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Wednesday, May 27, 2026  
9:00 AM

City Hall - 141 W. Renfro  
Burleson, TX 76028

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1. **CALL TO ORDER**

2. **CITIZEN APPEARANCES**

Each person in attendance who desires to speak to the Committee on an item NOT posted on the agenda, shall speak during this section. A speaker card must be filled out and turned in to the City Secretary prior to addressing the Committee. Each speaker will be allowed three minutes to speak.

Each person in attendance who desires to speak on an item posted on the agenda shall speak when the item is called forward for consideration.

3. **GENERAL**

A. Consider and take possible action of the minutes from the March 4, 2026 Finance committee meeting. *(Staff Contact: Monica Solko, Deputy City Secretary)*

4. **REPORTS AND PRESENTATION**

A. Receive a report, hold a discussion, and provide recommendations to the city council on the proposed timeline and budget for adopting a stormwater utility fee. *(Staff Contact: Justin Scharnhorst, Deputy Director of Public Works)*

B. Receive a report, hold a discussion, and provide recommendations to the city council on a professional services agreement with Pattillo, Brown & Hill, L.L.P for financial audit services, for an initial three-year term with two possible one-year extensions. *(Staff Contact: Michael Franklin, Deputy Director of Finance)*

C. Receive a report, hold a discussion, and provide recommendations to the city council on the City Manager's recommendation for vehicle and equipment purchases using the Equipment Replacement Fund for FY 2027. *(Staff Contact: Lauren Seay, Deputy Director of Administrative Services)*

D. Receive a report, hold a discussion, and provide recommendations to the city council regarding the March 2026 monthly financial and investment reports. *(Staff Contact: Mark Davies, Director of Finance, Presenting: Michael Franklin, Deputy Director of Finance, and Natalie Turner, Chief Accountant)*

E. Receive a report, hold a discussion, and provide recommendations to the city council on tax rate strategies. *(Staff Contact: Kevin Hennessey, Deputy Director of Finance)*

- F. Receive a report, hold a discussion, and provide recommendations to the city council on proposed amendments to City Council Policy #32, Financial Policy, and City Council Policy #41, Debt Management Policy. *(Staff Contact: Mark Davies, Director of Finance)*
- G. Receive a report, hold a discussion, and provide recommendations to the city council regarding future debt refunding opportunities. *(Staff Contact: Mark Davies, Director of Finance)*

5. **REQUESTS FOR FUTURE AGENDA ITEMS AND REPORTS**

6. **RECESS INTO EXECUTIVE SESSION**

In accordance with Chapter 551 of the Texas Government Code, the Committee may convene in Executive Session in the City Council Workroom in City Hall to conduct a closed meeting to discuss any item listed on this Agenda.

**Pending or contemplated litigation or to seek the advice of the City Attorney pursuant to Section 551.071, Texas Government Code**

7. **ADJOURN**

**HUGO RODRIGUEZ**

Information Technology  
Deputy Chief Technology Officer  
hrodriguez@burlesontx.com  
682.312.2766

**CERTIFICATE**

I hereby certify that the above agenda was posted on this the 14th of May 2026, by 5:30 p.m., on the official bulletin board at the Burleson City Hall, 141 W. Renfro, Burleson, Texas.



Amanda Campos

City Secretary

**BUDGET STATEMENT**

Pursuant to Section 551.043, Government Code, the following taxpayer impact statement must be on the City Council meeting agenda at which the City Council will discuss or adopt a budget for the City of Burleson: For a median-valued homestead property (\$306,724), the City's portion of the property tax bill in dollars for the current fiscal year (FY24-25) is \$2,032.66, the

City's portion of the property tax bill for the upcoming fiscal year (FY25-26) for the same property if the proposed budget is adopted is estimated to be \$2,213.93, and the City's portion of the property tax bill in dollars for the upcoming fiscal year (FY25-26) for the same property if a budget funded at the no-new-revenue rate under Chapter 26, Tax Code, is adopted is estimated to be \$2,021.62.

**ACCESSIBILITY STATEMENT**

The Burleson City Hall is wheelchair accessible. The entry ramp is located in the front of the building, accessible from Warren St. Accessible parking spaces are also available in the Warren St. parking lot. Sign interpretative services for meetings must be made 48 hours in advance of the meeting. Call the A.D.A. Coordinator at 817-426-9600, or TDD 1-800-735-2989.


**Finance Committee**

**DEPARTMENT:** City Secretary’s Office  
**FROM:** Monica Solko, Deputy City Secretary  
**MEETING:** May 27, 2026

**SUBJECT:**

Consider and take possible action of the minutes from the March 4, 2026 Finance committee meeting. *(Staff Contact: Monica Solko, Deputy City Secretary)*

**STRATEGIC PRIORITY AND GOAL(S):**

Strategic Priority	Strategic Goal
 <p><b>High Performing City Organization</b>            Providing Exceptional, People Focused Services</p>	1.2 Continue to improve the efficiency and productivity of operations 1.3 Deliver high-quality service and communications to external and internal customers

**SUMMARY:**

The Finance committee duly and legally met on March 4, 2026 for a regular meeting.

**RECOMMENDATION:**

Committee may approve the minutes as presented or approve with amendments.

**PRIOR ACTION/INPUT (Council, Boards, Citizens):**

N/A

**REFERENCE:**

N/A

**FISCAL IMPACT:**

N/A

**STAFF CONTACT:**

Monica Solko, TRMC  
Deputy City Secretary  
[msolko@burlesontx.com](mailto:msolko@burlesontx.com)  
817-426-9682

**FINANCE COUNCIL COMMITTEE  
MARCH 4, 2026  
DRAFT MINUTES**

Council Present:

Adam Russell, Chair  
Larry Scott  
Dan McClendon

Council Absent:Staff:

Tommy Ludwig, City Manager  
Harlan Jefferson, Deputy City Manager  
Eric Oscarson, Deputy Director  
Monica Solko, Deputy City Secretary  
Lisandra Leal, Assistant City Secretary  
Matt Ribitzki, Deputy City Attorney

**1. CALL TO ORDER – 9:00 a.m.**

Chair Adam Russell called the meeting to order. **Time: 9:00 a.m.**

**2. CITIZEN APPEARANCES**

- No speakers.

**3. GENERAL****A. Minutes from the December 17, 2025 Infrastructure & Development committee meeting. (Staff Contact: Amanda Campos, City Secretary)**

Motion was made by Dan McClendon and seconded by Larry Scott to approve the minutes.

Motion passed 3-0.

**4. REPORTS AND PRESENTATIONS****A. Receive a report, hold a discussion, and provide recommendations to the city council on previous economic development projects and metrics. (Staff Contact: Alex Philips, Economic Development Director)**

Alex Philips, Economic Development Director, presented economic development projects presentation to the committee.

The committee members were happy with the presentation and requested staff to present the item to the full council at a council meeting.

**B. Receive a report, hold a discussion, and provide recommendations to the city council on the fiscal year 2024-2025 Annual Comprehensive**

**Financial Report (ACFR), Single Audit Report, and the Annual Audit.  
(Staff Contact: Mark Davies, Director of Finance)**

Mark Davies, Director of Finance, introduced Jackie Gonzalez, with Weaver, presented the FY 2024-2025 Annual Comprehensive Financial Report (ACFR), Single Audit Report and Annual Audit to the committee. It was a clean audit for the city.

The committee requested staff to present the item to the full council at a council meeting.

**RECESS AND BACK TO ORDER**

Chair Adam Russell recessed for a short break at 9:57 a.m. and called the meeting back to order at 10:08 a.m. with all members present as recorded above.

**C. Receive a report, hold a discussion, and provide recommendations to the city council regarding the January 2026 monthly financial and investment reports. (Staff Contact: Mark Davies, Director of Finance)**

Mark Davies, Director of Finance, presented the January 2026 monthly financial and investment reports to the committee.

No questions from the committee.

