recreation	Urban Forester & Truck	1	61,152	132,541	50,000	143,693
Parks Perf. Fund	Parks	Parks & Recreation	Tree Maintenance		20,000		20,000	-
Parks Perf. Fund	Parks	Parks & Recreation	Retaining Trucks			7,151		7,151
Subtotal – PPF				2.5	149,851	254,256	70,000	334,107
								-
Golf Course Fund	Golf Course Maintenance	Parks & Recreation	Inground Trash Cans/Course Amenities		16,750			16,750
Golf Course Fund	Club House & Pro Shop	Parks & Recreation	Pro Core Aerifier		48,469	7,075		55,544
Golf Course Fund	Club House & Pro Shop	Parks & Recreation	Sod Cutter		6,180	1,306		7,486

Golf Course Fund	Golf Course Maintenance	Parks & Recreation	Tree Removal and Limb up		29,000	20,000		49,000
Golf Course Fund	Golf Course Maintenance	Parks & Recreation	Turf Training for staff beyond Superintendent			2,000		2,000
Golf Course Fund	Golf Course Maintenance	Parks & Recreation	Seasonal Groundskeeper	0.5		28,408		28,408
Golf Course Fund	Club House & Pro Shop	Parks & Recreation	Cart Barn Attendant, Part-time	0.5		16,247		16,247
Golf Course Fund	Golf Course Maintenance	Parks & Recreation	Drainage Basin Repair		15,000			15,000
Golf Course Fund	Golf Course Maintenance	Parks & Recreation	Irrigation Expansion		20,000			20,000
Subtotal – Golf Fund				1.0	135,399	75,036	-	210,435
-								
4B Fund	4B Special Events	Parks & Recreation	Icy breeze misters		1,000			1,000
	4B Special Events	Parks & Recreation	Canopies Special Events		1,000			1,000
Subtotal – 4B Fund				0.0	2,000	-	-	2,000
-								
IT Fund	Information Technology	Information Technology	Cohesity Upgrade		606,235			606,235
Subtotal – IT Fund				0.0	606,235	-	-	606,235
-								
Hotel/Motel Fund	Tourism Development	Community Development	Expanded Fourth of July event		75,000			75,000
Subtotal – Hotel Fund				0.0	75,000	-	-	75,000
-								
Grand Total				9.0	1,116,332	1,685,036	179,920	2,621,448

* Annualized amount is \$765,000. Figures reflected in the budget proposal consider a January 1 effective date.

Tax Rate Worksheet



2025 Tax Rate Calculation Worksheet

Taxing Units Other Than School Districts or Water Districts

Form 50-856

City of Burleson	817-426-9600
Taxing Unit Name	Phone (area code and number)
141 W. Renfro Street, Burleson, TX 76028	https://www.burlesontx.com
Taxing Unit's Address, City, State, ZIP Code	Taxing Unit's Website Address

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

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

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

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

SECTION 1: No-New-Revenue Tax Rate

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

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

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

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
1.	Prior year total taxable value. 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). ¹	\$ 6,687,378,800
2.	Prior year tax ceilings. 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. ²	\$ 1,033,747,701
3.	Preliminary prior year adjusted taxable value. Subtract Line 2 from Line 1.	\$ 5,653,631,099
4.	Prior year total adopted tax rate.	\$ 0.6627 /\$100
5.	Prior year taxable value lost because court appeals of ARB decisions reduced the prior year's appraised value. A. Original prior year ARB values: \$ 100,508,340 B. Prior year values resulting from final court decisions: - \$ 88,287,080 C. Prior year value loss. Subtract B from A. ³	\$ 12,221,260
6.	Prior year taxable value subject to an appeal under Chapter 42, as of July 25. A. Prior year ARB certified value: \$ 0 B. Prior year disputed value: - \$ 0 C. Prior year undisputed value. Subtract B from A. ⁴	\$ 0
7.	Prior year Chapter 42 related adjusted values. Add Line 5C and Line 6C.	\$ 12,221,260

¹ Tex. Tax Code §26.012(14)
² Tex. Tax Code §26.012(14)
³ Tex. Tax Code §26.012(13)
⁴ Tex. Tax Code §26.012(13)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
8.	Prior year taxable value, adjusted for actual and potential court-ordered adjustments. Add Line 3 and Line 7.	\$ 5,665,852,359
9.	Prior year taxable value of property in territory the taxing unit deannexed after Jan. 1, 2024. Enter the prior year value of property in deannexed territory. ⁵	\$ 0
10.	<p>Prior year taxable value lost because property first qualified for an exemption in the current year. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in the current year does not create a new exemption or reduce taxable value.</p> <p>A. Absolute exemptions. Use prior year market value: \$ 17,169,858</p> <p>B. Partial exemptions. Current year exemption amount or current year percentage exemption times prior year value: + \$ 18,049,203</p> <p>C. Value loss. Add A and B.⁶</p>	\$ 35,219,061
11.	<p>Prior year taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in the current year. Use only properties that qualified for the first time in the current year; do not use properties that qualified in the prior year.</p> <p>A. Prior year market value: \$ 317,934</p> <p>B. Current year productivity or special appraised value: - \$ 973</p> <p>C. Value loss. Subtract B from A.⁷</p>	\$ 316,961
12.	Total adjustments for lost value. Add Lines 9, 10C and 11C.	\$ 35,536,022
13.	Prior year captured value of property in a TIF. Enter the total value of the prior year captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the prior year taxes were deposited into the tax increment fund. ⁸ If the taxing unit has no captured appraised value in line 18D, enter 0.	\$ 209,908,699
14.	Prior year total value. Subtract Line 12 and Line 13 from Line 8.	\$ 5,420,407,638
15.	Adjusted prior year total levy. Multiply Line 4 by Line 14 and divide by \$100.	\$ 35,921,041
16.	Taxes refunded for years preceding the prior tax year. Enter the amount of taxes refunded by the taxing unit for tax years preceding the prior tax year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for the prior tax year. This line applies only to tax years preceding the prior tax year. ⁹	\$ 97,490
17.	Adjusted prior year levy with refunds and TIF adjustment. Add Lines 15 and 16. ¹⁰	\$ 36,018,531
18.	<p>Total current year taxable value on the current year certified appraisal roll today. This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled.¹¹</p> <p>A. Certified values: \$ 6,623,421,577</p> <p>B. Counties: Include railroad rolling stock values certified by the Comptroller's office: + \$ _____</p> <p>C. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: - \$ 0</p> <p>D. Tax increment financing: Deduct the current year captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the current year taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 24 below.¹² - \$ 210,055,952</p> <p>E. Total current year value. Add A and B, then subtract C and D.</p>	\$ 6,413,365,625

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

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
19.	<p>Total value of properties under protest or not included on certified appraisal roll. ¹³</p> <p>A. Current year taxable value of properties under protest. 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. ¹⁴..... \$ <u>264,926,890</u></p> <p>B. Current year value of properties not under protest or included on certified appraisal roll. 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. ¹⁵..... + \$ <u>1,313,334</u></p> <p>C. Total value under protest or not certified. Add A and B.</p>	\$ <u>266,240,224</u>
20.	Current year tax ceilings. 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. ¹⁶	\$ <u>1,090,521,079</u>
21.	Anticipated contested value. Affected taxing units enter the contested taxable value for all property that is subject to anticipated substantial litigation. ¹⁷ An affected taxing unit is wholly or partly located in a county that has a population of less than 500,000 and is located on the Gulf of Mexico. ¹⁸ If completing this section, the taxing unit must include supporting documentation in Section 9. ¹⁹ Taxing units that are not affected, enter 0.	\$ <u>0</u>
22.	Current year total taxable value. Add Lines 18E and 19C, then subtract Lines 20 and 21. ²⁰	\$ <u>5,589,084,770</u>
23.	Total current year taxable value of properties in territory annexed after Jan. 1, of the prior year. Include both real and personal property. Enter the current year value of property in territory annexed. ²¹	\$ <u>10,933</u>
24.	Total current year taxable value of new improvements and new personal property located in new improvements. 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 do include property on which a tax abatement agreement has expired for the current year. ²²	\$ <u>124,923,349</u>
25.	Total adjustments to the current year taxable value. Add Lines 23 and 24.	\$ <u>124,934,282</u>
26.	Adjusted current year taxable value. Subtract Line 25 from Line 22.	\$ <u>5,464,150,488</u>
27.	Current year NNR tax rate. Divide Line 17 by Line 26 and multiply by \$100. ²³	\$ <u>0.6591</u> /\$100
28.	COUNTIES ONLY. Add together the NNR tax rates for each type of tax the county levies. The total is the current year county NNR tax rate. ²⁴	\$ _____ /\$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.

¹³ Tex. Tax Code §26.01(c) and (d)
¹⁴ Tex. Tax Code §26.01(c)
¹⁵ Tex. Tax Code §26.01(d)
¹⁶ Tex. Tax Code §26.012(6)(B)
¹⁷ Tex. Tax Code §§26.012(5)(C) and 26.012(1-b)
¹⁸ Tex. Tax Code §26.012(1-a)
¹⁹ Tex. Tax Code §26.04(d-3)
²⁰ Tex. Tax Code §26.012(6)
²¹ Tex. Tax Code §26.012(17)
²² Tex. Tax Code §26.012(17)
²³ Tex. Tax Code §26.04(c)
²⁴ Tex. Tax Code §26.04(d)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
29.	Prior year M&O tax rate. Enter the prior year M&O tax rate.	\$ 0.4704 /\$100
30.	Prior year taxable value, adjusted for actual and potential court-ordered adjustments. Enter the amount in Line 8 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 5,665,852,359
31.	Total prior year M&O levy. Multiply Line 29 by Line 30 and divide by \$100.	\$ 26,652,169
32.	Adjusted prior year levy for calculating NNR M&O rate. A. M&O taxes refunded for years preceding the prior tax year. Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2024. This line applies only to tax years preceding the prior tax year. + \$ 69,212 B. Prior year taxes in TIF. 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. - \$ 924,614 C. Prior year transferred function. If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0. +/- \$ 0 D. Prior year M&O levy adjustments. Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function. \$ -855,402 E. Add Line 31 to 32D.	\$ 25,796,767
33.	Adjusted current year taxable value. Enter the amount in Line 26 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 5,464,150,488
34.	Current year NNR M&O rate (unadjusted). Divide Line 32E by Line 33 and multiply by \$100.	\$ 0.4721 /\$100
35.	Rate adjustment for state criminal justice mandate. ²⁶ A. Current year state criminal justice mandate. Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. \$ 0 B. Prior year state criminal justice mandate. Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies. - \$ 0 C. Subtract B from A and divide by Line 33 and multiply by \$100. \$ 0.0000 /\$100 D. Enter the rate calculated in C. If not applicable, enter 0.	\$ 0.0000 /\$100
36.	Rate adjustment for indigent health care expenditures. ²⁷ A. Current year indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year, less any state assistance received for the same purpose. \$ 0 B. Prior year indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2023 and ending on June 30, 2024, less any state assistance received for the same purpose. - \$ 0 C. Subtract B from A and divide by Line 33 and multiply by \$100. \$ 0.0000 /\$100 D. Enter the rate calculated in C. If not applicable, enter 0.	\$ 0.0000 /\$100

²⁵ [Reserved for expansion]

²⁶ Tex. Tax Code §26.044

²⁷ Tex. Tax Code §26.0441

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
37.	<p>Rate adjustment for county indigent defense compensation. ²⁸</p> <p>A. Current year indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year, less any state grants received by the county for the same purpose. \$ 0 _____</p> <p>B. Prior year indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2023 and ending on June 30, 2024, less any state grants received by the county for the same purpose. \$ 0 _____</p> <p>C. Subtract B from A and divide by Line 33 and multiply by \$100. \$ 0.0000 _____/\$100</p> <p>D. Multiply B by 0.05 and divide by Line 33 and multiply by \$100. \$ 0.0000 _____/\$100</p> <p>E. Enter the lesser of C and D. If not applicable, enter 0.</p>	\$ 0.0000 _____/\$100
38.	<p>Rate adjustment for county hospital expenditures. ²⁹</p> <p>A. Current year eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year. \$ 0 _____</p> <p>B. Prior year eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2023 and ending on June 30, 2024. \$ 0 _____</p> <p>C. Subtract B from A and divide by Line 33 and multiply by \$100. \$ 0.0000 _____/\$100</p> <p>D. Multiply B by 0.08 and divide by Line 33 and multiply by \$100. \$ 0.0000 _____/\$100</p> <p>E. Enter the lesser of C and D, if applicable. If not applicable, enter 0.</p>	\$ 0.0000 _____/\$100
39.	<p>Rate adjustment for defunding municipality. 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>A. Amount appropriated for public safety in the prior year. Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year. \$ 0 _____</p> <p>B. Expenditures for public safety in the prior year. Enter the amount of money spent by the municipality for public safety during the preceding fiscal year \$ 0 _____</p> <p>C. Subtract B from A and divide by Line 33 and multiply by \$100 \$ 0.0000 _____/\$100</p> <p>D. Enter the rate calculated in C. If not applicable, enter 0.</p>	\$ 0.0000 _____/\$100
40.	<p>Adjusted current year NNR M&O rate. Add Lines 34, 35D, 36D, 37E, and 38E. Subtract Line 39D.</p>	\$ 0.4721 _____/\$100
41.	<p>Adjustment for prior year sales tax specifically to reduce property taxes. Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in the prior year should complete this line. These entities will deduct the sales tax gain rate for the current year in Section 3. Other taxing units, enter zero.</p> <p>A. Enter the amount of additional sales tax collected and spent on M&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 \$ 0 _____</p> <p>B. Divide Line 41A by Line 33 and multiply by \$100. \$ 0.0000 _____/\$100</p> <p>C. Add Line 41B to Line 40.</p>	\$ 0.4721 _____/\$100
42.	<p>Current year voter-approval M&O rate. Enter the rate as calculated by the appropriate scenario below.</p> <p>Special Taxing Unit. If the taxing unit qualifies as a special taxing unit, multiply Line 41C by 1.08.</p> <p>- or -</p> <p>Other Taxing Unit. If the taxing unit does not qualify as a special taxing unit, multiply Line 41C by 1.035.</p>	\$ 0.4886 _____/\$100

²⁸ Tex. Tax Code §26.0442
²⁹ Tex. Tax Code §26.0443

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
D42.	<p>Disaster Line 42 (D42): Current year voter-approval M&O rate for taxing unit affected by disaster declaration. 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 41C by 1.08.³⁰ If the taxing unit does not qualify, do not complete Disaster Line 42 (Line D42).</p>	\$ 0.0000 /\$100
43.	<p>Total current year debt to be paid with property taxes and additional sales tax revenue. 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&O expenses.</p> <p>A. Debt 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.³¹</p> <p>Enter debt amount \$ 14,624,867</p> <p>B. Subtract unencumbered fund amount used to reduce total debt. – \$ 1,695,000</p> <p>C. Subtract certified amount spent from sales tax to reduce debt (enter zero if none) – \$ 0</p> <p>D. Subtract amount paid from other resources – \$ 0</p> <p>E. Adjusted debt. Subtract B, C and D from A. \$ 12,929,867</p>	\$ 12,929,867
44.	Certified prior year excess debt collections. Enter the amount certified by the collector. ³²	\$ 30,924
45.	Adjusted current year debt. Subtract Line 44 from Line 43E.	\$ 12,898,943
46.	<p>Current year anticipated collection rate.</p> <p>A. Enter the current year anticipated collection rate certified by the collector.³³ 101.00 %</p> <p>B. Enter the prior year actual collection rate..... 100.00 %</p> <p>C. Enter the 2023 actual collection rate. 101.00 %</p> <p>D. Enter the 2022 actual collection rate. 101.00 %</p> <p>E. 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%.³⁴</p>	101.00 %
47.	Current year debt adjusted for collections. Divide Line 45 by Line 46E.	\$ 12,771,230
48.	Current year total taxable value. Enter the amount on Line 22 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 5,589,084,770
49.	Current year debt rate. Divide Line 47 by Line 48 and multiply by \$100.	\$ 0.2285 /\$100
50.	Current year voter-approval M&O rate plus current year debt rate. Add Lines 42 and 49.	\$ 0.7171 /\$100
D50.	<p>Disaster Line 50 (D50): Current year voter-approval tax rate for taxing unit affected by disaster declaration. Complete this line if the taxing unit calculated the voter-approval tax rate in the manner provided for a special taxing unit on Line D42. Add Line D42 and 49.</p>	\$ 0.0000 /\$100

³⁰ Tex. Tax Code §26.042(a)
³¹ Tex. Tax Code §26.012(7)
³² Tex. Tax Code §26.012(10) and 26.04(b)
³³ Tex. Tax Code §26.04(b)
³⁴ Tex. Tax Code §526.04(h), (h-1) and (h-2)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
51.	COUNTIES ONLY. 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.	\$ 0.0000 /\$100

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

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

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

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
52.	Taxable Sales. 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. ³⁵ 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
53.	Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. ³⁶ Taxing units that adopted the sales tax in November of the prior tax year or in May of the current tax year. Multiply the amount on Line 52 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. ³⁷ - or - Taxing units that adopted the sales tax before November of the prior year. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	\$ 0
54.	Current year total taxable value. Enter the amount from Line 22 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 5,589,084,770
55.	Sales tax adjustment rate. Divide Line 53 by Line 54 and multiply by \$100.	\$ 0.0000 /\$100
56.	Current year NNR tax rate, unadjusted for sales tax. ³⁸ Enter the rate from Line 27 or 28, as applicable, on the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0.6591 /\$100
57.	Current year NNR tax rate, adjusted for sales tax. Taxing units that adopted the sales tax in November the prior tax year or in May of the current tax year. Subtract Line 55 from Line 56. Skip to Line 58 if you adopted the additional sales tax before November of the prior tax year.	\$ 0.6591 /\$100
58.	Current year voter-approval tax rate, unadjusted for sales tax. ³⁹ Enter the rate from Line 50, Line D50 (disaster) or Line 51 (counties) as applicable, of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0.7171 /\$100
59.	Current year voter-approval tax rate, adjusted for sales tax. Subtract Line 55 from Line 58.	\$ 0.7171 /\$100

SECTION 4: Voter Approval Tax Rate Adjustment for Pollution Control

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

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

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
60.	Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ. ⁴⁰ The taxing unit shall provide its tax assessor-collector with a copy of the letter. ⁴¹	\$ 0
61.	Current year total taxable value. Enter the amount from Line 22 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 5,589,084,770
62.	Additional rate for pollution control. Divide Line 60 by Line 61 and multiply by \$100.	\$ 0.0000 /\$100

³⁵ Tex. Tax Code §26.041(d)

³⁶ Tex. Tax Code §26.041(i)

³⁷ Tex. Tax Code §26.041(d)

³⁸ Tex. Tax Code §26.04(c)

³⁹ Tex. Tax Code §26.04(c)

⁴⁰ Tex. Tax Code §26.045(d)

⁴¹ Tex. Tax Code §26.045(i)

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
63.	Current year voter-approval tax rate, adjusted for pollution control. Add Line 62 to one of the following lines (as applicable): Line 50, Line D50 (disaster), Line 51 (counties) or Line 59 (taxing units with the additional sales tax).	\$ 0.7171 /\$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.⁴² 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.⁴³

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;⁴⁴
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a);⁴⁵ 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.⁴⁶

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

Line	Unused Increment Rate Worksheet	Amount/Rate
64.	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 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.	 \$ 0.6627 /\$100 \$ 0.0160 /\$100 \$ 0.6467 /\$100 \$ 0.6627 /\$100 \$ -0.0160 /\$100 \$ 5,449,777,686 \$ 0
65.	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 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.	 \$ 0.6724 /\$100 \$ 0.0399 /\$100 \$ 0.6325 /\$100 \$ 0.6325 /\$100 \$ 0.0000 /\$100 \$ 5,144,004,660 \$ 0
66.	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 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.	 \$ 0.6971 /\$100 \$ 0.0339 /\$100 \$ 0.6632 /\$100 \$ 0.6572 /\$100 \$ 0.0060 /\$100 \$ 4,433,184,219 \$ 265,991
67.	Total Foregone Revenue Amount. Add Lines 64G, 65G and 66G	\$ 265,991 /\$100
68.	2025 Unused Increment Rate. Divide Line 67 by Line 22 of the <i>No-New-Revenue Rate Worksheet</i> . Multiply the result by 100	\$ 0.0047 /\$100
69.	Total 2025 voter-approval tax rate, including the unused increment rate. Add Line 68 to one of the following lines (as applicable): Line 50, Line 51 (counties), Line 59 (taxing units with additional sales tax) or Line 63 (taxing units with pollution)	\$ 0.7218 /\$100

⁴² Tex. Tax Code §26.013(b)
⁴³ Tex. Tax Code §§26.013(a)(1-a), (1-b), and (2)
⁴⁴ Tex. Tax Code §§26.04(c)(2)(A) and 26.042(a)
⁴⁵ Tex. Tax Code §§26.0501(a) and (c)
⁴⁶ Tex. Local Gov't Code §120.007(d)
⁴⁷ 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.⁴⁸ 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.⁴⁹

Line	De Minimis Rate Worksheet	Amount/Rate
70.	Adjusted current year NNR M&O tax rate. Enter the rate from Line 40 of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0.4721 /\$100
71.	Current year total taxable value. Enter the amount on Line 22 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 5,589,084,770
72.	Rate necessary to impose \$500,000 in taxes. Divide \$500,000 by Line 71 and multiply by \$100.	\$ 0.0089 /\$100
73.	Current year debt rate. Enter the rate from Line 49 of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0.2285 /\$100
74.	De minimis rate. Add Lines 70, 72 and 73.	\$ 0.0000 /\$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.⁵⁰

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.⁵¹

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

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

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

Line	Emergency Revenue Rate Worksheet	Amount/Rate
75.	2024 adopted tax rate. Enter the rate in Line 4 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0.6627 /\$100
76.	Adjusted 2024 voter-approval tax rate. Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line. ⁵² 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. ⁵³ 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.	\$ 0.0000 /\$100
77.	Increase in 2024 tax rate due to disaster. Subtract Line 76 from Line 75.	\$ 0.0000 /\$100
78.	Adjusted 2024 taxable value. Enter the amount in Line 14 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 5,420,407,638
79.	Emergency revenue. Multiply Line 77 by Line 78 and divide by \$100.	\$ 0
80.	Adjusted 2024 taxable value. Enter the amount in Line 26 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 5,464,150,488
81.	Emergency revenue rate. Divide Line 79 by Line 80 and multiply by \$100. ⁵³	\$ 0.0000 /\$100

⁴⁸ Tex. Tax Code §26.012(B-a)

⁴⁹ Tex. Tax Code §26.063(a)(1)

⁵⁰ Tex. Tax Code §26.042(b)

⁵¹ Tex. Tax Code §26.042(f)

⁵² Tex. Tax Code §26.042(c)

⁵³ Tex. Tax Code §26.042(b)

Line	Emergency Revenue Rate Worksheet	Amount/Rate
82.	Current year voter-approval tax rate, adjusted for emergency revenue. Subtract Line 81 from one of the following lines (as applicable): Line 50, Line D50 (disaster), Line 51 (counties), Line 59 (taxing units with the additional sales tax), Line 63 (taxing units with pollution control) or Line 69 (taxing units with the unused increment rate).	\$ <u>0.7218</u> /\$100

SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

- No-new-revenue tax rate.** \$ 0.6591 /\$100
 As applicable, enter the current year NNR tax rate from: Line 27, Line 28 (counties), or Line 57 (adjusted for sales tax).
 Indicate the line number used: 27
- Voter-approval tax rate.** \$ 0.7218 /\$100
 As applicable, enter the current year voter-approval tax rate from: Line 50, Line D50 (disaster), Line 51 (counties), Line 59 (adjusted for sales tax), Line 63 (adjusted for pollution control), Line 69 (adjusted for unused increment), or Line 82 (adjusted for emergency revenue).
 Indicate the line number used: 69
- De minimis rate.** \$ 0.0000 /\$100
 If applicable, enter the current year de minimis rate from Line 74.

SECTION 9: Addendum

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

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

Insert hyperlinks to supporting documentation:

SECTION 10: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in the Tax Code.⁵⁴

print here ▶ Scott Porter, TAC
 Printed Name of Taxing Unit Representative

sign here ▶ J. Scott Porter
 Taxing Unit Representative

7/29/25
 Date

⁵⁴ Tex. Tax Code §§26.04(c-2) and (d-2)

Financial Policies



City of Burleson, Texas
FINANCIAL POLICY STATEMENTS

June 16, 2025

I. STATEMENT OF PURPOSE

The intent of the Financial Policy is to enable the City to achieve a long-term, stable, and positive financial condition. The guiding principles of the City's financial management include integrity, prudent stewardship, planning, accountability, and full disclosure.

The more specific purpose is to provide guidelines to management in planning and directing the City's finances and in developing recommendations to the City Council.

The scope of the financial policies includes the City's investment, debt, and continuing disclosure policies covering areas such as accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash and investment management, expenditure control, debt management, and planning concepts, in order to:

- a. present fairly and with full disclosure the financial position and results of financial operations of the City in conformity to generally accepted accounting principles (GAAP) as set forth by the governmental accounting standards board (GASB), and
- b. determine and demonstrate compliance with finance related legal and contractual issues in accordance with provisions of the Texas Local Government Code and other pertinent legal documents and mandates.

II. GENERAL IMPLEMENTATION AND COMPLIANCE GUIDELINES

- A. **FINANCE COMMITTEE.** The committee will meet at least four times a year. The committee will report to the City Council at a Regular City Council meeting. The function of the committee will be:
 - 1) Fiscal policy review
 - 2) Auditor selection recommendation
 - 3) Investment and Debt policy review and guidance
 - 4) Long-range planning
 - 5) Financial Report review
- B. **ANNUAL REVIEW.** Based upon the results and recommendations of the Finance Committee review, the Council will annually approve the fiscal policies.
- C. **IMPLEMENTATION, COMPLIANCE, ACCOUNTABILITY AND REVIEW.** The Finance Director will be responsible for implementing these policies and will, to the best of his or her knowledge, make the City Manager, Finance Committee and the City

Council aware of any variances in practice from these policies or any other deviation from prudent financial practices in accordance with GAAP, the City Charter, state laws and/or ethics of the profession.

III. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

- A. ACCOUNTING. The City is solely responsible for the reporting of its financial affairs, both internally and externally. The City Manager is the City's Chief Administrative Officer and the head of the administrative branch of the City government. The City Manager may delegate some or all of the financial administrative duties but shall maintain supervisory authority over all functions as specified in the City's Charter Article VII, Section 68.
- B. AUDITING. An independent certified public accounting (CPA) firm will perform annual financial audits.
- 1) Qualifications of the Auditor. In conformance with the City's Charter and according to the provisions of Texas Local Government Code, Chapter 103, the City will be audited annually by outside independent accountants. ("auditor").
 - 2) Auditor Repute. The auditor must be a CPA firm of good reputation and must demonstrate that it has the breadth and depth of staff to conduct the City's audit in accordance with generally accepted auditing standards and contractual requirements. The auditor must be registered as a partnership or corporation or certified public accountants, capable of demonstrating that it has sufficient staff which will enable it to conduct the City's audit in accordance with generally accepted auditing standards as required by the City Charter and applicable state and federal laws.
 - 3) Timing. The auditor's report on the City's financial statements will be completed within 180 days of the City's fiscal year end.
 - 4) Management Letter. The independent CPA firm shall provide a management letter, if one is issued, no later than March 31 following the end of each fiscal year. The auditor will prepare and will review the management letter with Management and the Finance Committee. The Finance Director shall respond in writing to the City Manager and City Council regarding the auditor's management letter, addressing the issues contained therein. The Council shall schedule its formal acceptance of the auditor's report upon the resolution of any issues resulting from the review.
 - 5) Responsibility of Auditor to City Council. The auditor is accountable to the City Council and will have access to direct communication with the City Council if the City Staff is unresponsive to auditor recommendations or if the Auditor

considers such communication necessary to fulfill its legal and professional responsibilities.

- 6) Rotation of Auditor. The City will not require an auditor rotation but will circulate requests for proposals for audit services at least every five years. Should the City Council be dissatisfied with the auditor's performance, it may request new proposals at any time. Year-to-year authorization to continue shall be done by July 1st of each year.

C. FINANCIAL REPORTING.

1) External Reporting.

- a. Scope. The Annual Comprehensive Financial Report shall be prepared in accordance with generally accepted accounting principles (GAAP).
- b. Timing. The Report shall be presented to the Council within 180 calendar days of the City's fiscal year end. If City staffing limitations preclude such timely reporting, the Finance Director will inform the City Council of the delay and the reasons thereof.
- c. Awards. The Report shall be presented annually to the Government Finance Officer's Association (GFOA) for evaluation and consideration for the Certificate of Achievement for Excellence in Financial Reporting.

2) Internal Reporting.

The Finance Department will prepare internal financial reports, sufficient to plan, monitor, and control the City's financial affairs. Internal financial reporting objectives are addressed throughout these policies.

IV. OPERATING BUDGET.

A. PREPARATION. Budgeting is an essential element of the financial planning, control, and evaluation process of municipal government. The City's "operating budget" is the City's annual financial operating plan. The scope of the budget includes all funds for which the City will adopt a formal budget, including Government Funds and Proprietary Funds.

- 1) Budgetary Process. The budget is prepared by the City Manager or his/her designee with the cooperation of all City Departments. The proposed budget should be presented to the City Council between 60 and 90 days prior to the fiscal year end and should be enacted by the City Council prior to fiscal year end in accordance with the Charter.

- 2) Awards. If feasible, the operating budget will be submitted to the GFOA annually for evaluation and consideration for the Award for Distinguished Budget Presentation.
- 3) Basis of Budgeting. The basis of budgeting will be the same as the basis of accounting; that is, that budgets for the General Fund and the Special Revenue Funds are prepared on the modified accrual basis of accounting, and budgets for the Utility (Proprietary) Funds are prepared on a full accrual basis, except that capital purchases and depreciation are not adjusted until year-end financial reporting.
- 4) Financial Forecast. A five-year financial forecast shall be prepared annually, projecting revenues and expenditures for all operating and capital funds. This forecast shall be used as a planning tool in developing the following year's operating budget.
- 5) Proposed Budget Format. A proposed budget shall be prepared by the City Manager with the participation of all of the City's Department Directors, within the provisions of the City Charter. The budget shall include at least four basic segments for review and evaluation. These segments are: (1) personnel costs, (2) operations and maintenance costs, (3) capital and other (non-capital) project costs, and (4) revenues. A four-column format should be used such that prior year actual, current year budget and revised, and next year proposed are all clearly shown.
- 6) Council Participation. The budget review process shall include Council participation in the development of each of the four segments of the proposed budget and a Public Hearing to allow for citizen participation in the budget preparation. The budget process shall span sufficient time to address policy and fiscal issues by the Council. The budget process will be coordinated so as to identify major policy issues for City Council consideration prior to the budget approval date so that proper decision analysis can be made.
- 7) Filing and Adoption. Upon the presentation of a proposed budget document acceptable to the Council, the Council shall call and publicize a public hearing and adopt by Ordinance such budget as the City's Official Budget, effective for the fiscal year beginning. A copy of the proposed budget shall be filed with the City Secretary in accordance with the provisions of the City Charter. Should the Council fail to take final action on or before the last day of the fiscal year, the budget as submitted by the City Manager shall be deemed to have been finally adopted by the City Council. If a tax rate is not adopted by September 30, the tax rate for that year will be the lower of the no-new-revenue rate calculated for the tax year or the rate adopted by the taxing unit for the preceding year in accordance with State Law (Tax Code Sec.26.05. (c))

- 8) Amending the Official Budget. The council may amend the budget for municipal purposes in accordance with state law.
 - 9) Encumbrances. Encumbrances outstanding at the end of each fiscal year shall be reflected as reservations of fund balance. Subsequent year's payments on previously encumbered funds will be reflected as expenditures in the current year. For Encumbrances that are brought forward from the previous year, budgets will be adjusted by the encumbered amount in the current year.
- B. **BALANCED BUDGET**. The operating budget will be balanced with current revenues and other resources greater than or equal to current expenditures/expenses. Use of beginning balances and other reserves to balance operations will be discussed with the City Council during the budget process.
- C. **REPORTING**. Monthly financial reports will be prepared to enable the Department Managers to manage their budgets and to enable the Finance Director to monitor and control the budget as authorized by the City Manager. Summary financial reports will be presented to the departments. City Council will receive a financial summary of key funds within 30 days after the end of each month with the exception of the first quarter of the fiscal year. The report will be provided within 30 days after the first quarter of the fiscal year.
- D. **ACTIVITY INDICATORS AND STATISTICS**. Where appropriate, activity indicators and statistics will be used as guidelines and reviewed for efficiency and effectiveness. This information will be considered in the annual budgeting process and reported to the City Council regularly.
- E. **OPERATING POSITION**. The guidelines that the City should be following to assure fiscal stability are those outlined in Financial Condition/ Reserves/Stability Ratios.