**D. Receive a report, hold a discussion, and provide recommendations to the city council on the procurement method for Fiscal Year 2027 replacement vehicles and equipment. (Staff Contact: Lauren Seay, Deputy Director, Administrative Services)**

Lauren Seay, Deputy Director of Administrative Services, presented procurement method for FY 2027 replacement vehicles and equipment to the committee. The City Manager supported the use of cooperative purchasing for the full fleet, with spot-checks on select purchases and development of an internal plan, noting the bidding process would begin earlier and that delivery delays may require mid-year fleet adjustments.

Committee members expressed interest in piloting a few purchases first to evaluate best value.

**5. REQUESTS FOR FUTURE AGENDA ITEMS OR REPORTS**

- None.

6. **RECESS INTO EXECUTIVE SESSION**

In accordance with Chapter 551 of the Texas Government Code, the City Council may convene in Executive Session in the City Council Workroom in City Hall to conduct a closed meeting to discuss any item listed on this Agenda.

**A. Pending or contemplated litigation or to seek the advice of the City Attorney pursuant to Section 551.071, Texas Government Code**

- No executive session needed.

7. **ADJOURN**

There being no further discussion Chair Adam Russell adjourned the meeting.

**Time: 10:54 a.m.**

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Monica Solko  
Deputy City Secretary

**Finance Committee**

**DEPARTMENT:** Public Works



**FROM:** Justin Scharnhorst, Deputy Director of Public Works

**MEETING:** May 27, 2026

**SUBJECT:**

Receive a report, hold a discussion, and provide recommendations to the city council on the proposed timeline and budget for adopting a stormwater utility fee. *(Staff Contact: Justin Scharnhorst, Deputy Director of Public Works)*

**STRATEGIC PRIORITY AND GOAL(S):**

Strategic Priority	Strategic Goal
 <p><b>High Performing City Organization</b> Providing Exceptional, People Focused Services</p>	<p>1.2 Continue to improve the efficiency and productivity of operations 1.3 Deliver high-quality service and communications to external and internal customers</p>
 <p><b>Dynamic &amp; Preferred City</b> Through Managed Growth</p>	<p>2.5 Develop and maintain facilities and utility services</p>

**SUMMARY:**

The City has been evaluating the implementation of a stormwater utility and associated fee structure as part of its long-term strategy to address a significant backlog of deficient drainage infrastructure and related items that impact the community. This item has been presented and discussed at multiple levels for several years, including Council Committees and City Council, where staff has provided updates on program development, funding needs, and potential rate structures.

For purposes of this discussion, staff is seeking direction to proceed to the full Council with development of a Stormwater Utility and fee structure that includes a base rate not to exceed \$8.00 per ERU per month, a tiered residential rate structure, a capital improvement component,

and funding for an additional drainage maintenance crew. Under the proposed framework, religious institutions would receive a 75% discount, or a rate not to exceed \$2.00 per ERU.

Through these discussions and at Council's direction, staff is preparing the proposed program to be presented alongside the FY 2027 Budget in the coming months for consideration as part of the annual budget adoption process.

**RECOMMENDATION:**

N/A

**PRIOR ACTION/INPUT (Council, Boards, Citizens):**

1/6/2025: City Council awarded a professional services contract to Freese and Nichols for technical assistance in the development of a stormwater utility and fee. CSO#5715-01-2025; CSO#5716-01-2025

5/21/2025: Infrastructure & Development Committee received a report from staff and provided recommendations to City Council

5/27/2025: City Council received a report and provided direction to staff to proceed with development of a stormwater utility and fee

12/15/2025: City Council received a report and provided direction to staff to provide additional information

2/2/2026: City Council received a report and provided staff additional direction to modify the program and continue moving forward.

**REFERENCE:**

N/A

**FISCAL IMPACT:**

N/A

**STAFF CONTACT:**

Justin Scharnhorst  
Deputy Director of Public Works  
[jscharnhorst@burlesontx.com](mailto:jscharnhorst@burlesontx.com)  
817-426-9646

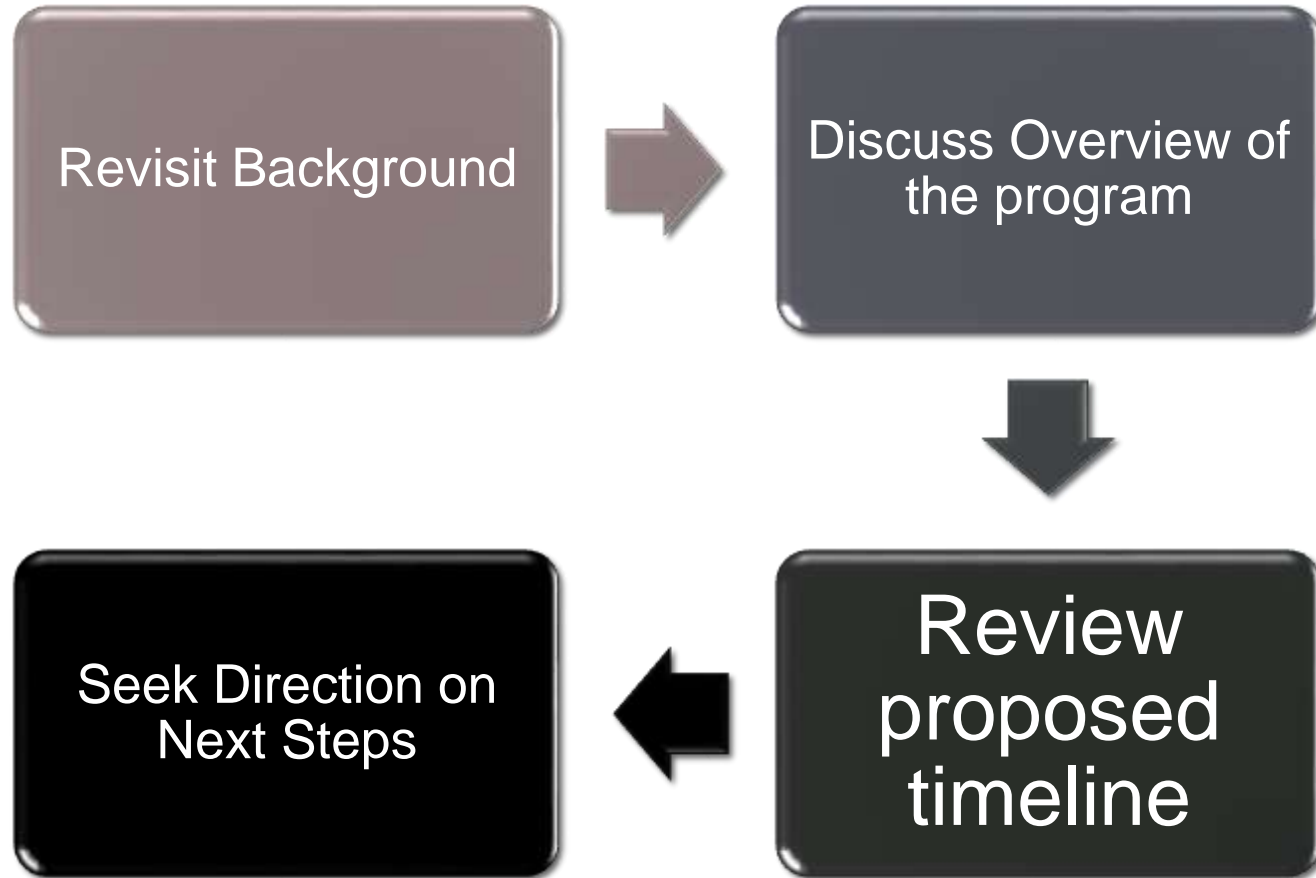


# Stormwater Utility Fee

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PRESENTED TO THE FINANCE COMMITTEE

# Agenda



# Purpose and Background

# Council Direction

Proceed with development of a Stormwater Utility and fee with:

- Base rate not to exceed \$8 per ERU per month
- Tiered residential structure
- Capital component
- Additional drainage crew
- Religious institutions receive 75% discount, or not to exceed \$2.00 per ERU.



# Program Funding

## Generates \$3.7M - \$4.1M annually

- Conservative Revenue Estimate: \$3,700,000 (*dependent on collection rate*)
- New Crew (1 Supervisor + 3 Workers): \$405,340
- Equipment: \$560,420
- Equipment Contribution (20% annual reserve): \$112,084
- Year 1 Operational Expenses: \$762,156
- Existing activity expenses and program administration: \$1,860,000
- Debt service for up to \$20M in capital projects would begin in year two collections.



# Outreach Campaign

Fall/Winter 2026 outreach summary:

- 26,000+ residents reached
- 38,000+ digital views
- 19 social posts
- 3 newsletters
- Town halls / stakeholder meetings
- Direct outreach to industry, religious institutions

With guidance from the Finance Committee and City Council, staff will move into a final public outreach phase following the June 15<sup>th</sup> City Council meeting, leading into consideration during the September budget adoption process.

# Notice Requirements and Next Steps



This schedule:

- Staff will initiate a public outreach campaign in summer 2026 in advance of the required public notice and hearing process.
- In early August, notice will be submitted to a newspaper of general circulation to satisfy statutory notice requirements for the September public hearings.
- State law requires the public hearing notice to be published three times, including publication of the full ordinance text.

# Requested Action

Staff requests Finance Committee direction to proceed with establishing the stormwater utility budget framework for consideration during the FY 2027 budget adoption process.

# Questions / Discussion

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Justin Scharnhorst, Deputy Director  
Public Works Department  
[jscharnhorst@burlesontx.com](mailto:jscharnhorst@burlesontx.com)

**Finance Committee**

**DEPARTMENT:** Finance


**FROM:** Michael Franklin, Deputy Director of Finance

**MEETING:** May 27, 2026

**SUBJECT:**

Receive a report, hold a discussion, and provide recommendations to the city council on a professional services agreement with Pattillo, Brown & Hill, L.L.P for financial audit services, for an initial three-year term with two possible one-year extensions. *(Staff Contact: Michael Franklin, Deputy Director of Finance)*

**STRATEGIC PRIORITY AND GOAL(S):**

Strategic Priority	Strategic Goal
 <p><b>High Performing City Organization</b> Providing Exceptional, People Focused Services</p>	<p>1.2 Continue to improve the efficiency and productivity of operations</p> <p>1.3 Deliver high-quality service and communications to external and internal customers</p> <p>1.4 Be a responsible steward of the city's financial resources by providing rates and fees that represent a strong value to our citizens; providing timely, accurate and transparent financial reporting; and utilizing long-range planning.</p>

**SUMMARY:**

The city charter requires an annual independent audit and the submission of an annual financial report. Per the Financial Policy, the City does not require auditor rotation but will request proposals for audit services at least every five years. The previous contract with Weaver & Tidwell, L.L.P., was executed in June 2021 for three years with two one-year extension options, which has now reached the end of its full term. As the five-year maximum engagement has been fulfilled, a Request for Qualifications was issued.

State law now provides that if a municipality's annual audit is not filed with the City Secretary's Office within 180 days after the end of the fiscal year, the City may be prohibited from adopting a property tax rate that exceeds the no-new-revenue tax rate until compliance is achieved. In

addition, the City's Annual Comprehensive Financial Report (ACFR) is also expected to be completed within the same 180-day timeframe in accordance with recognized governmental financial reporting best practices and award program standards. The City has consistently met this 180-day ACFR submission benchmark for the past 34 consecutive years, demonstrating the organization's continued commitment to sound financial management, transparency, and statutory compliance.

The RFQ for financial audit services closed January 29, 2026. Six CPA firms completed submissions and the top three in scoring were selected for 2<sup>nd</sup> round interviews.

Supplier	Total / 115 pts	Experience & Qualifications / 40 pts	Audit Team & Staffing Plan / 25 pts	Audit Approach & Responsiveness / 20 pts	References / 15 pts	Interview / 15 pts
Pattillo, Brown & Hill, L.L.P.	104	39	22	15.33	14.33	13.33
Forvis Mazars, LLP	102.67	39.33	21	16.33	14	12
Weaver and Tidwell, L.L.P.	96.67	39.33	19.67	16.33	12.33	9

Pattillo, Brown & Hill was the highest scoring firm after conducting in person interviews.

Pattillo, Brown & Hill, L.L.P. is a Waco-based certified public accounting firm established in 1923 whose primary business is serving local governments. The firm's governmental audit practice has over 50 staff and serves over 100 governmental entities within Texas.

The City shall compensate Consultant on a fixed-fee, not-to-exceed basis as follows:

Fiscal Year	Financial Statement Audit	ACFR Preparation	Single Audit (if required)	Total Not-to- Exceed
2026	\$60,150	\$5,000	\$7,500	\$72,650
2027	\$61,955	\$5,000	\$7,500	\$74,455
2028	\$63,813	\$5,000	\$7,500	\$76,313
2029	\$65,728	\$5,000	\$7,500	\$78,228
2030	\$67,699	\$5,000	\$7,500	\$80,199

\*A single audit is required if the City spends over \$1 million in federal or state awards

The fiscal year 2025 financial audit was completed by Weaver & Tidwell at a total cost of \$72,650.

This contract was procured through a Request for Qualifications in accordance with Texas Local Government Code Chapter 252. Solicitation No. 2026-010 was advertised on January 10 and 17, 2026, and posted on the City's electronic bidding platform, Bonfire, from January 10 to January 29, 2026. The opportunity was distributed to 49 vendors under one applicable commodity code, and the City received six responses. Proposals were evaluated in accordance with the published criteria, and Pattillo, Brown & Hill, L.L.P. was determined to be the most qualified firm offering the best value to the City.

**RECOMMENDATION:**

Recommend approval of a three-year professional service agreement in the amount of \$223,418 with Pattillo, Brown & Hill L.L.P for financial audit services.

**PRIOR ACTION/INPUT (Council, Boards, Citizens):**

N/A

**REFERENCE:**

N/A

**FISCAL IMPACT:**

N/A

**STAFF CONTACT:**

Michael Franklin  
Deputy Director of Finance  
[mfranklin@burlesontx.com](mailto:mfranklin@burlesontx.com)  
817-426-9883



# Financial Audit Services Contract

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PRESENTED TO THE FINANCE COMMITTEE – 5/27/26

MICHAEL FRANKLIN, DEPUTY DIRECTOR OF FINANCE

# Summary

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## ■ **Audit Requirements**

- City Charter requires an annual independent audit and submittal of an annual financial report.
- State law provides that if a municipality’s annual audit is not filed within 180 days of the fiscal year end, the City may be prohibited from adopting a property tax rate that exceeds the no-new-revenue tax rate. In addition, the City’s Annual Comprehensive Financial Report is expected to be completed within the same 180-day timeframe in accordance with best practices. The City has met this benchmark for the past 34 years.

## ■ **Financial Policy**

- Requires solicitation of proposals for audit services at least every five years.
  - The current audit contract was executed in June 2021, the five-year maximum engagement has been fulfilled.

# Request for Qualifications

- RFQ for financial audit services closed January 29, 2026.
  - Six CPA firms completed submissions and the top three in scoring were selected for 2<sup>nd</sup> round interviews.

Supplier	Total / 115 pts	Experience & Qualifications / 40 pts	Audit Team & Staffing Plan / 25 pts	Audit Approach & Responsiveness / 20 pts	References / 15 pts	Interview / 15 pts
Pattillo, Brown & Hill, L.L.P.	104	39	22	15.33	14.33	13.33
Forvis Mazars, LLP	102.67	39.33	21	16.33	14	12
Weaver and Tidwell, L.L.P.	96.67	39.33	19.67	16.33	12.33	9

- Pattillo, Brown & Hill L.L.P. was the highest scoring firm after interviews, and contract negotiations have been finalized pending Council approval.