V. REVENUE MANAGEMENT.

- A. The City will strive for the following optimum characteristics in its revenue system:
- 1) **SIMPLICITY**. The City, where possible and without sacrificing accuracy, will strive to keep the revenue system simple in order to reduce compliance costs and to make it more understandable to the taxpayer or service recipient. The City will avoid nuisance taxes or charges as revenue sources.
 - 2) **CERTAINTY**. A knowledge and understanding of revenue sources increase the reliability of the revenue system. The City will understand its revenue sources and enact consistent collection policies to provide assurances that the revenue base will materialize according to budgets and plans.
 - 3) **EQUITY**. The City shall make every effort to maintain equity in its revenue system structure, i.e., the City shall seek to minimize or eliminate all forms of

subsidy between entities, funds, services, utilities, and customers. The City shall require that there be a balance in the revenue system, i.e., the revenue base will have the characteristic of fairness and neutrality as it applies to cost of service, willingness to pay, and ability to pay.

- 4) ADMINISTRATION. The benefits of a revenue will generally exceed the cost of collecting and administering the revenue program. The cost of collection will be reviewed periodically for cost effectiveness as a part of the indirect cost and cost of services analysis. Where appropriate, the City will use the administrative processes of State or Federal collection agencies in order to reduce administrative costs.
 - 5) DIVERSIFICATION AND STABILITY. In order to protect from fluctuations in revenue sources due to changes in the economy and variations in weather, a diversified revenue system will be maintained to provide stability.
 - 6) GRANTS AND RESTRICTED REVENUES. In order to maintain flexibility in the revenue system, grants and restricted revenues shall be pursued on a cost-benefit basis. All grants and other federal/state, and restricted funds shall be managed and accounted for to comply with the laws, regulations, and guidance of the grantor.
- B. The following considerations and issues will guide the City in its revenue policies concerning specific sources of funds:
- 1) COST/BENEFIT OF ABATEMENT. The City will use due caution in the analysis of any tax or fee incentives that are used to encourage development. Ideally, a cost/benefit (fiscal impact) analysis will be performed as a part of such caution.
 - 2) NON-RECURRING REVENUES. One-time or non-recurring revenues will not be used to finance current ongoing operations. Non-recurring revenues should be used only for one-time expenditures such as long-lived capital needs.
 - 3) PROPERTY TAX REVENUES. All real and business personal property located within the City shall be valued at fair market value for any given year based on the current appraisal supplied to the City by the Central Appraisal District of Johnson County and Tarrant Appraisal District. Total taxable valuation will be reappraised and reassessed in accordance with State statute, in order to maintain current market values.

A 98% collection rate shall serve each year as a goal for tax collections. All taxes shall be aggressively pursued each year by the City's appointed tax assessor/collector. Tax accounts delinquent July 1st shall be submitted for collection each year to an attorney selected by the City Council. A penalty shall be assessed on all property taxes delinquent in accordance with State law and

shall include all court costs, as well as an amount for compensation of the attorney as permitted by State law and in accordance with the attorney's contract with the City. Annual performance criteria will be developed for the attorney.

- 4) **INTEREST INCOME.** Interest earned from investment of available monies, whether pooled or not, will be distributed to the funds in accordance with the operating and capital budgets which, wherever possible, will be in accordance with the cash balance of the fund from which monies were provided to be invested.
- 5) **USER-BASED FEES AND SERVICE CHARGES.** For services associated with a user fee or charge, the direct and indirect costs of that service will be offset by a fee where possible. There will be an annual review of fees and charges to ensure that fees provide adequate coverage of the costs of services. User charges may be classified as "Full Cost Recovery", "Partial Cost Recovery," and "Minimal Cost Recovery," based upon City Council policy.
- 6) **UTILITY RATES.** The City will review and adopt utility rates annually that will generate revenues required to fully cover operating expenditures, meet the legal restrictions of all applicable bond covenants, and provide for an adequate level of working capital needs. This policy does not preclude drawing down cash balances to finance current operations. However, it is best that any extra cash balance be used instead to finance capital projects. Components of Utility Rates will include transfers to the General Fund as follows:
 - a. General and Administrative Charge. An administrative fee will be charged to the Utility Fund for services of general overhead, such as administration, finance, personnel, data processing, and legal counsel. This fee will be documented through a cost allocation procedure.
 - b. Franchise payment. A rate consistent with those charged to private utilities will be charged to the Utility Fund. This rate may be either raised or lowered so as to be consistent with those of the private utilities.
 - c. Payment in lieu of Property Tax (PILOT). A fee will be charged to the Utility Fund to equate to property taxes lost due to municipal ownership. Total Assets from the most recent audited financials will be used as a basis, barring the absence of known market value. The tax rate from the same fiscal year as the most recent audited financials will be applied to this base to determine the PILOT charge.
- 7) **REVENUE MONITORING.** Revenues received will be compared to budgeted revenues throughout the fiscal year and significant variances will be investigated.

VI. EXPENDITURE CONTROL

- A. **APPROPRIATIONS.** The level of budgetary control is at the Department level budget in the General and Enterprise Funds, and at the fund level in all other funds. When budget adjustments among Departments and/or funds are necessary, these must be approved by the City Council. Budget appropriations at lower levels of control, which is defined as transfers, shall be made in accordance with the applicable administrative procedures.
- B. **AMENDMENTS TO THE BUDGET.** In accordance with the City Charter, all budget amendments shall be approved by the Council.
- C. **CENTRAL CONTROL.** No recognized or significant salary or capital budgetary savings in any Department shall be spent by the Department Director without the prior authorization of the City Manager. However, Department Directors are authorized to approve budgetary line items transfers in the same fund within their own assigned departments. The City Manager assigns Departments to each Director as areas of their responsibilities, and documents it in the City's Organization Chart.
- D. **PURCHASING.** All purchases should be in accordance with the City's purchasing policies as defined in the Purchasing Manual. In accordance with the Charter provisions, purchases, and contracts as per the City's Procurement Policy, will be reviewed and recommended by staff and presented to Council for approval.
- E. **PROMPT PAYMENT.** All invoices approved for payment by the proper City authorities shall be paid by the Finance Department within thirty (30) calendar days of receipt in accordance with the Government Code, Chapter 2251, Section 2251.021.
- F. **EQUIPMENT FINANCING.** Equipment is accounted for at the original acquisition cost, which includes purchase price plus any costs incurred to place the equipment in service. Equipment may be leased or financed when the unit purchase price is \$5,000 or more and the useful life is at least five years. Departments shall contact the Finance Department for transfer or disposal instructions.
- G. **RISK MANAGEMENT.** The City will aggressively pursue every opportunity to provide for the Public's and City employees' safety and to manage its risks. The goal shall be to minimize the risk of loss of resources through liability claims with an emphasis on safety programs. All reasonable options will be investigated to finance risks. Such options may include risk transfer, insurance, and risk retention.

- H. AUTHORIZATION OF INVESTMENTS AND PAYMENTS. Two signatures are required to conduct business on behalf of the City of Burleson, Texas. Both the City Manager and the Director of Finance, or their designee(s), are hereby authorized to approve investments and payments for the City.
- I. AUTHORIZATION OF ELECTRONIC TRANSFERS BY THE CITY. In general, electronic transfer responsibilities and processes are set by the Director of Finance in accordance with banking resolutions adopted by the City Council and the Investment Policy. Processes will require two individuals assigned by the Director of Finance to separate the duties of initiating a transaction and approval of a transaction.

VII. ASSET MANAGEMENT

- A. INVESTMENTS. The Finance Director shall promptly invest all City funds with the Bank Depository in accordance with the provisions of the current Bank Depository Agreement or in any negotiable instrument that the Council has authorized under the provisions of the Texas Public Funds Investment Act and in accordance with the City Council approved Investment Policy.
- B. CASH MANAGEMENT. The City's cash flow will be managed to maximize the cash available to invest. Such cash management will entail the centralization of cash collections, where feasible, including property tax payments, utility bills, municipal fines, building and related permits and licenses, and other collection offices as appropriate. Cycle billing will be used where appropriate.
- C. FIXED ASSETS AND INVENTORY. These assets will be reasonably safeguarded and properly accounted for and prudently insured. A fixed asset of the City shall be defined as a purchased or otherwise acquired piece of equipment, vehicle, furniture, fixture, capital improvement, addition to existing capital investments, land, buildings, or accessioned Library materials. The cost or value of any such acquisition must be \$5,000 or more within an expected useful life greater than one year. All City departments with inventory are required to conduct a physical inventory under their control on an annual basis.
- D. DEPOSITORIES. The City Council, having given due consideration to all of its options and taking into consideration what is in the best interest of the municipality, hereby authorizes the consideration of applications of depositories not doing business within the City of Burleson, Texas so long as that bank maintains a business location within a five-mile radius of Burleson City Hall. This authorization encompasses all of the depository uses and requirements of the City.

VIII. CAPITAL BUDGET AND PROGRAM

- A. PREPARATION. The City will develop a 5-year capital improvement plan (CIP) to include all capital projects being considered and all resources for capital funding. The budget will be prepared on a fiscal year ending calendar and reported annually. The 5-year CIP will be prepared by the Department Director and presented to the City Council during the budget process. The Finance Director will work closely with Departments to ensure funding capacity is available.
- B. CONTROL. All capital project expenditures must be appropriated in the capital budget at a project level. The Finance Department must certify the availability of such appropriations, or the availability of resources needed to be appropriated before a capital project contract is presented to the City Council for approval. Any remaining funds of a completed project not allocated by the City Council will be closed into an unallocated account in the same fund. Similar projects are to be grouped together in a fund based on the type of project and source of funding, using the similar Capital Projects Fund classifications for reporting purposes in the Annual Financial Report.
- C. PROGRAM PLANNING. The capital budget will include capital improvements program plans for future years. The planning time frame should normally be at least five years. The replacement and maintenance for capital items should also be projected for the next 5 years. Future maintenance and operational costs will be considered at the initiation of a project so the costs can be included in the relevant operating budget.
- D. FINANCING PROGRAMS. Where applicable, assessments, impact fees, pro-rata charges, or other fees should be used to fund capital projects having a primary benefit to specific, identifiable property owners.
- E. INFRASTRUCTURE MAINTENANCE. The City recognizes that deferring maintenance increases future capital costs. Therefore, a portion of the appropriate fund's budget will be set aside each year to maintain the quality of the City's infrastructure. The inclusion of infrastructure maintenance and replacement costs in the current operating budget will place the burden of the costs and repairs on the current users of the systems.
- F. REPORTING. Periodic financial reports will be prepared to enable Department Managers to manage their capital budgets and to enable the Finance Department to monitor and control the capital budget as authorized by the City Manager. Summary capital projects status reports should be presented to the City Council quarterly.

IX. FINANCIAL CONDITIONS, RESERVES, AND STABILITY RATIOS

- A. OPERATIONAL COVERAGE. (NO OPERATING DEFICITS). The City will maintain an operational coverage factor of 1.00, such that current operating revenues (plus

approved fund balance appropriations) will equal or exceed current operating expenditures.

Deferrals, short-term loans, or one-time sources will be avoided as budget balancing techniques. Reserves will be used only for emergencies or non-recurring expenditures, except when balances can be reduced because their levels exceed guideline minimums.

B. OPERATING RESERVES/FUND BALANCES

1) Governmental funds of the City of Burleson shall be defined as follows:

- 1) General Fund. The general fund should be used to account for and report all financial resources not accounted for and reported in another fund.
- 2) Special Revenue Funds. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The restricted or committed proceeds of specific revenue sources should be expected to continue to comprise a substantial portion of the inflows reported in the fund. Other resources (investment earnings and transfers from other funds, for example) also may be reported in the fund if those resources are restricted, omitted, or assigned to the specified purpose of the fund. Governments should discontinue reporting a special revenue fund and instead report the fund's remaining resources in the general fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources.
- 3) Capital Projects Funds. Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.
- 4) Debt Service Funds. Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest, even if it is being accumulated for future years' payments. Debt service funds should be used to report resources if legally mandated.

- 2) Ending fund balances of the City of Burleson shall be reported according to the following classifications:
 - 1) RESTRICTED
 - 2) COMMITTED
 - 3) ASSIGNED
 - 4) UNASSIGNED
- 3) **Order of expenditure** --When committed, assigned and unassigned resources can be used for the same purpose, funds shall be spent in the sequence of committed resources first, assigned second, and unassigned last.
- 4) It is the goal of the City that the unassigned fund balance of the General Fund should be at least 20% of the General Fund annual expenditures. This percentage is the equivalent of 73 days' expenditures. In order to adhere to the principles of matching current revenues with current expenditures and minimizing property taxes, the City will strive to maintain the fund balance if the unassigned balance grows beyond 90 days' expenditures.
- 5) The Water and Wastewater Fund working capital should be maintained at least 20% of total operating expenditures or the equivalent of 73 days.
- 6) It is the goal of the City that the fund balance of the 4A Corp and 4B Corp, should maintain at least a 20% minimum of total operating expenditure or the equivalent of 73 days.
- 7) General Obligation Debt Service Funds will have a reserve of approximately \$1,000,000. The policy above does not include the debt service reserves normally established to market revenue bonds. The City's policy and bond ordinance requirements are to maintain these debt service reserves at the level of the average annual debt service.

C. CAPITAL AND DEBT SERVICE FUNDS

- 1) Items in the Capital Projects Funds shall have the goal to be completed and paid for within 36 months of receipt of proceeds. Balances will be used to generate interest income to offset construction costs.
- 2) Revenue Obligations will maintain Debt Coverage Ratios as specified by the bond covenants. The City is currently required to have net revenues in excess of average annual debt by 1.25 times. Net revenues must also exceed the

maximum outstanding debt by 1.10 times. Both these tests must be met in order to issue additional bonds.

- 3) Obligations of Burleson's economic development corporations will maintain coverage ratios as specified by bond covenants. If the City issues obligations partially secured by a limited pledge of the corporations' sales tax revenues, not subject to the coverage ratios of the revenue bond covenants, coverage shall be maintained at no less than 1.25 times average annual debt service, and 1.15 times the maximum annual debt service. Both of these tests must be met in order to issue additional bonds.