# Pattillo, Brown & Hill L.L.P.

## ■ Firm Background

- Waco based CPA firm established in 1923.
- Government audit practice works exclusively with state and local governments, currently serving over 100 governmental clients across Texas.
- Completed Burleson’s financial audit from fiscal years ending in 2008 through 2020.
- Proposed pricing for a three-year base term with two optional one-year extensions:

<b>Fiscal Year</b>	<b>Financial Statement Audit</b>	<b>ACFR Preparation</b>	<b>*Single Audit (if required)</b>	<b>Total Not-to-Exceed</b>
2026	\$60,150	\$5,000	\$7,500	\$72,650
2027	\$61,955	\$5,000	\$7,500	\$74,455
2028	\$63,813	\$5,000	\$7,500	\$76,313
2029	\$65,728	\$5,000	\$7,500	\$78,228
2030	\$67,699	\$5,000	\$7,500	\$80,199

\*A single audit is required if the City spends over \$1 million in federal or state awards

- Weaver & Tidwell completed the FY2025 audit for \$72,650

# Next Steps

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- Contract for Financial Audit Services with Pattillo, Brown & Hill L.L.P. to go to Council on June 15<sup>th</sup>.

# Questions / Comments

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Michael Franklin, CPA, CGFO  
Deputy Director of Finance  
mfranklin@burlesontx.com  
817-426-9883


**Finance Committee**

**DEPARTMENT:** Finance  
**FROM:** Lauren Seay, Deputy Director of Administrative Services  
**MEETING:** May 27, 2026

**SUBJECT:**

Receive a report, hold a discussion, and provide recommendations to the city council on the City Manager’s recommendation for vehicle and equipment purchases using the Equipment Replacement Fund for FY 2027. *(Staff Contact: Lauren Seay, Deputy Director of Administrative Services)*

**STRATEGIC PRIORITY AND GOAL(S):**

Strategic Priority	Strategic Goal
 <p><b>High Performing City Organization</b> Providing Exceptional, People Focused Services</p>	<p>1.4 Be a responsible steward of the city’s financial resources by providing rates and fees that represent a strong value to our citizens; providing timely, accurate and financial transparent reporting; and utilizing long-range planning.</p>

**SUMMARY:**

On February 17, 2025, City Council approved a resolution establishing the Equipment Replacement Fund (ERF) Program to support long-term financial sustainability and ensure sufficient funding for the timely replacement of vehicles and equipment. As part of this initiative, departments with ERF-covered assets, in collaboration with representatives from Finance, Purchasing, and the Fleet Division, participated in an internal review committee. The committee evaluated and prioritized vehicles for replacement based on the criteria outlined in the ERF policy.

The internal committee representatives consisted of:

1. Mark Davies, Finance Department
2. Lieutenant Brandon Glass, Police Department
3. Tray Gee, Public Works (Fleet Maintenance)
4. Randy Morrison, Capital Engineering
5. Tony McIlwain, Development Services
6. Kim Peckler, Community Services

7. James Roberts, Parks & Recreation
8. Assistant Chief Brent Sauble, Fire Department
9. Lauren Seay, Purchasing Division
10. Errick Thompson, Public Works

Over the course of several meetings between January and March 2026, the ERF Committee reviewed its role and objectives, finalized replacement request forms, coordinated with departments regarding eligible replacement units, and evaluated all submitted requests. Following detailed discussion of each submission, committee members independently ranked the requests by replacement priority, and the results were compiled into an average prioritization ranking for each unit.

The compiled rankings were presented to the City Manager on April 20 and May 4, 2026. Based on this input, the City Manager has developed a recommended list of replacements for review by the City Council Finance Committee.

### **RECOMMENDATION:**

Approve the recommended list of vehicles to be replaced using the Equipment Replacement Funds for FY 2027.

### **Proprietary Fund Recommendation**

The projected FY27 beginning fund balance of the Proprietary ERF is \$1,939,869, with a funding level of 55.1% before consideration of the recommendations below. The ERF Policy establishes a target funding level of 65%–75% of total fleet replacement value.

<b>Ranking</b>	<b>Department Name</b>	<b>Unit Number</b>	<b>Unit Type</b>	<b>Preliminary Cost Estimate</b>
1	Public Works - Water	570	Utility Vacuum Trailer	\$96,940
2	Public Works - Water	334	Heavy Duty Trailer	\$51,707
3	Public Works - Water	211	Cargo Trailer	\$11,829
4	Golf	1532	Greens Mower	\$64,657
5	Public Works - Water	566	Equipment Trailer	\$11,935
6	Public Works - Water	569	Hydraulic Valve Turner	\$8,837
7	Public Works - Water	735	Heavy Duty Service Truck	\$80,586
8	Public Works - Water	124	Heavy Duty Trailer	\$51,707
9	Public Works - Wastewater	736	Heavy Duty Service Truck	\$80,586
<b>TOTAL</b>				<b>\$458,784</b>

### **Governmental Fund Recommendation**

The projected FY27 beginning fund balance of the Governmental ERF is \$7,341,356 with a funding level of 75.9% before consideration of the recommendations below. The ERF Policy establishes a target funding level of 65%–75% of total fleet replacement value.

<b>Ranking</b>	<b>Department Name</b>	<b>Unit Number</b>	<b>Unit Type</b>	<b>Preliminary Cost Estimate</b>
1	Public Works – Streets	701	Heavy Duty Service Truck	\$86,268
2	Parks & Recreation	980	Mower, Riding	\$25,399
3	Parks & Recreation	981	Mower, Riding	\$25,399
4	Police	907	SUV, Pursuit	\$80,253
5	Parks & Recreation	983	Mower, Riding	\$25,399
6	Parks & Recreation	982	Mower, Riding	\$24,099
7	Police	905	SUV, Pursuit	\$80,253
8	Parks & Recreation	984	Mower, Riding	\$24,099
9	Police	919	SUV, Pursuit	\$80,253
10	Public Works – Streets	100	Street Roller	\$52,818
11	Police	914	SUV, Pursuit	\$80,253
12	Parks & Recreation	884	Mower, Riding	\$25,399
13	Public Works – Streets	102	Cargo Trailer	\$11,935
14	Parks & Recreation	885	Mower, Riding	\$25,399
15	Parks & Recreation	886	Mower, Riding	\$25,399
16	Public Works – Streets	643	Sand Spreader Insert	\$14,500
17	Parks & Recreation	738	Mower, Riding	\$24,099
18	Parks & Recreation	888	Utility/Turf Vehicle	\$9,564
19	Public Works – Streets	644	Sand Spreader Insert	\$14,500
20	Police	929	SUV, Pursuit, K9	\$94,500
21	Public Works – Streets	719	Heavy Duty Service Truck	\$88,300
22	Public Works – Streets	586	Dump Truck	\$194,838
23	Fire	20817	Heavy Duty Brush Truck	\$81,268
24	Parks & Recreation	702	Mowing Tractor	\$78,000
25	Parks & Recreation	512	Utility Turf Sprayer	\$69,102
<b>TOTAL</b>				<b>\$1,341,296</b>

### **PRIOR ACTION/INPUT (Council, Boards, Citizens):**

On March 4, 2026, the City Council Finance Committee met to discuss the procurement method for this year's vehicle and equipment replacements. The committee determined that cooperative contracts would be the recommended method for this year, with an emphasis on leveraging competitive solicitations for any new vehicle procurements to ensure that cooperative contracts continue to provide the best value.

**REFERENCE:**

CSO# 5745-02-2025

**FISCAL IMPACT:**

Proposed Expenditure/Revenue: **\$458,784**

Account Number(s): 603-7XXXX

Fund:603

Account Description: Proprietary Equipment Replacement Fund

Procurement Method: Administrative & Cooperative Contracts

Proposed Expenditure/Revenue: **\$1,341,296**

Account Number(s):602-7XXXX

Fund: 602

Account Description: Governmental Equipment Replacement Fund

Procurement Method: Administrative & Cooperative Contracts

**STAFF CONTACT:**

Lauren Seay

Finance

Deputy Director, Administrative Services

[lseay@burllesontx.com](mailto:lseay@burllesontx.com)

817-426-9897



# ERF

## Committee Prioritization Review

# Policy Overview

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In February 2025, City Council approved a resolution formally adopting the ERF Policy.

## **Purpose of the ERF Program:**

- Ensure funding for future replacement of City vehicles and equipment
- Stabilize annual budgeting by spreading costs over time
- Provide a structured review and approval process for replacements

## **Key Policy Highlights:**

- All vehicles and equipment are owned by the ERF and assigned to departments
- Departments contribute monthly toward future replacements
- Proceeds from surplus sales are returned to the ERF fund



# ROLES & RESPONSIBILITIES

## **City Council**

Approves replacements and annual contributions to the ERF

## **City Council Finance Committee**

Evaluates staff recommendations and makes budgetary recommendations to City Council

## **City Manager**

Reviews and approves replacement recommendation from the internal staff review committee

## **Internal Review Committee**

Reviews requests for replacement, prioritizes them, and recommends updates to criteria, as needed

## **Finance Department**

Manages budget, ensures adequate funding, and oversees financial policies

## **Purchasing Division**

Maintains policies, replacement schedules, and coordinates purchases

# FY 2026 ERF INTERNAL COMMITTEE MEMBERS

Name	Department
Randy Morrison	Capital Engineering
Kim Peckler	Community Services
Tony McIlwain	Development Services
Mark Davies	Finance
Tray Gee	Fleet Division
Brent Sauble	Fire
James Roberts	Parks & Recreation
Lt. Brandon Glass	Police
Errick Thompson	Public Works
Lauren Seay	Purchasing

Item C.



# This Year's Process

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**January 12, 2026:** Communication sent to ERF-contributing department Directors requesting the appointment of one (1) representative to the Internal Vehicle & Equipment Review Committee.

**January 30, 2026:** Internal ERF Committee met to discuss roles, goals, and review Replacement Request Forms.

**February 25, 2026:** Replacement Request Forms distributed to departments.

**March 4, 2026:** Deadline for departments to submit Replacement Request Forms.

**March 19, 2026:** Internal ERF Committee met to review requests, gather input from departments, and establish a general understanding of needs.

**March 23, 2026:** Internal ERF Committee met to finalize form reviews and gather remaining information to support individual unit rankings.

**April 3, 2026:** Individual rankings completed and average scores calculated.

**April 3–17, 2026:** Follow-ups conducted on behalf of the ERF Committee; recommendations documented; ERF funding assessed; report preparation for CMO initiated.

**April 20 & May 4, 2026:** Meeting with CMO to review ERF Committee prioritizations.

# Committee Prioritization Methodology

- A list of units eligible for replacement based on the ERF policy criteria was provided by Public Works. This list was distributed to departments along with the Replacement Request Form developed by the Internal ERF Committee.
- Forms were required for all equipment departments wished to be considered for replacement, regardless of eligibility status.
- Departments could also submit requests for units that did not yet meet established criteria, with additional justification required.
- Committee members served as liaisons to their departments/divisions to assist with form completion and information gathering.
- The committee met to review each submission, ask clarifying questions, and establish a general understanding of needs.
- Members then independently ranked each unit.
- Rankings were averaged to determine final prioritization.

# Considerations

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- **Guidelines for vehicle and equipment replacement eligibility include age, mileage, condition, maintenance costs, and safety. However, these are guidelines and not absolute criteria for replacement. Additional considerations may include:**
  - Operational impact & service demands
  - Parts availability & technological obsolescence
  - Cost benefit analysis (ongoing maintenance vs replacement vs resale)
  
- **To effectively manage the ERF, staff must account for manufacturer lead times, which can extend 12 to 18 months or longer.**
  - The current age listed in the following recommendation tables reflects each unit’s anticipated age at time of replacement.

# Policy Criteria

Type of Vehicle	Years	Miles	Hours
Aerial Bucket Trucks	8	100,000	6,000
Air Compressors (trailer-mounted)	15	N/A	7,500
Ambulances	5	150,000	N/A
Backhoes	10	N/A	7,500
Backhoes, Tractor (Track hoes)	10	N/A	7,000
Bearcat	20	N/A	N/A
Boats	10	N/A	N/A
Bush Truck	8	125,000	N/A
Chippers	7	N/A	7,500
Command Vehicle	20	N/A	N/A
Crack Sealer	15	N/A	6,000
Cranes, Ditchers and Trenchers	10	N/A	7,000
Dozers	15	N/A	7,000
Excavators – Mini = 10 large = 15	10/15	N/A	7,000
Fire Engines, Pumper Tanks and Quints	18	N/A	N/A
Forklift	15	N/A	7,500
Generators	15	N/A	N/A
Hydraulic Hammers	10	N/A	7,000
Infield Groomer	5	N/A	4,000
Loaders with Tires or Tracks	10	N/A	10,000
Medcat	20	N/A	N/A
Medical UTV	10	N/A	N/A
Motor Graders	15	N/A	7,000

Type of Vehicle	Years	Miles	Hours
Mower, Attachments	15	N/A	N/A
Mowers, Riding	5	N/A	4,000
Sand Spreader Inserts	10	N/A	N/A
Sedans (including Police CID) and Staff Vehicles	8	125,000	N/A
Sedans, Full-Size (Pursuit Rated)	4	125,000	N/A
Sedans, Mid-Size (Pursuit Rated)	4	100,000	N/A
Street Rollers	15	N/A	6,000
Stump Cutter	6	N/A	6,000
SUV (Field)	8	125,000	N/A
SUV (Staff)	8	125,000	N/A
SUV (Pursuit Rated)	5	125,000	N/A
Trailers (Bed, Cargo, Livestock, etc.)			
Message Boards	10/15	N/A	N/A
Trucks, Dump, 6 and 12 Yards	12	100,000	7,000
Trucks, Flushing	12	100,000	7,000
Trucks, Pickup (Field 1 ton and under)	8	125,000	N/A
Turf Vehicles	5	N/A	4,500
Vans (Cargo, Passenger, Field/Staff)	8	125,000	N/A

# Unit Review

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PROPRIETARY FUND

# Recommendation – Proprietary Fund

PRIORITY	Unit Number	Department Name	Existing Vehicle/Equip.	Reason for Replacement	Additional Justification Details	Replacement Mileage/Hours	Current* Mileage/Hours	Replacement Age (Years)	Age*	Preliminary Cost*	Running Total
1	570	Public Works - Water	WACH (EHW) Trav-V-Vac 300	Age/Mileage/Hours exceed replacement criteria	Unit 570 is a trailer-mounted mini hydro vac used for utility locating, trenching, potholing, and smaller utility line cleanouts. The unit has exceeded replacement criteria and has experienced significant downtime, including engine replacement. Department is requesting a combination unit to provide both vacuum and valve-turning capabilities to support development of a meter valve maintenance program.	n/a	1,136 hrs	10-15	15	\$ 96,940	\$96,940
2	334	Public Works - Water	2000 International Trailer (26')	Age/Mileage/Hours exceed replacement criteria   Safety Concerns (e.g. outdated safety features, recurring malfunctions)	Unit 334 hauls heavy construction equipment to water repairs. A 28-foot trailer is being requested to meet operational needs. Based on current replacement criteria, this unit was due for replacement in 2011. This trailer will be 27 years old in FY27 and a more current technology braking system would be safer for towing heavier equipment.	n/a	n/a	10-15	27	\$ 51,707	\$148,647
3	211	Public Works - Water	1996 Topline Utility	Age/Mileage/Hours exceed replacement criteria   Safety Concerns (e.g. outdated safety features, recurring malfunctions)	Unit 211 is used to transport pipe, but the current size cannot accommodate 20-foot lengths. A 22-foot trailer is being requested to meet operational needs. Based on current replacement criteria, this unit was due for replacement in 2011.	n/a	n/a	10-15	31	\$ 11,829	\$160,476
4	1532	Hidden Creek Golf Course	John Deere Triplex 2400	Normal scheduled replacement   Sole unit; no redundancy available	Unit 1532 is a greens mower and is the department's priority for replacement over Unit 1531. The unit meets replacement criteria and is critical to maintaining daily operations and turf quality. Replacement is necessary to ensure continued reliability and optimal operational efficiency.	4,000 hrs	2,083 hrs	5	6	\$ 64,657	\$225,133
5	566	Public Works - Water	2012 Worldwide Tilt Trailer	Age/Mileage/Hours exceed replacement criteria   Safety Concerns (e.g. outdated safety features, recurring malfunctions)	Unit 566 is currently used to tow construction equipment for water main repairs, primarily to haul a mini excavator. The current unit presents safety concerns and has experienced recurring malfunctions. Department is requesting a 28-foot trailer to safely accommodate larger equipment.	n/a	n/a	10-15	15	\$ 11,935	\$237,068