X. TREASURY AND DEBT MANAGEMENT

- A. CASH MANAGEMENT. A periodic review of cash flow position will be performed to determine performance of cash management and investment policies. A detailed policy structure will be followed with respect to Cash/Treasury Management. The underlying theme will be that idle cash will be invested with the intent to 1) safeguard assets, (2) maintain liquidity, and 3) maximize return. Where legally permitted, pooling of investments will be done.

The City will adhere to the investments authorized through the Texas' Public Funds Investment Act and the city's established comprehensive Investment Policies and Guidelines. Such policies clarify acceptable investment securities, brokers, terms, and other pertinent investment information.

- B. DEBT MANAGEMENT. The City's Debt Management Policy establishes parameters and provides guidance governing the issuance, management, continuous evaluation of and reporting on all debt obligations issued by the City, and to provide for the preparation and implementation necessary to ensure compliance and conformity with this policy.

XI. INTERNAL CONTROLS

- A. WRITTEN PROCEDURES. Written procedures will be established and maintained by the Director of Finance for all functions and financial cycles including cash handling and accounting throughout the City. These procedures will embrace the general concepts of fiscal responsibility set forth in this policy statement.
- B. DEPARTMENT DIRECTORS AND MANAGERS RESPONSIBILITY. City administrators and managers are charged with the responsibility for establishing a network of processes with the objective of controlling the operations of the City in a manner which provides reasonable assurance that:

- 1) Data and information published either internally or externally is accurate, reliable, complete, and timely.

- 2) The actions of administrators and employees are in compliance with the City's charter, plans, policies and procedures, and all relevant laws and regulations.
- 3) The City's resources, including its people, systems, data/information, assets, and citizens are adequately protected.
- 4) Resources are acquired economically and employed effectively.
- 5) The City's internal controls promote the achievement of plans, programs, goals, and objectives.

Each Department Manager is responsible for ensuring that good internal controls are followed throughout his or her Department, that all Finance Department directives or internal controls are implemented, and that all independent auditor internal control recommendations are addressed.

XII. STAFFING AND TRAINING

- A. ADEQUATE STAFFING. Staffing levels will be adequate for the fiscal functions of the City to operate effectively. Overtime shall be used only to address temporary or seasonal demands that require excessive hours. Workload shedding alternatives will be explored before adding staff.
- B. TRAINING. The City will support the continuing education efforts of all financial staff including the investment in time and materials to maintain a current perspective concerning financial issues. Staff will be held accountable for communicating, teaching, sharing with other staff members all information and training materials acquired from seminars, conferences, and related education efforts.
- C. AWARDS, CREDENTIALS AND RECOGNITION. The City will support efforts and involvement resulting in meeting standards and receiving exemplary recitations on behalf of any of the City's fiscal policies, practices, processes, products, or personnel. Staff certifications may include Certified Public Accountant, Management Accountant, Certified Internal Auditor, and Certified Cash Manager. Further, the Finance Director will try to obtain and maintain the designation of Certified Government Finance Officer as awarded by the GFOA of Texas.

The City will strive to maintain a high level of excellence in its accounting policies and practices as it prepares its Financial Report. The Report will be presented to the Government Finance Officers Association (GFOA) for review of qualifications necessary to obtain the Certificate of Achievement for Excellence in Financial Reporting. Additionally, if feasible the City will submit its annual budget to GFOA for consideration for the Distinguished Budget Award and submit the Investment Policy to obtain the Certificate of Distinction from the Government Treasurers' Organization of Texas.

- D. **TRANSPARENCY.** A reasonable effort will be made to ensure relevant financial information is made available to all citizens in a 'user friendly' format in an easy-to-understand terminology. In pursuit of this goal, the city will seek recognition through state and national transparency and reporting programs.

- E. **Continuing Disclosure** The continuing disclosure policy and procedures are attached as Attachment "A" to this policy.

ARTICLE I PURPOSE AND SCOPE

SECTION 1.01 DEFINITIONS.

The words and terms used in this Model Securities Law Compliance and Disclosure Policy (this "Policy") have the meanings specified in Article II hereof, unless the context clearly otherwise requires. Except where the context otherwise requires, words importing the singular number shall include the plural number, and *vice versa*.

SECTION 1.02 PURPOSE OF POLICY.

- (a) Continuing Disclosure Undertaking Requirement. Under Rule 15c2-12, underwriters of Municipal Securities may not purchase or sell Municipal Securities unless the underwriters have reasonably determined that the issuer of the Municipal Securities or its designated agent has undertaken in a written agreement to provide continuing disclosure of certain financial information and operating data, and to file notices of certain events designated in Rule 15c2-12. The Issuer is required under its Continuing Disclosure Undertakings to provide disclosures of certain financial information and operating data and notice of certain events to the MSRB on EMMA to facilitate informed secondary market trading. This Policy is adopted by the Issuer to assist in its compliance with federal and state securities laws and regulations, including, specifically, Rule 15c2-12. This Policy is established to ensure that the Issuer maintains adequate policies and procedures for gathering, analyzing and disclosing all information that is required to be provided to, or that may be reasonably expected to reach investors or trading markets, which relates to the issuance of the Issuer's Debt Obligations. Such information consists of the content of the Issuer's Offering Documents, continuing disclosure reports, event notices and other statements reasonably expected to reach the public markets.
- (b) Recommendation of Written Procedures. The Issuer recognizes that the SEC recommends adopting disclosure policies and amending existing disclosure policies from time to time to address the process for evaluating the disclosure process including disclosures for certain Event Notices. Written policies and procedures adopted by the Issuer will serve to streamline the process of disclosing required information. The Disclosure Officer, and other officers selected by the Issuer, if any, may establish additional written procedures from time to time to ensure that any Offering Documents (i) fully and accurately present the Issuer's financial condition and operations and (ii) do not omit any Material information regarding the Issuer.

SECTION 1.03 SCOPE OF POLICY.

This Policy applies to all Debt Obligations of the Issuer that are currently outstanding and all future bonds, notes, leases or derivative instruments to be executed by the Issuer. If the provisions of this Policy conflict with a respective Continuing Disclosure Undertaking, the terms of such Continuing Disclosure Undertaking will control.

ARTICLE II DEFINITIONS

SECTION 2.01 DEFINED TERMS.

"Annual Report" means the Issuer's audited financial statements (or unaudited financial statements if permitted by the Continuing Disclosure Undertaking) and certain other financial information and operating data required to be filed annually with the MSRB.

"Business Day" means any day except any Saturday or Sunday, any day which is a federal legal holiday in the United States, or any day on which banking institutions are authorized or required by law to close.

"Code" means the Internal Revenue Code of 1986, as amended.

"Compliance Date" means February 27, 2019.

"Continuing Disclosure Undertaking" means a continuing disclosure agreement, continuing disclosure undertaking, continuing disclosure instructions or other written certification and agreements of the Issuer setting out covenants for satisfying the Issuer's requirements for providing information to the MSRB in an electronic format pursuant to and in accordance with Rule 15c2-12.

"Debt Obligation" means each contract of the Issuer that has sufficient characteristics of debt so that it is included in the Issuer's financial statements as a long-term liability of the Issuer, including, but not limited to bonds, notes, leases and similar instruments used by the Issuer for borrowing purposes.

"Disclosure Officer(s)" means the Issuer's Director of Finance, or, if the position of Director of Finance is vacant, the person(s) filling the responsibilities of the City Manager or Assistant City Manager for the Issuer.

"EMMA" means the Electronic Municipal Market Access system, the prescribed electronic format for disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

"Event 15" means the event set forth in Section 5.02(a) of this Policy.

"Event 16" means the event set forth in Section 5.03(a) of this Policy.

"Event Notices" means all event notices required by Rule 15c2-12.

"Financial Obligation" means: (i) a Debt Obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned Debt Obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include Municipal Securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

"GASB" means the Governmental Accounting Standards Board.

"IRS" means the Internal Revenue Service.

"Issuer" means the City of Burleson, Texas.

"Material" has the meaning given in Section 3.02(f) of this Policy.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the SEC in accordance with Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Municipal Securities" means securities which are direct obligations of, or obligations guaranteed as to principal or interest by, a State or any political subdivision thereof, or any agency or instrumentality of a State or any political subdivision thereof, or any municipal corporate instrumentality of one or more States and any other Municipal Securities described by Section 3(a)(29) of the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Obligated Person" means any person, including an issuer of Municipal Securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all or part of the obligations on the Municipal Securities to be sold in the Offering (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities); furthermore, for purposes of this Policy, the Issuer is an Obligated Person.

"Offering" means a primary offering of Municipal Securities with an aggregate principal amount of \$1,000,000 or more.

"Offering Document" means any preliminary or final official statement, private placement memorandum or limited offering memorandum, or other similar instrument prepared in connection with the sale, issuance and delivery of an Offering.

"Rule 15c2-12" means SEC Rule 15c2-12, governing the obligations of dealers regarding Municipal Securities under the Securities Exchange Act of 1934, as amended from time to time, which is available at <https://www.gpo.gov/fdsys/pkg/CFR-2013-title17-vol3/pdf/CFR-2013-title17-vol3-sec240-15c2-12.pdf>.

"SEC" means the United States Securities and Exchange Commission.

"SEC Municipal Markets Report" means the Report on the Municipal Securities Market of the SEC, dated July 31, 2012, available at <https://www.sec.gov/news/studies/2012/munireport073112.pdf>.

"Terms Affecting Security Holders" means a Material agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer that affects security holders.

"U.S. Bankruptcy Code" means Title 9 of the United States Code, as amended from time to time, and any successor to or replacement of such Title and any other applicable federal bankruptcy, insolvency or similar law.

ARTICLE III

DISCLOSURE OFFICER; RECORD RETENTION; TRAINING

SECTION 3.01 DISCLOSURE OFFICER.

The Issuer shall appoint a Disclosure Officer who shall be responsible for implementing this Policy. The Disclosure Officer will work with other employees and officials of the Issuer to assist in implementing this Policy. The Disclosure Officer will consult with bond counsel, legal counsel to the Issuer (including designated disclosure counsel, if any), accountants, municipal advisors, financial advisors and other outside consultants to the extent necessary to carry out the purpose of this Policy. The Disclosure Officer will report to the Issuer's governing body as provided in Section 6.01 herein, regarding implementation of this Policy and any recommended changes or amendments to this Policy.

SECTION 3.02 DUTIES OF DISCLOSURE OFFICER.

- (a) General Duties. The Disclosure Officer shall be primarily responsible for ensuring and determining the Issuer's compliance with this Policy and federal and state securities laws and regulations applicable to the Issuer, including specifically Rule 15c2-12, and including identifying and remedying any non-compliance with this Policy and such laws and regulations.

- (b) Review of Relevant Documents. The Disclosure Officer will review the following documents, obligations, and disclosure and reporting requirements of the Issuer in connection with the issuance of Municipal Securities to comply with Article IV and V of this Policy and in the ordinary course of business of the Issuer:
 - i. Offering Documents;
 - ii. Audited and unaudited financial statements, including notes to such statements;
 - iii. Changes to accounting standards promulgated by GASB and other applicable accounting standards and rules;
 - iv. Adopted annual budgets and amendments thereto;
 - v. Continuing Disclosure Undertakings; and
 - vi. Other relevant documents that reflect the Issuer's financial position and operating data.

The Disclosure Officer shall take reasonable steps to ensure that all Offering Documents are timely provided to the Issuer's governing body to ensure meaningful review and approval thereof. In addition, the Disclosure Officer shall take reasonable steps to ensure that for purposes of securities law compliance the Issuer's governing body is generally aware of the other documents listed above and of the significance of those documents to the Issuer's disclosure obligations.

- (c) Solicitation of Relevant Information. In the performance of its duties under this Policy, the Disclosure Officer shall be responsible for soliciting any relevant information from other employees, officials or departments within the internal organization of the Issuer, including public statements made by officials of the Issuer that the Disclosure Officer reasonably believes will reach investors or trading markets generally. The Disclosure Officer is additionally responsible for obtaining any documentation prepared by an outside source that may be necessary to assist the Disclosure Officer in carrying out this Policy. The Disclosure Officer shall undertake a thorough review of the form and content of each of the Issuer's annual filings, and any Event Notice filings, as required pursuant to Article IV and V hereof.

- (d) Public Statements Regarding Financial Information. Whenever an officer or employee of the Issuer makes statements or releases information relating to its finances and other operations of the Issuer to the public that is reasonably expected to reach investors and the trading markets (including, without limitation, all Event Notices, statements in a comprehensive annual financial report, and other financial reports and statements of the Issuer), the Disclosure Officer shall be responsible for ensuring that such statements and Material information are complete, true, and accurate in all material aspects and available to all investors. The Disclosure Officer will work with other officers of the Issuer to ensure that all public statements and information released by the Issuer are accurate and are not misleading in all Material aspects.

- (e) Issuance of Debt Obligations. Whenever the Issuer prepares or participates in the preparation of an Offering Document, the Disclosure Officer, in addition to any other officers selected by the Issuer, shall be responsible for making all certifications that may be required to the effect that such Offering Document does not contain any untrue statement of Material fact or omit to state any Material fact necessary to make the information contained in such documents, in the light of the circumstances under which it was provided, not misleading.

Such determination by the Disclosure Officer shall only be made after coordination with the Issuer's attorney or other administrative officer having ultimate responsibility with respect to the Issuer's operations, risks and litigation, to ensure that any current, pending or threatened losses, investigations or litigation, and any settlement or court orders that are Material to the Issuer are properly identified.

- (f) Determination of Material Information. The Issuer understands that determining materiality requires a complete review of facts and circumstances (which may include a review of outstanding Debt Obligations) and in some instances may require the Disclosure Officer to discuss matters with other officers or consultants of the Issuer. Furthermore, each determination of materiality made by the Disclosure Officer shall be made on a case-by-case basis. For purposes of this Policy, information is "Material" if there is a substantial likelihood that the disclosure of that information would be viewed by a reasonable investor as having significantly altered the total mix of information made available in making an informed investment decision.¹

SECTION 3.03 RECORD RETENTION.

The Disclosure Officer will maintain or cause to be maintained all records relating to annual disclosure filings including the financial information and operating data to be included in the Annual Report for a period of three (3) years after retirement of the related Debt Obligations. The Disclosure Officer will additionally maintain or cause to be maintained all records relating to Event Notices required to be filed with the MSRB under the Continuing Disclosure Undertaking. Such records shall be maintained in either paper or electronic format, or in both formats.

SECTION 3.04 TRAINING.

The Disclosure Officer shall have at least a general familiarity with the content of Rule 15c2-12 and the SEC Municipal Markets Report, and in furtherance thereof receive appropriate training regarding the Issuer's disclosure obligations in accordance with federal securities laws, state regulations and Rule 15c2-12. When appropriate, the Disclosure Officer and/or other Issuer employees and officials under the direction of the Disclosure Officer will attend training programs offered by the SEC or other industry professionals regarding disclosure policies and procedures developed in the context of Rule 15c2-12 that are relevant to the Issuer. Each person acting in the capacity of a Disclosure Officer shall receive such training as may be necessary for the person to perform competently the duties and responsibilities of Disclosure Officer to ensure the Issuer's compliance with the provisions of this Policy.

ARTICLE IV

ANNUAL DISCLOSURE FILINGS

SECTION 4.01 ANNUAL DISCLOSURE FILINGS.

¹ The general materiality standard used by the United States Supreme Court. See TSC Industries, Inc. v. Northway, Inc., 426 U.S. 438, 449 (1976).