**\*Current mileage reflects the vehicle or equipment's status as of March.**

**\*Age reflects the age at time of replacement.**

**\*All costs are preliminary estimates.**

# Recommendation – Proprietary Fund (cont.)

PRIORITY	Unit Number	Department Name	Existing Vehicle/Equip.	Reason for Replacement	Additional Justification Details	Replacement Mileage/Hours	Current* Mileage/Hours	Replacement Age (Years)	Age*	Preliminary Cost*	Running Total
6	569	Public Works - Water	2012 EHW Valve Turner	Age/Mileage/Hours exceed replacement criteria	Unit 569 is critical to the valve maintenance program, supporting the exercising of water main valves. Department is requesting a Bobcat plate compactor attachment for the mini excavator, which provides greater compaction force, improves efficiency compared to hand-operated packers, and enhances jobsite safety by eliminating the need for workers to enter the trench during compaction. The plate compactor is also a fraction of the cost of a new valve turner.	n/a	224 hrs	10	15	\$8,837	\$245,905
7	735	Public Works - Water	2019 Chevy 3500	Normal scheduled replacement	Unit 735 is a service truck used to transport staff and equipment in response to utility service calls, main repairs, and meter installations. Current unit lacks the power to safely tow the hydroexcavator necessary for many repairs. Department is requesting to upgrade this unit to a Chevy 4500 or Ford F-450 crew cab. The crew cab would transport heavier equipment and additional staff members, reducing the number of vehicles needed at neighborhood job sites where space is limited.	125,000 mi	79,912 mi	8	8	\$ 80,586	\$326,491
8	124	Public Works - Water	2005 International Trailer	Age/Mileage/Hours exceed replacement criteria   Safety Concerns (e.g. outdated safety features, recurring malfunctions)	Unit 124 is used to tow construction equipment to job sites. A larger towing capacity is required to safely transport heavier equipment. Department is requesting a 28-foot trailer with an 8.5-foot wide deck and a 27,000 lb GVWR.	n/a	n/a	10-15	22	\$ 51,707	\$378,198
9	736	Public Works - Wastewater	2019 Chevy 3500	Normal scheduled replacement   lacks power to tow hydro excavator	Unit 736 is a service truck used to transport staff and equipment in response to utility service calls, main repairs, and meter installations. Current unit lacks the power to safely tow the hydroexcavator necessary for many repairs. Department is requesting to upgrade this unit to a Chevy 4500 or Ford F-450 crew cab. The crew cab would transport heavier equipment and additional staff members, reducing the number of vehicles needed at neighborhood job sites where space is limited.	125,000 mi	85,482 mi	8	8	\$ 80,586	<b>\$458,784</b>

*\*Current mileage reflects the vehicle or equipment's status as of March.*

*\*Age reflects the age at time of replacement.*

*\*All costs are preliminary estimates.*

# Notable Units

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PROPRIETARY FUND

#1 & #6

## Unit 570 Replacement (Eliminates Unit 569)

*Proposed combination unit replaces two functions, improving efficiency and avoiding an additional replacement.*

### Key Details

**Trailer Mounted Mini Hydro-Vac**

WACH (EHW) Trav-V-Vac 300

Current Age: 14 (Replacement: 12)

Current Hours: 1136 (Replacement: 7,000)

Purpose: Utility locates, trenching, potholing

This unit has exceeded replacement criteria and experienced significant downtime, including engine replacement. The department is requesting a combination unit that provides both vacuum and valve-turning capabilities to support a meter valve maintenance program.

Item C.



Unit 570



Unit 569



Unit 569

Unit 569: Single-function (valve turning)

# Unit Review

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GOVERNMENTAL FUND

# Recommendation – Governmental Fund

PRIORITY	Unit Number	Department Name	Existing Vehicle/Equip.	Reason for Replacement	Additional Justification Details	Replacement Mileage/Hours	Current* Mileage/Hours	Replacement Age (Years)	Age*	Preliminary Cost	Running Total
1	701	Public Works – Streets	2017 Chevy 2500	Age/Mileage/Hours exceed replacement criteria	Unit 701 is a street repair service response vehicle. It supports daily street repair activities and provides lane blocking for safety. The Department is requesting replacement of the stake body only, to be installed on another existing unit, allowing for a dedicated focus on traffic control, lane closures, and towing a trailer-mounted attenuator. This unit will support multiple divisions (streets, traffic, water) and assist with special events such as parades.	125,000 mi	114,701 mi	8	10	\$ 86,268	\$ 86,268
2	980	Parks and Recreation Department	Make: Spartan Model: 72" Zero Turn	Normal scheduled replacement   Maintenance Concerns	Unit 980 is used for mowing and maintaining turf areas at City parks and other municipal properties. Replacement is recommended due to increasing difficulty in sourcing replacement parts following Spartan's acquisition by Toro, resulting in limited availability. This has led to significant maintenance challenges and operational downtime. Given the unit's regular use, extended downtime impacts the division's ability to maintain mowing schedules and service levels.	4,000 hrs	1,272 hrs	5	6	\$ 25,399	\$ 111,667
3	981	Parks and Recreation	Make: Spartan Model: 72" Zero Turn	Normal scheduled replacement   Maintenance Concerns	Unit 981 is used for mowing and maintaining turf areas at City parks and other municipal properties. Replacement is recommended due to increasing difficulty in sourcing replacement parts following Spartan's acquisition by Toro, resulting in limited availability. This has led to significant maintenance challenges and operational downtime. Given the unit's regular use, extended downtime impacts the division's ability to maintain mowing schedules and service levels.	4,000 hrs	1,490 hrs	5	6	\$ 25,399	\$ 137,066
4	907	Police	2021 Chevrolet Tahoe	Age/Mileage/Hours exceed replacement criteria   Normal scheduled replacement	Unit 907 is assigned to patrol. Department is requesting approval to order a replacement asset based on its current age and the estimated 12 – 18-month lead time from order to delivery. The asset is currently averaging approximately 15,000 miles per year; factoring in the additional 12–18 months, it is projected to approach the 125,000-mile replacement threshold by the time the new asset arrives.	125,000 mi	90,406 mi/ 7,811 hrs	5	6	\$ 80,253	\$ 217,319

**\*Current mileage reflects the vehicle or equipment's status as of March.**

**\*Age reflects the age at time of replacement.**

**\*All costs are preliminary estimates.**

# Recommendation – Governmental Fund

PRIORITY	Unit Number	Department Name	Existing Vehicle/Equip.	Reason for Replacement	Additional Justification Details	Replacement Mileage/Hours	Current* Mileage/Hours	Replacement Age (Years)	Age*	Preliminary Cost	Running Total
5	983	Parks and Recreation	Make: Spartan Model: 72" Zero Turn	Normal scheduled replacement   Maintenance Concerns	Unit 983 is used for mowing and maintaining turf areas at City parks and other municipal properties. Replacement is recommended due to increasing difficulty in sourcing replacement parts following Spartan's acquisition by Toro, resulting in limited availability. This has led to significant maintenance challenges and operational downtime. Given the unit's regular use, extended downtime impacts the division's ability to maintain mowing schedules and service levels.	4,000 hrs	2,061 hrs	5	6	\$ 25,399	\$ 242,718
6	982	Parks and Recreation	Make: Spartan Model: 54" Zero Turn	Normal scheduled replacement   Maintenance Concerns	Unit 982 is used for mowing and maintaining turf areas at City parks and other municipal properties. Replacement is recommended due to increasing difficulty in sourcing replacement parts following Spartan's acquisition by Toro, resulting in limited availability. This has led to significant maintenance challenges and operational downtime. Given the unit's regular use, extended downtime impacts the division's ability to maintain mowing schedules and service levels.	4,000 hrs	1,703 hrs	5	6	\$ 24,099	\$ 266,817
7	905	Police	2021 Chevrolet Tahoe	Age/Mileage/Hours exceed replacement criteria   Normal scheduled replacement	Unit 905 is a patrol unit that has experienced some mechanical issues and downtime. Using an industry standard of approximately 32 miles per idle hour, the unit has an equivalent mileage of approximately 284,544 miles.	125,000 mi	80,109 mi/ 8,892 hrs	5	6	\$ 80,253	\$ 347,070
8	984	Parks and Recreation	Make: Spartan Model: 72" Zero Turn	Normal scheduled replacement   Maintenance Concerns	Unit 984 is used for mowing and maintaining turf areas at City parks and other municipal properties. Replacement is recommended due to increasing difficulty in sourcing replacement parts following Spartan's acquisition by Toro, resulting in limited availability. This has led to significant maintenance challenges and operational downtime. Given the unit's regular use, extended downtime impacts the division's ability to maintain mowing schedules and service levels.	4,000 hrs	1,792 hrs	5	6	\$ 24,099	\$ 371,169

**\*Current mileage reflects the vehicle or equipment's status as of March.**

**\*Age reflects the age at time of replacement.**

**\*All costs are preliminary estimates.**

# Recommendation – Governmental Fund



Item C.

PRIORITY	Unit Number	Department Name	Existing Vehicle/Equip.	Reason for Replacement	Additional Justification Details	Replacement Mileage/Hours	Current* Mileage/Hours	Replacement Age (Years)	Age*	Preliminary Cost	Running Total
9	919	Police	2022 Chevrolet Tahoe	Age/Mileage/Hours exceed replacement criteria   Normal scheduled replacement	Unit 919 recently transitioned from patrol to SRO. Using an industry standard of approximately 32 miles per idle hour, the unit has an equivalent mileage of approximately 323,424 miles.	125,000 mi	90,602 mi/ 10,107 hrs	5	5	\$ 80,253	\$ 451,422
10	100	Public Works - Streets	2009 Bomag BW 120 Articulating Drum Roller	Age/Mileage/Hours exceed replacement criteria	This equipment is used for asphalt pothole patching and has exceeded the replacement criteria. The department is requesting a towable roller to eliminate the need for a trailer (Unit #102) and improve operational efficiency.	6,000 hrs	1,967 hrs	15	18	\$ 52,818	\$ 504,240
11	914	Police	2022 Chevrolet Tahoe	Age/Mileage/Hours exceed replacement criteria   Normal scheduled replacement	Unit 914 was recently transitioned from patrol to an SRO unit and has experienced ongoing mechanical issues requiring more frequent maintenance than comparable units. Replacement is recommended to ensure reliability for daily operations. Using an industry standard of approximately 32 miles per idle hour, the unit has an equivalent mileage of approximately 263,017 miles.	125,000 mi	71,300 mi/ 8,221 hrs	5	5	\$ 80,253	\$ 584,493
12	884	Parks and Recreation	Make: Scag Model: 61" Zero Turn	Normal scheduled replacement	Unit 884 is heavily used for daily mowing and is essential for maintaining park grounds, athletic fields, and city-maintained properties. This unit has experienced significant mechanical issues and downtime, resulting in impacts to service levels. Replacement is recommended to ensure reliability and maintain consistent operations.	4,000 hrs	1,360 hrs	5	6	\$ 25,399	\$ 609,892

*\*Current mileage reflects the vehicle or equipment's status as of March.*

*\*Age reflects the age at time of replacement.*

*\*All costs are preliminary estimates.*

# Recommendation – Governmental Fund

PRIORITY	Unit Number	Department Name	Existing Vehicle/Equip.	Reason for Replacement	Additional Justification Details	Replacement Mileage/Hours	Current* Mileage/Hours	Replacement Age (Years)	Age*	Preliminary Cost	Running Total
13	102	Public Works - Streets	2009 Top Hat Trailer	Age/Mileage/Hours exceed replacement criteria	Unit 102 is a trailer used to tow Unit 100 to job sites. This unit could be eliminated if Unit 100 is replaced with a towable roller; otherwise, replacement with a safer gravity tilt trailer is recommended. Replacing Unit 100 effectively represents eliminating Unit 102 from the fleet.	n/a	n/a	10-15	18	\$ 11,935	\$ 621,827
14	885	Parks and Recreation	Make: Scag Model: 72" Zero Turn	Normal scheduled replacement	Unit 884 is heavily used for daily mowing and is essential for maintaining park grounds, athletic fields, and city-maintained properties. This unit has experienced significant mechanical issues and downtime, resulting in impacts to service levels. Replacement is recommended to ensure reliability and maintain consistent operations.	4,000 hrs	844 hrs	5	7	\$ 25,399	\$ 647,226
15	886	Parks and Recreation	Make: Scag Model: 72" Zero Turn	Normal scheduled replacement	Unit 884 is heavily used for daily mowing and is essential for maintaining park grounds, athletic fields, and city-maintained properties. This unit has experienced significant mechanical issues and downtime, resulting in impacts to service levels. Replacement is recommended to ensure reliability and maintain consistent operations.	4,000 hrs	1,418 hrs	5	7	\$ 25,399	\$ 672,625
16	643	Public Works - Streets	2000 Swenson Sand Spreader	Age/Mileage/Hours exceed replacement criteria	Unit 643 is a large sand spreader mounted to a dump truck and used for road treatment during winter weather events. The Department is requesting replacement with a smaller, service truck-mounted spreader to improve efficiency and provide better access to residential areas and parking lots.	n/a	n/a	10	27	\$ 14,500	\$ 687,125

*\*Current mileage reflects the vehicle or equipment's status as of March.*

*\*Age reflects the age at time of replacement.*

*\*All costs are preliminary estimates.*

# Recommendation – Governmental Fund



Item C.

PRIORITY	Unit Number	Department Name	Existing Vehicle/Equip.	Reason for Replacement	Additional Justification Details	Replacement Mileage/Hours	Current* Mileage/Hours	Replacement Age (Years)	Age*	Preliminary Cost	Running Total
17	738	Parks and Recreation	Make: Scag Model: 52" Zero Turn	Normal scheduled replacement	Unit 738 is heavily used for daily mowing and is essential for maintaining park grounds, athletic fields, and city-maintained properties. This unit has experienced significant mechanical issues and downtime, resulting in impacts to service levels. Replacement is recommended to ensure reliability and maintain consistent operations.	4,000 hrs	848 hrs	5	9	\$ 24,099	\$ 711,224
18	888	Parks and Recreation	Make: John Deere Model: Gator	Normal scheduled replacement   Safety Concerns (e.g. outdated safety features, recurring malfunctions)	Unit 888 is used daily for Parks and Athletics maintenance operations. This unit has experienced recurring mechanical issues, including engine backfiring, resulting in safety concerns and operational disruptions. The cost to replace the engine approaches that of a new unit, making replacement the more practical and cost-effective option. Replacement is recommended to ensure reliable operations.	4,500 hrs	2,247 hrs	5	6	\$ 9,564	\$ 720,788
19	644	Public Works – Streets	2000 Flink Sand Spreader	Age/Mileage/Hours exceed replacement criteria	Unit 644 is a large sand spreader mounted to a dump truck and used for road treatment during winter weather events. The Department is requesting replacement with a smaller, service truck-mounted spreader to improve efficiency and provide better access to residential areas and parking lots.	n/a	n/a	10	27	\$ 14,500	\$ 735,288
20	929	Police	2022 Chevrolet Tahoe	Age/Mileage/Hours exceed replacement criteria   Normal scheduled replacement	Unit 929 is the only K9 unit in the fleet. This specialty unit is equipped with heat sensors that automatically deploy door releases if the engine shuts off and interior temperatures reach a critical level, allowing the K9 to exit safely. The unit is currently experiencing malfunctions with these safety features, requiring operational workarounds and presenting safety concerns. Replacement is recommended to ensure reliable operation of critical safety systems. Using an industry standard of approximately 32 miles per idle hour, the unit has an equivalent mileage of approximately 164,576 miles.	125,000 mi	50,932 mi/ 5,143 hrs	5	5	\$ 94,500	\$ 829,788

**\*Current mileage reflects the vehicle or equipment's status as of March.**

**\*Age reflects the age at time of replacement.**

**\*All costs are preliminary estimates.**

# Recommendation – Governmental Fund



Item C.