The Disclosure Officer shall annually review each Continuing Disclosure Undertaking to determine: (i) the appropriate financial information and operating data required to be included in the Annual Report; and (ii) the filing deadline for such Annual Report or a part thereof. The Disclosure Officer should review the Issuer's documents, Debt Obligations, and disclosure and reporting requirements described in Sections 3.01 and 3.02 of this Policy in determining the appropriate financial information and operating data to be included in the Annual Report. As indicated in Section 3.02 of this Policy, the Disclosure Officer's review necessarily includes review of other documents relating to the financial and operating status of the Issuer to ensure that all required information is appropriately incorporated into the Annual Report. The Disclosure Officer shall be required to provide only the financial information, operating data, financial statements and notices which the Issuer has expressly agreed to provide pursuant to a respective Continuing Disclosure Undertaking, but, in consultation with appropriate accountants, municipal advisors, financial advisors and other outside consultants of the Issuer, may submit other appropriate information to EMMA that will impact the Issuer's financial condition and/or existing security holders in a manner deemed Material by the Disclosure Officer. Additionally, the Disclosure Officer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with the Continuing Disclosure Undertaking.

ARTICLE V

DISCLOSURE FILINGS FOR EVENT NOTICES

SECTION 5.01 DISCLOSURE FILINGS FOR EVENT NOTICES 1-14.

The Disclosure Officer shall determine whether an event included below has occurred with respect to the Issuer. If the Disclosure Officer determines that notice of the following events should be provided to the MSRB pursuant to a Continuing Disclosure Undertaking, the Disclosure Officer will cause the appropriate notice to be filed with the MSRB on EMMA, in a timely manner, not in excess of ten (10) Business Days after the occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the event identified as item (12) in this Section 5.01, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

The Disclosure Officer may seek the advice of other employees and officials of the Issuer, as well as the advice of the consultants and counsel to the Issuer, as to whether one of the above described events has occurred and whether an Event Notice shall be filed with the MSRB consistent with Rule 15c2-12.

SECTION 5.02 EVENT 15: INCURRENCE OF A MATERIAL FINANCIAL OBLIGATION OR TERMS AFFECTING SECURITY HOLDERS.

- (a) Event 15. Beginning on the Compliance Date and continuing thereafter, in addition to the fourteen events described in Section 5.01 and Event 16 described in Section 5.03, the Disclosure Officer shall determine whether an Event 15 has occurred with respect to the Issuer. If the Disclosure Officer determines that an Event 15 has occurred, the Disclosure Officer shall file, or cause to be filed, notice of such Event 15 with the MSRB through EMMA in a timely manner, not in excess of ten (10) Business Days after the date of incurrence. Beginning on the Compliance Date, Rule 15c2-12 establishes that an Event 15 is as follows:

- (15) Incurrence of a Financial Obligation of the Obligated Person, if Material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if Material.

The Issuer recognizes that, unlike the events listed in Section 5.01 above, the stated purpose of the SEC in adding Event 15 to Rule 15c2-12 is to provide the secondary market with information regarding all debt, debt-like or debt-related Financial Obligations or Terms Affecting Security Holders incurred by the Issuer. The incurrence of Financial Obligations may occur outside the issuance of Municipal Securities and therefore engagement by the Disclosure Officer with counsel and other consultants experienced in compliance issues related to Rule 15c2-12 may be necessary to determine whether it is necessary to file an Event Notice for Event 15 with the MSRB through EMMA.

- (b) Financial Obligations and Terms Affecting Security Holders Subject to Disclosure. The Disclosure Officer shall first determine whether a contract or obligation incurred by the Issuer is a Financial Obligation or Terms Affecting Security Holders subject to disclosure under Event 15. When assessing whether a particular contract or obligation is a Financial Obligation or Terms Affecting Security Holders subject to disclosure as such terms are used in Event 15, the Disclosure Officer should consider the facts and circumstances surrounding the Issuer's incurrence of each type of contract and obligation, as well as the factors set forth below:
- i. Whether the contract or obligation could affect, or contains provisions or triggers that may impair, the Issuer's liquidity, overall creditworthiness or an existing security holders' rights;
 - ii. Whether the contract or obligation is a private placement of debt with a financial institution, letter of credit, standby line of credit, or a similar "credit agreement" that relates to a Debt Obligation;
 - iii. Whether the contract or obligation is an ordinary financial and operating liability incurred in the Issuer's normal course of business;

- iv. Whether the contract or obligation contains acceleration provisions or restrictive debt service covenants that could affect the rights of existing security holders;
- v. Whether the contract or obligation is a short or long-term Debt Obligation of the Issuer under the terms of an indenture, loan agreement, capital lease, or other similar contract such as a line of credit;
- vi. Whether the contract or obligation is an operating lease, or a capital lease which operates as a vehicle for borrowing money (e.g. a lease-purchase agreement). For purposes of this Disclosure Policy, factors relevant to determining whether a lease is a vehicle for borrowing money (i.e., a Financial Obligation) are included in Exhibit A attached hereto;
- vii. Whether the contract or obligation represents competing debt with the Issuer's prior Debt Obligations that may affect the rights of the existing security holders;
- viii. Whether the contract or obligation is a derivative instrument entered into in connection with a pledge as security or source of payment for an existing or planned Debt Obligation, which may include any swap, security-based swap, futures contract, forward contract, option, a combination of the foregoing or any similar instrument;
- ix. Whether the contract or obligation is a derivative instrument designed to mitigate investment risk; or
- x. Whether the contract or obligation is a guarantee provided by the Issuer as a guarantor for the benefit of a third party.

The Disclosure Officer will consult with bond counsel, legal counsel to the Issuer (including designated disclosure counsel, if any), accountants, municipal advisors, financial advisors and other outside consultants to the extent necessary in making a determination as to whether a contract or obligation incurred by the Issuer is a Financial Obligation or Terms Affecting Security Holders subject to the disclosure requirements of Event 15.

- (c) Determination of Material Event 15. If the Disclosure Officer determines that the Issuer has incurred a Financial Obligation or Terms Affecting Security Holders subject to Event 15, the Disclosure Officer shall proceed to determine whether such Financial Obligation or Terms Affecting Security Holders are Material. The same practice used by the Issuer for determining whether a particular piece of information is Material in connection with preparing a disclosure document for an Offering set forth in Section 3.02(f) should be used for purposes of Event 15.

The Disclosure Officer shall determine whether a Financial Obligation or Terms Affecting Security Holders are Material upon the incurrence of the Financial Obligation or the Terms Affecting Security Holders, taking into account all relevant facts and circumstances. Relevant facts and circumstances may include, but are not limited to:

- i. The principal amount of the Financial Obligation, including the aggregate par amount of a series of related Financial Obligations, and the method of setting or adjusting the interest rate thereof;
- ii. The Issuer's overall balance sheet and the size of its existing Debt Obligations;
- iii. The source of security pledged for repayment of the Financial Obligation and the rights associated with such pledge;

- iv. The length of time that the Financial Obligation is to remain outstanding; and
- v. Other appropriate terms of a Financial Obligation that will impact the Issuer's financial condition and/or existing security holders in a manner deemed Material by the Disclosure Officer.

The Disclosure Officer, in consultation with the governing body of the Issuer, bond counsel, legal counsel to the Issuer (including designated disclosure counsel, if any), accountants, municipal advisors, financial advisors and other outside consultants of the Issuer, to the extent necessary, shall no less often than annually set objective standards of materiality with respect to Debt Obligations incurred by the Issuer, which may include, but are not limited to, a monetary threshold that, in connection with other relevant facts and circumstances, is the basis for the determination of materiality for Financial Obligations or Terms Affecting Security Holders of the Issuer. With respect to lease agreements entered into by the Issuer, the Disclosure Officer shall implement the guidelines set forth in Exhibit A when assessing whether such lease agreements are Material Financial Obligations.

- (d) Incurrence. A Financial Obligation and Terms Affecting Security Holders is considered to be incurred by the Issuer on the date that such Financial Obligation or Terms Affecting Security Holders is enforceable against the Issuer. As a filing under Event 15 is required to be made in a timely manner, not in excess of ten (10) Business Days after date of incurrence, the Disclosure Officer shall begin the process of assessing whether a particular Financial Obligation or Terms Affecting Security Holders should be disclosed as far in advance of its incurrence as possible. Additionally, although not required, the Disclosure Officer may file a voluntary filing of all outstanding Material Financial Obligations incurred prior to the Compliance Date.
- (e) Exemption of Municipal Securities as to Which a Final Official Statement Has Been Provided. The Disclosure Officer is not obligated to disclose, as a Financial Obligation or Terms Affecting Security Holders subject to Event 15, Municipal Securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12. The Disclosure Officer recognizes that this exclusion from the definition of "Financial Obligation" does not extend to Debt Obligations, contingent or otherwise, related to such Municipal Securities that may be disclosed or referenced in such final official statements.
- (f) Exemption of Monetary Obligations Resulting From Legal Proceedings. The Disclosure Officer is not required to disclose monetary obligations resulting from a judicial, administrative, or arbitration proceeding as an Event Notice.
- (g) Subjecting Debt Obligations to Annual Appropriation not Determinative. The Disclosure Officer understands that qualifying Debt Obligations or Financial Obligations such that payment is subject to annual appropriation may remove the "debt" designation for state constitutional or statutory purposes; however, this qualification alone will not be determinative as to whether the Issuer or Obligated Person has incurred a Material Financial Obligation; rather, when analyzing Debt Obligations and Financial Obligations that are subject to annual appropriation, the Disclosure Officer shall determine whether such Financial Obligation is Material, as described in Section 3.02(f), taking into account all relevant facts and circumstances as described in this Section 5.02.
- (h) Form of Event 15 Event Notice. Upon review of the factors outlined above, if the Disclosure Officer affirmatively determines that a Debt Obligation incurred by the Issuer is a Financial Obligation or Terms Affecting Security Holders that are Material and not exempt under subsection (e) and (f) of this Section 5.02, and therefore subject to Event 15, the Disclosure Officer shall file or cause to be filed with the MSRB through EMMA a notice not in excess of ten (10) Business Days of the date of the incurrence of the Financial Obligations or Terms Affecting Security Holders. The Disclosure Officer shall include a description of the Material terms of the Financial Obligation or Terms Affecting Security Holders within the Event 15 Event Notice. Terms considered Material for Event 15 may include, but are not limited to:

- i. The date of incurrence;

- ii. Principal amount;
- iii. Maturity and amortization;
- iv. Interest rate, if fixed, or method of computation and any default rates, if variable; or
- v. Other appropriate terms deemed material by the Disclosure Officer, the inclusion of which would help further the availability of information to assist investors in making more informed investment decisions in connection with such incurrence of Financial Obligations or Terms Affecting Security Holders.

The Disclosure Officer shall determine, based on the facts and circumstances, whether to submit to the MSRB a description of the Material terms of the Financial Obligation or the Terms Affecting Security Holders, or alternatively or in addition, submit related materials such as transaction documents prepared in connection with the Financial Obligation or the Terms Affecting Security Holders that set forth the material terms of the Financial Obligation or the Terms Affecting Security Holders. The Disclosure Officer shall not include, and shall take actions to redact, confidential information such as account numbers or other personally identifiable information (but not information relating to an interest rate or other pricing data). Should the Disclosure Officer determine that filing one or more of the transaction documents prepared in connection with the Financial Obligation or the Terms Affecting Security Holders is appropriate under this subsection, the Disclosure Officer may redact any confidential or personally identifiable information from the Event 15 Event Notice.

SECTION 5.03 EVENT 16: EVENTS UNDER THE TERMS OF A FINANCIAL OBLIGATION WHICH REFLECT FINANCIAL DIFFICULTIES.

- (a) Event 16. Beginning on the Compliance Date and continuing thereafter, in addition to the fourteen events described in Section 5.01, and Event 15 described in Section 5.02, the Disclosure Officer shall determine whether an Event 16 has occurred with respect to the Issuer as follows:

- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

If the Disclosure Officer determines that an Event 16 has occurred with respect to the Issuer, the Disclosure Officer will file or cause to be filed with the MSRB through EMMA a notice of Event 16, whether Material or not, provided the occurrence reflects financial difficulties of the Issuer. The Disclosure Officer shall file an Event 16 Event Notice even where the underlying Financial Obligation was incurred before the Compliance Date.

- (b) Reflection of Financial Difficulty of Obligated Person. The Disclosure Officer shall disclose to the MSRB the occurrence of an event listed in Event 16 only if the Disclosure Officer, in consultation with the governing body of the Issuer, bond counsel, legal counsel to the Issuer (including designated disclosure counsel, if any), accountants, municipal advisors, financial advisors and other outside consultants to the Issuer, to the extent necessary, determines that the occurrence of the event reflects financial difficulties of the Issuer.

- (c) Events Subject to Event 16 Filing. Subject to subsection (b) of this Section 5.03, the Disclosure Officer should disclose any occurrence in connection with the terms of a Financial Obligation that reflects financial difficulties of the Issuer. Such occurrences may include, but are not limited to the following types of events:

- i. Monetary defaults or events of non-appropriation where the Issuer has failed to pay principal, interest, or other funds due, or a non-payment related default where the Issuer has failed to comply with specified covenants;
- ii. An event of acceleration exercised by a trustee or counterparty as the result of an event of default or other applicable remedy provision;
- iii. A modification of terms that reflects financial difficulties of the Issuer;

- iv. A written or verbal waiver of an agreement provision that is a departure from what was agreed to under the original terms of such agreement; and
 - v. Other events under the terms of a Financial Obligation that reflect financial difficulties of the Issuer and share similar characteristics with the specific types of events in Event 16.
- (d) Form of Event 16 Event Notice. Upon review of the factors outlined above, if the Disclosure Officer affirmatively determines that, in connection with the terms of a Financial Obligation of the Issuer, the Issuer is experiencing financial difficulties pursuant to Event 16, the Disclosure Officer shall file or cause to be filed with the MSRB through EMMA an Event 16 notice filing within ten (10) Business Days of the date of such determination containing a description of the relevant terms of the Financial Obligation. Terms considered relevant to an Event 16 notice filing may include, but are not limited to:
- i. The provisions within the Financial Obligation giving rise to the occurrence under Event 16;
 - ii. The nexus between the terms of such Financial Obligation giving rise to the occurrence under Event 16 and the existing or potentially forthcoming financial difficulties resulting therefrom;
 - iii. A description of the Issuer's current financial status; and
 - iv. Other appropriate facts deemed material by the Disclosure Officer, the inclusion of which would help further the availability of information to assist investors in making more informed investment decisions in connection with the occurrence of events relating to a Financial Obligation that reflect financial difficulties.

ARTICLE VI

MISCELLANEOUS

SECTION 6.01 ANNUAL REVIEW.

The Disclosure Officer shall conduct an evaluation of the policies set forth in this Policy no less often than annually, and promptly after completing the evaluation the Disclosure Officer shall prepare an annual report of the Issuer's compliance.

SECTION 6.02 AMENDMENTS TO POLICY.

This Policy may be amended from time to time to adapt to changed circumstances that arise from a change in legal requirements or industry disclosure practices or procedures, a change in Rule 15c2-12, or a change in law.

EXHIBIT A

LEASE AGREEMENTS OPERATING AS VEHICLES TO BORROW MONEY (FINANCIAL OBLIGATIONS)

As a result of the amendments to Rule 15c2-12, compliance therewith effective February 27, 2019, Issuers or Obligated Persons that periodically enter into leases should develop policies and procedures to (i) determine whether the lease is a vehicle to borrow money, and is therefore a Financial Obligation, as opposed to an operating lease, (ii) determine if such lease becomes Material once incurred, after considering other relevant factors and all outstanding Financial Obligations (an Issuer or Obligated Person's threshold for outstanding Financial Obligations) and (iii) require that all executed leases are timely communicated to the Disclosure Officer for purposes of determining whether an Event Filing is necessary.

I. Leases Operating as Vehicles to Borrow Money (Financial Obligations)

The SEC has determined that a lease should generally be considered a debt obligation and thus a "Financial Obligation" under the Rule when such lease operates as a vehicle to borrow money (i.e., capital leases but not mere operating leases).¹

Capital leases are generally recorded on the balance sheet of the Issuer or Obligated Person as an asset and a liability by an amount equal to the present value of the minimum lease payments; in contrast, operating leases are handled as off-balance sheet financings of assets and are recorded as operating expenses on the Issuer or Obligated Person's income statement. In determining which types of leases to include under the umbrella of "Financial Obligations," the SEC deemed it appropriate to include only those leases that could represent competing debt of the Issuer or Obligated Person (e.g., capital leases which are essentially vehicles to borrow money).

Because capital leases of the Issuer or Obligated Person are recorded in the same fashion as other competing debt of the Issuer or Obligated Person, each sharing a line item in the balance sheet as a liability or included in a more general line item (i.e., competing debt), capital leases are viewed by the SEC as rising to the level of a Financial Obligation because they operate more like a debt obligation. As such, Issuers and Obligated Persons should have procedures in place that help determine whether leases are capital leases or operating leases, as the incurrence of a capital leases will require a Materiality analysis to determine whether an Event 15 notice filing is required.

To make the determination of whether a lease operates as a vehicle to borrow money, the Disclosure Officer should work with appropriate staff and accountants, municipal advisors, financial advisors and other outside consultants of the Issuer or Obligated Person, to the extent necessary, to determine whether the lease is a vehicle to borrow money (i.e., a capital lease) or an operating lease as operating leases will not rise to the level of a Financial Obligation under Event 15 of Rule 15c2-12.

Characteristics of Leases Operating as Vehicles to Borrow Money (Capital Leases)

In making the determination of whether a lease operates as a vehicle to borrow money and is therefore a Financial Obligation for purposes of Event 15, relevant characteristics may include, but are not limited to, the following:

- i. The lease contains a transfer of ownership of the underlying asset at the end of the lease term or shortly thereafter;
- ii. An option to purchase the underlying asset being leased at a discounted price is available, which may be exercised during or at the end of the lease term;
- iii. The term of the lease is greater than 75% of the useful life of the leased asset; or
- iv. The present value of the lease payment is greater than 90% of the leased asset's fair market value.

Although the characteristics above may be helpful in determining whether a lease operates as a vehicle to borrow money, the Disclosure Officer and appropriate staff and consultants should review of the entire lease, in context with the Issuer's financing and/or operating objectives, in considering whether a lease is a Financial Obligation subject to Event 15. Although a capital lease (as such term in commonly understood) will generally be treated as a vehicle to borrow money, the mere labelling of the lease as "capital" or "operating" will not itself be determinative.

II. Determining Factors for Materiality of Leases that Constitute Financial Obligations

¹ Although the SEC in Release No. 34-83885, implementing the amendment of Rule 15c2-12 to include Event 15 and 16, has discontinued (following GASB's lead) the use of the term "capital lease" and "operating lease," the distinction remains useful to the extent that "capital leases" are commonly understood to be financed purchases of an underlying asset (and thus generally are vehicles to borrow money) whereas "operating leases" are not.

Issuers and Obligated Persons should apply the Materiality standard in Section 3.02(f) and the relevant facts and circumstances in Section 5.02(c) of this Policy, in conjunction with the factors below for purposes of determining whether a lease that operates a vehicle to borrow money is Material and subject to an Event Filing under Event 15.

Given the difference in size, sophistication, features and number of obligations executed by certain issuers and Obligated Persons, factors used in determining the materiality of a lease that operates as a vehicle to borrow money may vary. The Disclosure Officer may utilize factors relevant to the Issuer or Obligated Person which may include, but are not limited to, one or more the following:

- i. Whether the cost of the lease incurred and the payment obligations thereof exceeds a specified percentage of the Issuer's or Obligated Person's fund balance (for purposes of this and the following considerations, the Issuer must determine, given its circumstances, the appropriate way to measure the impact of a lease, e.g., by the aggregate payments required, by principal amount or by annual payment impact to the Issuer's debt portfolio);
- ii. Whether the incurrence of the lease will increase the outstanding indebtedness of the Issuer or Obligated Person by more than a specified ratio or percentage;
- iii. Whether the incurrence of the lease and the payment obligations thereof exceeds a specified percentage of the Issuer's unrestricted revenues;
- iv. Whether the lease represents multiple counterparts of a single transaction that, if incurred at once, would exceed the limits stated in (i), (ii) or (iii) above;
- v. Whether the incurrence of the lease in conjunction with other outstanding Financial Obligations would in the aggregate exceed the limits stated in (i), (ii) and (iii) above; or
- vi. Whether the lease has acceleration provisions or is considered a security on parity or senior to outstanding Financial Obligations.

When utilizing the above factors, the Disclosure Officer must be aware that although a lease may not be Material when compared to the Issuer's or any Obligated Person's general revenues and fund balance, such lease may be material to Financial Obligations pledged to be paid from the specifically pledged revenues and fund balances. Therefore, the Disclosure Officer must look at both the general revenues and the specifically pledged revenues of the Issuer and any Obligated Person when determining the materiality of a lease that operates as a vehicle to borrow money.

If after using the Materiality standard in Section 3.02(f), the relevant facts and circumstances in Section 5.02(c) of this Policy and the factors described above, the Disclosure Officer determines that the lease operating as a vehicle to borrow money is Material, a filing under Event 15 must be made within ten business days from the incurrence of such lease.

If a determination of Materiality is made under factor (v) above for a lease or any other Financial Obligation, additional Financial Obligations incurred thereafter may likely carry a *de facto* Materiality designation. As such, factor (v) above works as a magnitude test of the Issuer or Obligated Person as it becomes the Issuer or Obligated Person's Materiality threshold for all outstanding Financial Obligations.

III. Communication Amongst Departments Once Leases are Incurred

The Disclosure Officer should become aware of the frequency in which the Issuer or Obligated Person incurs leases, as opposed to other forms Financial Obligations, in the ordinary course of the Issuer or Obligated Person's business. To further communication amongst multiple departments within the Issuer or Obligated Person, the Disclosure Officer should require that any member of the Issuer or Obligated Person's staff authorized to execute leases on behalf of the Issuer or Obligated Person report and provide copies of all leases directly to the Disclosure Officer within two (2) business days prior to their execution. Upon receipt of any lease, the Disclosure Officer shall immediately work with appropriate staff and accountants, municipal advisors, financial advisors and other outside consultants of the Issuer, to the extent necessary, to determine whether the lease operates as a vehicle to borrow

money (i.e., is a Financial Obligation) and whether such lease is Material using the Materiality standard in Section 3.02(f), the relevant facts and circumstances in Section 5.02(c) of this Policy and the factors described above.

City of Burleson
Debt Management Policy
June 16, 2025

Purpose

The purpose of this policy is to establish parameters and provide guidance governing the issuance, management, continuous evaluation of and reporting on all debt obligations issued by the City, and to provide for the preparation and implementation necessary to ensure compliance and conformity with this policy.

A debt management policy:

- Enhances the quality of decisions by providing transparency of the process.
- Promote consistency and continuity in decision making.
- Contributes to fiscal sustainability.
- Identifies objectives for staff to implement.
- Demonstrates a commitment to longer term financial planning objectives.
- Improves rating agencies review process.

The City of Burleson recognizes that the foundation of any well-managed debt program is a comprehensive debt management and post issuance policy outlining the parameters for issuing new debt and managing the existing debt portfolio; identifying the types and amounts of permissible debt; providing guidance to decision makers regarding the purposes for which debt may be issued; and verifying that the IRS regulations regarding post issuance compliance are met to preserve the tax-exempt status of the City's bonds.

Adherence to a debt management policy helps ensure that the City maintains the current or an improved bond rating in order to minimize borrowing costs and preserve access to credit.

Policy Statement

Under the governance and guidance of Federal and State laws and the City's Charter, ordinances, and resolutions the City may periodically enter into debt obligations to finance the construction or acquisition of infrastructure and other

assets; or to refinance existing debt for the purpose of meeting its governmental obligations to its residents. It is the City's objective to ensure that such debt obligations are issued and administered in such fashion as to obtain the best long term financial advantage for the City and its residents, while making every effort to maintain and improve the City's bond ratings.

This Policy applies to all debt instruments issued by the City regardless of the funding source. Funding sources can be derived from, and debt secured by ad valorem taxes, general City revenues, enterprise fund revenues or any other identifiable source of revenue that may be identified for appropriate pledging for bonded indebtedness.

General Debt Governing Policies

The City establishes the following policies on the issuance and management of debt:

- The City will not issue debt obligations or use debt proceeds to finance current operations or normal maintenance.
- Debt financing includes general obligation bonds, certificates of obligation, revenue bonds, lease/purchase agreements and other obligations permitted to be issued under Texas law.
- The City shall review its outstanding debt annually for the purpose of determining if the financial marketplace will afford the City the opportunity to refund an issue and lessen its debt service cost. As a general rule, the present values savings of a particular refunding should exceed three and one-half percent (3.5%) of the refunded maturities, unless a restructuring or bond covenant revision is necessary in order to facilitate the ability to provide services or issue additional debt in accordance with the established debt policies.
- The City will utilize debt obligations only for acquisition, construction, reconstruction or renovation of capital improvement public infrastructure projects, and capital equipment that cannot be funded from current revenue sources or in such cases where it is more equitable for the project to be financed over its useful life or a period of not to exceed its useful life.

- The City will measure the impact of debt service requirements of outstanding and proposed debt obligations on a single year, five, and twenty-year periods. This analysis will consider debt service maturities and payment patterns as well as the City's commitment to cash fund capital projects.
- The City will seek advice and the services of a Financial Advisor in performing the bond issuance process. The City will also seek the advice of Bond Counsel as to the legality and tax-exempt status of any obligations.
- The bond proceeds will be invested in accordance with the City's investment policy. Interest earnings received on the investment of bond proceeds shall be used to assist in paying the cost associated with the capital project or be used toward the repayment of debt. The City is committed to continuing disclosure of financial and pertinent credit information relevant to the City's outstanding securities and will abide by the provisions of the Securities and Exchange Commission (SEC) or other laws, as applicable.
- The City may utilize a reimbursement resolution approved by the City Council to begin working on capital projects prior to issuing debt. In general, reimbursements are made no later than 18 months after the later date of the original expenditure is made or the date the project is placed in service, but in no event more than 3 years after the original expenditure is paid.

STRUCTURE OF DEBT

Debt service shall be structured to the greatest extent possible to:

1. Target projected cash flows and pledged revenues;
2. Minimize the impact on future tax levies;
3. Target a consistent and as rapid as feasible payment of principal;
4. Maintain a level overall annual debt service payment structure; and
5. Target the equal or the lesser of the useful life of the asset being financed.

FIXED INTEREST VERSUS VARIABLE INTEREST

The City generally issues fixed rate bonds primarily to protect the City against interest rate risk. The City has the option to issue variable rate bonds if market conditions warrant and the Council approves it.

METHODS OF SALE

A. Competitive Sale

In a competitive sale, bonds are awarded in a sealed bid sale to an underwriter or syndicate of underwriters that provides the lowest True Interest Cost (TIC) bid. TIC is defined as the rate, which will discount the aggregate amount of debt service payable over the life of the bond issue to its present value on the date of delivery. It is customary for bids to be submitted electronically through a secure website.

B. Negotiated Sale

In a negotiated sale, the City chooses an underwriter or underwriting syndicate that is interested in reoffering a particular series of bonds to investors. The terms of the sale, including the size of the underwriter's discount, date of sale, and other factors, are negotiated between the two parties. Although the method of sale is termed negotiated, individual components of the sale may be competitively bid. The components are subject to a market analysis and reviewed prior to recommendation by staff. Negotiated sales are more advantageous when flexibility in the sale date is needed or when less conventional bond structures are being sold. Negotiated sales are also often used when the issue is particularly large or if the sale of the debt issuance would be perceived to be more successful with pre-marketing efforts.

C. Private Placement

A private placement is a negotiated sale of debt securities to a limited number of selected investors including financial institutions, government agencies, or authorities. The City may engage a placement agent to identify likely investors if deemed necessary. A private placement may be beneficial when the issue size is small, when the security of the bonds is somewhat weaker, or when a

governmental lending agency or authority can provide beneficial interest rates or terms compared to financing in the public market.

The City's debt obligations may be sold by competitive sale, negotiated sale or private placement methods. The selected method of sale depends upon the option which is expected to result in the lowest cost and most favorable terms to the City given the financial structure used, market conditions, and prior experience. When considering the method of sale, the City Council may consider the following issues:

1. Financial conditions;
2. Market conditions;
3. Transaction-specific conditions;
4. City-related conditions;
5. Risks associated with each method;
6. Complexity of the Issue – Municipal securities with complex security features require greater marketing and buyer education efforts on the part of the underwriter, to improve the investors' willingness to purchase;
7. Volatility of Bond Yields – If municipal markets are subject to abrupt changes in interest rates, there may be a need to have some flexibility in the timing of the sale to take advantage of positive market changes or to delay a sale in the face of negative market changes;
8. Familiarity of Underwriters with the City's Credit Quality – If underwriters are familiar with the City's credit quality, a lower (TIC) may be achieved. Awareness of the credit quality of the City has a direct impact on the TIC an underwriter will bid on an issue. Therefore, where additional information in the form of pre-sale marketing benefits the interest rate, a negotiated sale may be recommended. The City strives to maintain an excellent bond rating. As a result, the Municipal Bond Market is generally familiar with the City's credit quality; and
9. Size of the Issue – The City may choose to offer sizable issues as negotiated sales so that pre-marketing and buyer education efforts may be done to more effectively promote the bond sale.

RATINGS

Adherence to a debt management policy helps ensure that the City maintains the current or an improved bond rating in order to minimize borrowing costs and preserve access to credit. Toward that end, the City will take the following steps.

1. Strive to maintain good relationships with bond rating agencies as well as disclose financial reports and information to these agencies and to the public.
2. Obtain a rating from at least one nationally recognized bond-rating agency on all issues being sold in the public market.
3. Make timely disclosure of annual financial information or other requested information to the rating agencies.

CONTINUING DISCLOSURE

The City will take all appropriate steps to comply with federal securities laws, including, but not limited to, Securities and Exchange Commission ("SEC") Rule 15c2 -12 the ("Rule"). The City will make annual and event disclosure filings to the MSRB via EMMA as required by the Rule and its continuing disclosure undertakings.

SELECTION OF FINANCIAL ADVISOR

The City shall retain an independent financial advisor for advice on the structuring of new debt, financial analysis of various options, including refunding opportunities, the rating review process, the marketing and marketability of City debt obligations, issuance and post- issuance services, the preparation of offering documents (each, an "Official Statement") and other services, as necessary. The City will seek the advice of the financial advisor on an ongoing basis. The financial advisor will perform other services as defined by the agreement approved by the City Council. The financial advisor will not bid on nor underwrite any City debt issues in accordance with MSRB rules.

SELECTION OF BOND COUNSEL

The City shall retain bond counsel for legal and procedural advice on all debt issues. Bond counsel shall advise the City Council on all matters pertaining to its bond ordinance(s) and /or resolution(s). No action shall be taken with respect to any obligation until a written instrument (e.g., Certificate Ordinance or other legal instrument) has been prepared by the bond attorneys certifying the legality of the proposal. The bond attorneys shall prepare all ordinances and other legal instruments required for the execution and sale of any bonds issued which shall then be reviewed by the City Attorney and the Director of Finance. The City will also seek the advice of bond counsel on all other types of debt and on any other questions involving state law and federal tax or arbitrage law. Special counsel may be retained to protect the City's interest in complex negotiations.

Debt Limit

- The maximum combined tax rate of the City is \$2.50 per \$100 valuation under State law. Administratively solely for the purpose of approving as valorem debt, the Attorney General will permit an allocation of \$1.50 of the \$2.50 maximum tax rate for all ad valorem tax supported debt service, as calculated at the time of issuance.
- The State of Texas does not prescribe a legal debt limit on the amount of outstanding revenue bonds.
- The City of Burleson's charter does not provide a debt limit lower than the \$2.50 maximum tax rate under State law.

Specific Debt Ratios and Measurements

This section establishes target debt ratios and measurements for the City. As the City periodically addresses its ongoing needs, the City Manager and the City Council must ensure that future elected officials will have the flexibility to meet the capital needs of the City. This policy establishes targets which should provide future flexibility.

Outstanding Debt – The Finance Director will monitor and report the outstanding debt to the City Council at least annually. The Finance Director is responsible for monitoring the maturities and terms and conditions of all obligations to ensure compliance.

Future debt – Debt will be structured by reviewing the 5-year CIP plan, growth of the City, and level or declining debt service payments over the life of existing bonds.

Self-Supporting Debt – Bonds backed with the property tax pledge often have lower interest rates than revenue bonds. The City may use its property tax pledge with self-supporting debt when the population served by the self-supporting bond projects overlaps or significantly are the same as the property tax base of the City. The City Council and management are committed to maintaining rates and fees structures and a revenue stream of revenue supported debt at levels that will not require a subsidy from the City's General Fund.

Net Debt Per Capita – is the amount of debt outstanding for each citizen of a jurisdiction. Net direct debt is the sum of all general obligation bonds and notes outstanding less any self-supporting obligations, overlapping debt, and revenue debt. The City **shall strive** to maintain the current Net Debt per Capita at or below \$3,000.

Net Debt to Assessed Value – Assessed valuation shows the fiscal capacity of the tax base. The City **shall strive** to maintain a ratio of Net Debt to Assessed Value of properties in the City at or below three percent (3%).

Debt Service Tax Rate – The City will target a debt service tax rate the makes up 40% or less of the City's total property tax rate.

Bond Covenants and Laws – The City shall comply with all covenants and requirements of its bond ordinances, the State and Federal laws authorizing and governing the issuance and administration of debt obligations.

Debt Committee

The Finance Committee shall function as the City's designated Debt Committee to oversee the implementation of debt strategies. The Committee shall meet at least twice a year or as requested by the City Manager and/or Finance Director.

CITY OF BURLESON

INVESTMENT POLICIES

I. POLICY

It is the policy of the City of Burleson, Texas (the “City”) that after allowing for the anticipated cash flow requirements of the City and giving due consideration to the safety and risk of the investment, all available funds shall be invested in conformance with these legal and administrative guidelines, seeking to optimize interest earnings to the maximum extent possible.

Effective cash management is recognized as essential to good fiscal management. Investment interest is a source of revenue to the City’s funds. The City’s investment portfolio shall be designed and managed in a manner to optimize this revenue source, to be responsive to public trust, and to be in compliance with legal requirements and limitations.

Investments shall be made with the primary objectives of:

- **Safety** and preservation of principal,
- Maintenance of sufficient **liquidity** to meet operating needs,
- **Public trust** from prudent investment activities, and
- Optimization of **interest earnings** (yield) on the portfolio.

II. PURPOSE

The purpose of this Investment Policy is to comply with Government Code Chapter 2256, Public Funds Investment Act (the “PFIA”) which requires each city to adopt a written investment policy regarding the investment of its funds and funds under its control. This Investment Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the City’s funds.

III. SCOPE

This Investment Policy shall govern the investment of all financial assets of the City and the Burleson Community Service Development Corporation (Type B), Economic Development Corporation (Type A), and Tax Increment Financing (TIF). These funds are accounted for in the City’s Annual Financial Report and include:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds

- Internal Service Funds
- Any new fund created by the City, unless specifically exempted from this Policy by the City Council, or by law.

When advantageous, the City will consolidate cash balances to optimize investment strategy implementation. Investment income will be allocated to the consolidated funds based on their respective participation in the consolidated balances and in accordance with generally accepted accounting principles.

This Investment Policy shall apply to all transactions involving the financial assets and related activity for all the foregoing funds. However, this Policy does not apply to the assets administered for the benefit of the City by outside agencies under pension plans or deferred compensation programs.

IV. INVESTMENT OBJECTIVES

The City shall manage and invest its cash with four primary objectives, listed in order of priority: **safety, liquidity, public trust, and yield (expressed as optimized interest earnings)**. The safety of the principal always remains the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

The City shall maintain a comprehensive cash management program, which includes collection of account receivables, vendor payments in accordance with invoice terms, and prudent investment of available cash.

Safety

Safety of principal is the foremost objective of the investment program. The objective will be to mitigate credit and interest rate risk.

- Credit Risk and Concentration of Credit Risk - The City will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment, and concentration risk, the risk of loss attributed to the magnitude of investment in a single issuer, by:
 - Limiting investments to the safest types of issuers;
 - Pre-qualifying the financial institutions and brokers/dealers with which the City will do business; and
 - Diversifying the investment portfolio so that potential losses on individual issuers will be minimized, as appropriate.
- Interest Rate Risk - The City will manage the risk that the interest earnings and the market value of investments in the portfolio will fall due to changes in general interest rates. The City will:
 - Structure the investment portfolio so that investments mature to meet cash

requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity;

- Invest funds primarily in certificates of deposit, shorter-term securities, financial institution deposits, or money market mutual funds and local government investment pools whose investment objectives include maintaining a stable \$1.0000 net share value; and
- Diversify maturities and stagger purchase dates to minimize the impact of market movements over time.

Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that investments mature concurrent with cash needs to meet anticipated demands. Because all possible cash demands cannot be anticipated, a portion of the portfolio will be invested in cash-equivalent options that offer same-day liquidity. In addition, any security positions will consist of securities with active secondary or resale markets.

Public Trust

All participants in the City's investment process shall seek to act responsibly as custodians of the public trust. Investment Officer(s) shall avoid any transaction that might impair public confidence in the City's ability to govern effectively.

Yield (Optimized Interest Earnings)

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

V. RESPONSIBILITY AND CONTROL

Delegation of Authority

In accordance with the PFIA, the City Council designates the Deputy City Manager, Finance Director, Deputy Finance Director, and Chief Accountant as the City's Investment Officer(s). An Investment Officer is authorized to execute investment transactions on behalf of the City. No person may engage in an investment transaction of the management of City funds except as provided under the terms of this Investment Policy as approved by the City Council. The investment authority granted to the Investment Officer(s) is effective until rescinded by the City Council.

Quality and Capability of Investment Management

The City shall provide periodic training in investments for the Investment Officer(s) and other investment personnel through courses and seminars offered by approved professional organizations, associations, and other independent sources in order to ensure the quality and capability of investment management in compliance with the PFIA.

Training Requirements

In accordance with the PFIA, the Investment Officer(s) shall attend investment training no less often than once every two-year period that begins on the first day of the City's fiscal year and consists of the two consecutive fiscal years after that date, and accumulate not less than 8 hours of instruction relating to investment responsibilities and requirements of the PFIA. A newly appointed Investment Officer(s) must attend training accumulating at least 10 hours of instruction within twelve months of the date the Officer took office or assumed the Officer's duties. Training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the PFIA.

Internal Controls

The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls shall address the following points:

- Avoidance of collusion,
- Separation of transactions authority from accounting and record keeping,
- Third-party safekeeping and custody,
- Clear delegation of authority of subordinate staff members, and
- Written confirmation for transactions for investments and wire transfers.

Standard of Care

The standard of care to be applied by the Investment Officer(s) shall be the "prudent person" rule. This rule states that "Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." In determining whether an Investment Officer(s) has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- The investment of all funds, or funds under the City's control, over which the Investment Officer(s) had responsibility rather than a consideration as to the prudence of a single investment, and
- Whether the investment decision was consistent with the written approved Investment Policy of the City.

Indemnification

An Investment Officer(s), acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific investment's credit risk or market price changes, provided that these deviations are reported in a timely manner and the appropriate action is taken to control adverse developments.

Ethics and Conflicts of Interest

Investment Officer(s) and employees involved in the investment process shall refrain from personal business activity that would conflict with the proper execution and management of the investment program, or that would impair their ability to make impartial decisions. Investment Officer(s) and employees shall disclose any personal material interests in financial institutions with which the City conducts business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Investment Officer(s) and employees shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the City.

An Investment Officer(s) who has a personal business relationship with an organization seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An Investment Officer(s) who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.

Investment Committee

The Finance Committee shall function as the City's designated Investment Committee to oversee the implementation of investment strategies and other cash and investment management-related activities, approve Independent Training Sources, and authorize Broker/Dealers. The Committee shall meet at such times as necessary or requested by the Investment Officer(s).

VI. SUITABLE AND AUTHORIZED INVESTMENTS

Portfolio Management

The City utilizes a “buy and hold” portfolio strategy. Maturity dates are matched with cash flow requirements and investments are purchased with the intent to be held until maturity. However, investments may be liquidated or redeemed prior to maturity for the following reasons:

- An investment with declining credit may be liquidated early to minimize loss of principal, or
- Cash flow needs of the City require that the investment be liquidated.

Investments

City funds governed by this Investment Policy may be invested in the instruments described below, all of which are authorized by the PFIA. Investment of City funds in any instrument or security not authorized for investment under the PFIA is prohibited. The City will not be required to liquidate an investment that becomes unauthorized subsequent to its purchase.

I. Authorized

- a. Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks.
- b. Direct obligations of the State of Texas or its agencies and instrumentalities.
- c. Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or by the explicit full faith and credit of the United States.
- d. Obligations of states, agencies, counties, cities, and other political subdivisions of the State of Texas rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.
- e. Financial institution deposits that, are issued by a state or national bank or credit union that a) has its main office or a branch office in Texas and is guaranteed or insured by the FDIC, NCUSIF, or their successors, b) is secured by obligations in a manner and amount provided by law and this Investment Policy for deposits of the City, or c) is placed in a manner that meets the requirements of the PFIA.
- f. Fully collateralized direct repurchase agreements with a defined termination date secured by obligations of the United State or its agencies and instrumentalities. These shall be pledged to the City, held in the City’s account, and deposited at the time the investment is made with the City or with a third party selected and

approved by the City. Repurchase agreements must be purchased through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas. A Repurchase Agreement must be signed by the counter-party prior to investment in a repurchase agreement. All repurchase agreement transactions must have a market value of purchased securities greater than or equal to 102 percent of the total balance of the agreement.

- g. Money Market Mutual funds that: (1) are registered and regulated by the Securities and Exchange Commission, (2) seek to maintain a net asset value of \$1.0000 per share, and (3) are rated AAA by at least one nationally recognized rating service.
- h. Local government investment pools, which (1) meet the requirements of the PFIA, (2) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, and (3) are authorized by resolution or ordinance by the City Council.

All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating. (PFIA 2256.021)

II. Not Authorized

- Collateralized mortgage obligations
- Commercial paper
- Banker's acceptances
- Reverse repurchase agreements
- No-load mutual funds other than no-load money market mutual funds
- Guaranteed investment contracts not structured as flexible repurchase agreements
- Securities lending programs

VII. INVESTMENT PARAMETERS

Maximum Maturities and Investment Strategies

The City may utilize fund-type investment groups. These groups will reflect similar needs as to maturity limits, diversity, and liquidity.

City funds shall seek to achieve a competitive yield appropriate for each strategy. A comparably structured U.S. Treasury security portfolio shall represent the minimum yield objective. Weighted average yield to maturity shall be the portfolio's performance measurement standard. Yield objectives shall at all times be subordinate to the objectives of safety and liquidity. Tax-exempt debt proceeds shall be invested to optimize the interest earnings retained by the City, while at the same time fully complying with all applicable State laws and federal regulations, including the arbitrage rebate regulations.

All investment-specific restrictions shall be measured at the time of purchase and based on portfolio book value.

The City maintains the following fund-type portfolios which will utilize the following specific investment considerations designed to address the unique characteristics of the pooled fund groups or separately held investment assets represented in the portfolios:

(1) Operating Funds

This pooled investment group includes the total of cash and investments available for current operations plus all required operating reserves of the following fund types: general fund, internal service funds, debt service funds, special revenue funds, and enterprise funds.

Suitability - Any investment eligible in the Investment Policy is suitable for Operating Funds.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations may occur. However, by managing the weighted average days to maturity for the Operating Fund's portfolio to less than 365 days and restricting the maximum allowable maturity to three years, the price volatility of the overall portfolio will be minimized.

Liquidity - The Short-term Operating Funds require the greatest short-term liquidity of any of the Fund types. Cash equivalent investments will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement.

Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through three years.

Yield - Attaining a competitive market yield for comparable investment-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury bill portfolio will be the minimum yield objective.

(2) Bond Proceeds and Capital Improvement Funds

Suitability - Any investment eligible in the Investment Policy is suitable for the Bond Proceeds and Capital Improvement Funds.

Safety of Principal - All investments will be of high quality with no perceived default risk. Market fluctuations may occur. However, by restricting the maximum maturity to three years and by managing the Bond Proceeds and Capital Improvement Funds to balance the short term and long term anticipated cash flow requirements, the market risk of the portfolio will be minimized.

Liquidity - Selecting investment maturities that provide greater cash flow than the anticipated needs and maintaining appropriate cash-equivalent balances will reduce the liquidity risk of unanticipated expenditures.

Marketability - The balancing of short-term and long-term cash flow needs requires the short-term portion of the Bond Proceeds and Capital Improvement Funds to have securities with active and efficient secondary markets.

Diversification - Investment maturities should blend the short-term and long-term cash flow needs to provide adequate liquidity, yield enhancement, and stability.

Yield - Attaining a competitive market yield for comparable investment-types and portfolio structures is the desired objective, however this portfolio maintains an investment strategy intended to comply with any applicable arbitrage or yield restriction regulations.

(3) Debt Service Sinking Funds

Suitability - Any investment eligible in the Investment Policy is suitable for the Debt Service Sinking Funds.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations may occur. However, by managing Debt Service Sinking Funds to not exceed the debt service payment schedule the market risk of the overall portfolio will be minimized.

Liquidity - Debt Service Funds have predictable payment schedules. Therefore, investment maturities should not exceed the anticipated cash flow requirements. Cash equivalent investments may provide a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any debt service payment. This investment structure is commonly referred to as a flexible repurchase agreement.

Marketability - Securities with active and efficient secondary markets are not necessary as the event of an unanticipated cash flow requirement is not probable.

Diversification - Market conditions influence the attractiveness of fully extending maturity to the next “unfunded” payment date. Generally, if investment rates are anticipated to decrease over time, the City is best served by locking in most investments. If the interest rates are potentially rising, then investing in shorter and larger amounts

may provide advantage. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.

Yield - Attaining a competitive market yield for comparable investment-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury bill portfolio shall be the minimum yield objective.

(4) Debt Service Reserve Funds

Suitability - Any investment eligible in the Investment Policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the Investment Policy.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations may occur. However, managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing reduces the investment's market risk if the City's debt is redeemed and the Reserve Fund liquidated. No stated final investment maturity shall exceed the shorter of the final maturity of the borrowing or three years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the attractiveness of market risk and reduce the opportunity for maturity extension.

Liquidity - Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City's debt holders. The funds are "returned" to the City at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of investment diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the City is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.

Marketability - Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.

Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.

Yield - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall at all times operate within the limits of the Investment Policy's risk constraints.

Diversification

The City recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Risk is managed through portfolio diversification that shall be achieved by the following general guidelines:

- Limiting investments to avoid overconcentration in investments from a specific issuer or business sector, when appropriate,
- Limiting investment in higher credit risk issuers,
- Investing in investments with varying maturities, and
- Continuously investing a portion of the portfolio in readily available funds such as financial institution deposits, local government investment pools, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

Competitive Environment

The City requires a competitive environment for all individual security purchases and sales, financial institution time deposit and transaction accounts, and money market mutual fund and local government investment pool selections. The Finance Director shall develop and maintain procedures for ensuring a competitive environment in the investment of the City's funds.

Delivery versus Payment

All security transactions shall be settled on a **delivery versus payment** basis.

VIII. PRIMARY DEPOSITORY AND BROKER/DEALERS

Primary Depository

At least every five years a Primary Depository shall be selected through the City's banking services procurement process, which shall include a formal request for application (RFA). The selection of a primary depository will be determined by evaluation of the "most advantageous" criteria during the RFA process, and may include the following selection criteria:

- The ability to qualify as a depository for public funds in accordance with state law,
- The ability to provide requested information or financial statements for the periods specified,
- The ability to meet the minimum required items in the banking RFA,
- Complete response to all required items on the RFA form, and
- Competitive net banking service cost, consistent with the ability to provide an appropriate level of service.

Authorized Broker/Dealers

The Investment Committee shall, at least annually, review, revise and adopt a list of authorized broker/dealers authorized to engage in securities transactions with the City. Those firms that become qualified may be required to provide a completed broker/dealer questionnaire that provides information regarding creditworthiness, experience and reputation. Authorized firms may include primary dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule), and qualified depositories.

Investment Policy Certification

All local government investment pools and discretionary investment management firms must sign a certification acknowledging that the organization has received and reviewed the City's Investment Policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by the City's Policy and in accordance with the PFIA.

IX. SAFEKEEPING AND CUSTODY

Safekeeping and Custodial Agreements

The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure demand or time deposits. Securities owned by the City shall be held in the City's account as evidenced by safekeeping receipts of the institution holding the securities. The City shall approve all third-party custodians for the holding of securities pledged to the City as collateral to secure financial institution deposits.

Collateral Policy

The City has established a collateral policy in compliance with Government Code Chapter 2257, Public Funds Collateral Act. Deposits secured with irrevocable letters of credit shall have 100% of principal plus anticipated interest of the deposit, less any amount insured by the FDIC or NCUSIF. Deposits secured with pledged marketable securities shall have a market value equal to or greater than 102% of the principal plus accrued interest of the deposit, less any amount insured by the FDIC or NCUSIF. All deposits shall be insured or collateralized in compliance with applicable State law. The City reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards financial institution deposits. Financial institutions serving as City Depositories will be required to sign a depository agreement with the City. The collateralized deposit portion of the agreement shall define the City's rights to the collateral in case of default, bankruptcy, or closing, and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- The agreement must be in writing;
- The agreement must be executed by the Depository and City contemporaneously with the acquisition of the asset;

- The agreement must be approved by the Board of Directors or designated committee of the Depository and a copy of the meeting minutes must be delivered to the City; and
- The agreement must be part of the Depository’s “official record” continuously since its execution.

Collateral Defined

Acceptable forms of collateral are limited to those authorized in the Public Funds Collateral Act.

Subject to Audit

All collateral shall be subject to inspection and audit by the City or the City’s independent auditors.

X. REPORTING

Methods

Each quarter, the Investment Officer(s) shall prepare and submit to the City Council a written report of all investment transactions. The investment report will be prepared in a manner that will allow the City to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report will be provided to the City Council and include the following:

- A listing of individual investments held at the end of the reporting period,
- Unrealized gains or losses resulting from appreciation or depreciation, by listing the beginning and ending book and market value of investments for the period,
- Additions and changes to the market value during the period,
- Average weighted yield to maturity of the portfolio,
- Listing of investment by maturity date,
- Fully accrued interest for the reporting period,
- The percentage of the total portfolio that each type of investment represents, and
- Statement of compliance of the City’s investment portfolio with State law and the Investment Policy (and incorporated Strategy) approved by the City Council.

This report must be prepared and signed by the Investment Officer(s) of the City.

In conjunction with the quarterly investment report, the Investment Officer(s) will verify from reliable sources market value of all securities and the current credit rating for each held investment that has a PFIA-required minimum rating.

Compliance Audits

The City, in conjunction with its annual financial audit, will require the audit firm to conduct a compliance audit of the management controls on investments and adherence to investment policies.

Also, in conjunction with the annual audit, the quarterly reports shall be formally reviewed by the City's independent auditor, and the result of the review shall be reported to the City Council by that auditor. Said results may be included in the annual audit report.

XI. INVESTMENT POLICY ADOPTION

The City Council shall adopt, by resolution, the Investment Policy. It is the City's intent to comply with State laws and regulations. The City's Investment Policy shall be subject to revisions consistent with changing laws, regulations, and the needs of the City. Additionally, the City Council shall adopt a resolution stating that it has reviewed the Investment Policy (and incorporated strategies) at least annually, approving any changes or modifications.

Attachment A

Approved Brokers/Dealers

Great Pacific Securities
Hilltop Securities
Multi-Bank Securities
RBC Capital Markets
Stifel
Wells Fargo Securities

Attachment B

Independent Training Sources

Government Finance Officers Association
Government Finance Officers Association of Texas
Government Treasurers' Organization of Texas
International City/County Management Association
Texas Municipal League
Council of Governments
University of North Texas Center for Public Management
American Institute of Certified Public Accountants

Glossary



Definition of Terms

Accrual Basis

The basis of accounting under which transactions are recognized when they occur regardless of the timing of related cash flows.

Ad Valorem Tax

A tax computed on the assessed valuation of all property, real personal and improvements to property within a taxing jurisdiction subject to taxation on January 1.

Appropriation

A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

Assessed Valuation

A value that is established for real or personal property for use as a basis for levying property taxes. (Note Property values are established by the Johnson County Appraisal District.)

BACC

Acronym for Burleson Area Chamber of Commerce.

BPD

Acronym for Burleson Police Department.

Base Budget

The amount of revenues and expenditures needed to maintain current service levels.

Balanced Budget

The budget where projected expenditures equal projected revenue.

Bond

Faith and credit financings requiring preparation of offering statements and bond ratings.

BRiCk

Acronym for Burleson Recreation Center

Budget

The City's financial plan for a specific fiscal year that contains both the estimated revenues to be received during the year and the estimated expenditures to be incurred to achieve stated objectives.

Budget Document

The official written statement prepared by the manager's office which presents a comprehensive financial program to the City Council.

Burleson 4A Economic Development Corporation

Burleson 4A Economic Development Corporation is a blended component unit of the City. The 4A Corporation administers a ½ cent sales tax. The proceeds of this tax are used to pay debt service on bonds issued for various capital improvements. The special revenue fund accounts for the receipts of the sales tax revenue, and subsequent transfers to the debt service fund.

Burleson 4A Economic Development Corporation Debt Service Fund

The Burleson 4A Economic Development Corporation Debt Service Fund is used to account for receipts of sales tax revenue transfers and payment of the debt service.

Burleson Community Services Development Corporation (4B)

The Burleson Community Services Development Corporation is another component unit of the City the BCDC administers a ½ cent sales tax. The proceeds of this tax are used to pay debt service on bond issues for various capital improvement. The special revenue fund accounts for the receipt of the sales tax revenue and subsequent transfer to the debt service fund.

Burleson Community Services Development Corporation (4B) Debt Service Fund

The Burleson Community Services Development Corporation (4B) is used to account for the receipt of sales tax revenue transfer and payment of the debt service.

City Manager's Message

A general summary of the proposed budget presented as a part of, or a supplement to the budget document. The budget message explains major budget issues as related to the financial experience in recent years and presents recommendations made by the City Manager.

Capital Asset

An asset which costs more than \$3,000 and has a useful life greater than one year.

Capital Expenditures

Decrease in resource for the acquisition of major, long term capital assets.

Cletran

A unit of the city of Cleburne which provides regional transportation between the cities of Cleburne, Joshua and Burleson.

Contractual Obligations

Bonds used to finance personal property such as vehicles, equipment, computers, radio systems, etc. No real property may be purchased or improved. The repayment of these bonds is made from property taxes. These bonds are backed by the full faith and credit of the issuing government.

Department

A functional unit of the City containing one or more divisions.

Depreciation

The process of estimating and recording the lost usefulness, expired useful life or diminution of service from a fixed asset that cannot or will not be restored by repair and will be replaced. The cost of the fixed asset's lost usefulness is the depreciation or the estimated depreciation of value for the operating period.

Division

A functional section of a department.

Effective Tax Rate

The rate which produces the same revenues in terms of the total amount of taxes as compared to the prior year.

Encumbrances

Commitments in the form of purchase orders or contracts which are chargeable to an appropriation and for which a part of the appropriation is reserved.

Enterprise Fund

A fund established to account for operations that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees.

Expenditures

The outflow of funds paid or to be paid for an asset obtained or goods and services obtained, regardless of when the expense is actually paid.

Expenses

Charges incurred (whether paid immediately or unpaid) for operation, maintenance, interest and other charges.

Fiscal Year

The time period designated by the City signifying the beginning and ending period for recording financial transactions. The City of Burleson's budget year is from October 1 to September 30.

Fixed assets

Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment. In Burleson, an item is capitalized as a fixed asset if it is over \$5000 in value and has a useful life in excess of one year.

Franchise Tax

A charge paid for the use of City streets and public right-of-way and is in lieu of all other municipal charges, fees, street rentals, pipe taxes or rentals, easement or others such as inspection fee, and/or charges of every kind except only ad valorem and special assessment taxes for public improvements (e.g., gas, telephone, cable television and banks).

Full-Time Equivalent (FTE)

A measure of authorized personnel calculated by equating 2,080 hours of work per year with the full-time equivalent of 1 position.

Fund

An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance

Fund balance is the excess of assets over liabilities and is therefore also known as surplus funds.

General Debt Service Fund

The General Debt Service Fund is used to pay principal and interest on General Obligation Bonds.

General Fund

This fund typically includes most of the basic operation services, such as police and fire protection, public works, parks and recreation, library and general administration. General Fund revenues include tax revenues, licenses and permits, intergovernmental revenue, service fees, fines and forfeitures, and interest.

General Obligation Bonds

Bonds that finance public projects such as streets, municipal facilities, and park improvements. The repayment of these bonds is made from property taxes, and these bonds are backed by the full faith and credit of the issuing government.

Generally Accepted Accounting Principles (GAAP)

Uniform minimum standards and guidelines to financial accounting and reporting. GAAP governs the form and content of the basic financial statements of an entity. They encompass the conventions, rules and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. They provide a standard by which to measure financial presentations.

Goals

Goals describe the purpose or benefit the division/department plans to provide to the community and/or organization it serves. Goals identify the end result the division or department desires to achieve with its activities, but goals are often ongoing and may not be achieved in one year.

Governmental Funds

Governmental Funds are those through which most governmental functions are financed. They generally follow the modified accrual basis of accounting, therefore the primary focus is on financial position and changes in net assets vs. net income determination.

Hotel/Motel Fund

Hotel/Motel Fund is used to account for the receipts and allocation of the City's 7% room occupancy tax imposed on the rental of hotel-motel room located within the corporate city limits and extraterritorial jurisdiction of the City.

Hotel/Motel Tax

A tax levied upon the occupancy of any room or space furnished by any hotel where such cost of occupancy is at the rate of two (\$2.00) dollars or more per day. In Burleson and its extraterritorial jurisdiction, a room tax of seven (7%) is levied. Revenue from this tax is used by the City and Burleson Area Chamber of Commerce for promoting and advertising the City.

Income

A term used in proprietary fund type accounting to represent (1) revenues or (2) the excess of revenues over expenses.

Inter fund Transfers

Amounts transferred from one fund to another.

Internal Service Fund

Funds used to account for the financing of goods or services provided by one department to other departments on a cost-reimbursement basis. In Burleson, the Equipment Services Fund, Vehicle Replacement Fund and Support Services Fund are internal service funds.

Levy

(Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments, or service charges imposed by a government.

Modified Accrual Basis

The accrual basis of accounting adapted to the governmental fund type spending measurement focus. Revenues are recognized when they become both "measurable" and "available" to finance expenditures of the current period. Expenditures are recognized when the related fund liability is incurred except for (1) inventories of materials and supplies which may be considered expenditures either when purchased or when used;

(2) prepaid insurance and similar items which need not be reported; (3) accumulated unpaid vacation, sick pay, and other employee benefit amounts which need not be recognized in the current period, but for which larger-than-normal accumulations must be disclosed in the notes recorded when due rather than accrued; if approximately offset by interest earnings on special assessment levies; and (5) principal and interest on long-term debt which are generally recognized when due.

Old Town

Historic central business district.

Object Code

Expenditure classification according to the types of items purchased or services obtained, for example, personal services, materials, supplies, and equipment.

Operating Budget

The budget that pertains to daily operation that provides basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel, fuel, and capital equipment.

Payment in Lieu of Taxes (PILOT)

A fee charged to the Water and Wastewater Enterprise Fund and Solid Waste Fund to compensate for property taxes lost due to municipal ownership. The ad valorem tax rate is applied to the book value of the utility system.

Performance Measures

Performance measures reflect how well a program is performing its activities to meet the needs of the public and the organization. They measure productivity, effectiveness, efficiency and/or the impact of service provided.

Reserve

An account used to indicate that a portion of fund equity is legally restricted for a specific purpose.

Revenue Bonds

Bonds whose principal and interest are payable exclusively from earnings of an Enterprise Fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the Enterprise Fund's property.

Revenue

An increase in the governmental unit's current financial resources.

Sales Tax

A general "sales tax" is levied on all persons and businesses selling merchandise in the city limits on a retail basis. Monies collected under authorization of this tax are for the use and benefit of the City.

Service Enhancement

A request to budget an activity at a level above current service levels in order to achieve increased objectives or new objectives. New programs may also be proposed.

TEX21

Abbreviation for "Transportation Excellence for the 21st Century", a statewide coalition of public and private entities that are committed to determining comprehensive solutions to the transportation challenges in Texas.

TIF

Acronym for Tax Increment Financing. It is a tool used for redevelopment and community improvement projects.

Tax Rate

The amount of tax applied to the tax base. The rate is expressed in cents. The 2010-2011 tax rate for the City of Burleson is \$.71 per \$100 of assessed valuation of taxable property.

Tax Rate Limit

The maximum rate at which a government may levy a tax. The limit may apply to taxes raised for a particular purpose, or to taxes imposed for all purposes, and may apply to a single government, to a class of governments, or to all governments operating in a particular area. Overall tax rate limits usually restrict levies for all purposes and of all governments, state and local, having jurisdiction in a given area.

Tax Roll

The official list showing the amount of taxes levied against each taxpayer or property. Frequently, the tax roll and the assessment roll are combined, but even in these cases the two can be distinguished.

Taxes

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges as, for example, sewer charges.

Unencumbered Balance

The amount of appropriations that is neither expended nor encumbered. It is essentially the amount of money still available for future purchases.

Working Capital

The amount of current assets minus the amount of current liabilities as of fiscal year end.

Acronyms

ACFR	Annual Financial Report
AV	Ad Valorem
BACC	Burleson Area Chamber of Commerce
BCDC	Burleson Community Services Development Corporation
BPD	Burleson Police Department
BRiCk	Burleson Recreation Center
CIP	Capital Improvement Program
CO	Certificate of Obligation
COG	Council of Governments
CVE	Commercial Vehicle Enforcement
EDIF	Economic Development Incentive Fund
ETJ	Extra Territorial Jurisdiction
ETR	Effective Tax Rate
FF	Firefighter
FT	Full-time
FTE	Full-time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
G&A	General & Administrative
GF	General Fund
GFOA	Government Finance Officers Association
GIS	Geographical Information System
GO	General Obligation
IH	Interstate Highway
I&S	Interest & Sinking (i.e., Debt)
IT	Information Technology

M&O	Maintenance & Operations
NCTCOG	North Central Texas Council of Governments
PILOT	Payment in Lieu of Taxes
PT	Part-time
ROW	Right of Way
RTR	Rollback Tax Rate
SAN	Storage Area Network
SH	State Highway
SRO	School Resource Officer
TEX21	Transportation Excellence for the 21st Century
TIF	Tax Increment Financing
TMRS	Texas Municipal Retirement System
VoIP	Voice Over Internet Protocol
WIFI	Wireless internet capability.