PRIORITY	Unit Number	Department Name	Existing Vehicle/Equip.	Reason for Replacement	Additional Justification Details	Replacement Mileage/Hours	Current* Mileage/Hours	Replacement Age (Years)	Age*	Preliminary Cost	Running Total
21	719	Public Works – Streets	2018 Chevy 3500	Age/Mileage/Hours exceed replacement criteria	Unit 719 is used to transport staff and supplies to street repair job sites. The Department is requesting replacement with a 4500 or F-450 crew cab 4WD with a dump bed and tow package to provide increased towing capacity and improved functionality to support operations. Department indicates that the unit remains in operational condition; replacement could be deferred and reevaluated next year to allow prioritization of higher-need equipment.	125,000 mi	63,009 mi	8	9	\$ 88,300	\$ 918,088
22	586	Public Works - Streets	2013 International 7400	Age/Mileage/Hours exceed replacement criteria	Unit 586 is a dump truck used for street repairs and emergency weather response. The Department is requesting replacement with a similar unit to ensure continued reliability and availability for critical operations.	100,000 mi/ 7,000 hrs	52,082 mi/ 5,147 hrs	12	14	\$ 194,838	\$ 1,112,926
23	20817	Burleson Fire Department	2017 Chevrolet 3500	Age/Mileage/Hours exceed replacement criteria   Normal scheduled replacement	Unit 20817 is a single-cab brush truck used to support wildland firefighting and response during ice storms. The Department is requesting replacement of the cab and chassis only, with the existing skid unit bed and mounted equipment to be retained and remounted. A diesel-powered truck of the same size is preferred to provide sufficient power when loaded and improve operational efficiency.	125,000 mi	4,109 mi	8	10	\$ 81,268	\$ 1,194,194
24	702	Parks and Recreation Department	Kubota Mowing Tractor	Normal scheduled replacement	Unit 702 is a large traditional tractor used for mowing large park and right-of-way areas, including open fields and sports complexes. Due to frequent downtime with traditional tractors, the Department is proposing replacement with a Toro Groundskeeper 5900 to improve reliability and mowing efficiency. This unit will provide more maneuverable finish mowing capabilities, reduce the need for additional transport equipment (eliminating the need for a CDL to transport equipment), and lower overall maintenance and operational complexity.	4,000 hrs	2,830 hrs	5	10	\$ 78,000	\$ 1,272,194

**\*Current mileage reflects the vehicle or equipment’s status as of March.**

**\*Age reflects the age at time of replacement.**

**\*All costs are preliminary estimates.**

# Recommendation – Governmental Fund

PRIORITY	Unit Number	Department Name	Existing Vehicle/Equip.	Reason for Replacement	Additional Justification Details	Replacement Mileage/Hours	Current* Mileage/Hours	Replacement Age (Years)	Age*	Preliminary Cost	Running Total
25	512	Parks and Recreation	Toro Turf Sprayer	Normal scheduled replacement	Unit 512 is a sprayer used for chemical application, including fertilizer, herbicide, and pesticide treatments across park and athletic field areas. Originally purchased in 2018, the unit remains operational; however, the Department is proposing replacement with a Scag Turf Storm sprayer, which offers greater versatility across multiple park sites. The proposed equipment also provides an estimated cost savings compared to the originally specified Toro Turf Sprayer.	4,500 hrs	1,130 hrs	5	6	\$ 69,102	\$ 1,341,296

*\*Current mileage reflects the vehicle or equipment's status as of March.*

*\*Age reflects the age at time of replacement.*

*\*All costs are preliminary estimates.*

# Notable Units

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GOVERNMENTAL FUND

#1

# Unit 701

## Key Details

### Service Body and Arrow Board Installed on Existing Unit

Current Age: 9

Current Mileage: 114,701

Purpose: Support street repair operations, traffic control, and lane closures. This unit supports daily street repair activities, including lane blocking and traffic control for work zones.

Proposed Replacement: The department is requesting an F-350 with diesel engine, extended cab, and four-wheel drive as a replacement for a brush truck previously replaced for the Fire Department. The replacement previously ordered does not meet existing requirements for Fire but does meet the traffic control need within Public Works. Public Works and Fire agree with this inter-departmental transfer to meet both departments' needs. The existing brush truck's body/bed will be transferred to the new F-350 chassis.



Unit 701

#10 & #13

## Unit 100 Replacement (Eliminates Unit 102)

*Proposed towable roller combines functions, improving efficiency and eliminating the need for a separate trailer.*

### Key Details

**Towable Roller (Replacing Bomag BW 120 AD)**

Current Age: 17 (Replacement: 8)

Purpose: Asphalt pothole patching

Unit 100 has exceeded replacement criteria and is used for pothole patching operations. The department is requesting a towable roller that combines multiple functions into a single unit, improving operational efficiency.

Unit 102 transports unit 100 to job sites. Replacement of unit 100 with the requested towable roller eliminates the need for Unit 102.



#20 & #26

## Units 643 & 644 Replacements

*Replacement with smaller, service truck-mounted spreaders improves efficiency and access to residential areas.*

### Key Details

Service Truck-Mounted Sand Spreaders (Replacing Dump Truck-Mounted Units)

Current Units: Large sand spreaders mounted to dump trucks and used for winter weather operations.

Purpose: Road treatment during winter weather events

Units 643 and 644 are currently large sand spreaders that require mounting to dump trucks to be used for winter weather road treatment operations.

The Department is requesting replacement with smaller, service-truck mounted spreaders to improve operational efficiency and provide better access to residential areas and parking lots.



# Funding Overview

Beginning fund balances shown below do not reflect the preliminary cost of FY27 recommended replacements.

<b>Fund</b>	<b>Projected Beginning FY27 Fund Balance</b>	<b>Funding Level*</b>	<b>FY27 Recommended Replacements</b>
Proprietary ERF	\$1,939,869	55.1%	\$458,784
Governmental ERF	\$7,341,356	75.9%	\$1,341,296

*\*Per ERF Policy, the City's target funding level is 65%–75% of total fleet replacement value.*

*FY27 Proprietary ERF projections include planned year-end transfers of approximately \$1.56M from Water and \$111K from Golf, to be formally amended later in the fiscal year.*

# Next Steps

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**The Purchasing Team will continue to evaluate opportunities to competitively bid new equipment, ensuring cooperative contracts continue to offer best value.**

**May 27, 2026:** City Manager's recommendation presented to Finance Committee

**June 15, 2026:** Finance Committee's recommendation presented to Council

**July 27, 2026:** Staff to present & discuss areas for potential revision to the ERF Policy with the Council Policy & Valuation Committee

# Questions/Comments

## **EQUIPMENT REPLACEMENT FUND PROGRAM**

The purpose of the City's Equipment Replacement Fund (ERF) Program is to establish policy and procedures to ensure that adequate funds will be available to purchase replacement vehicles and equipment, and to fund the ERF related to the purchases, thereby stabilizing the budgeting for future year replacements. Also, to provide for such replacements and purchases, and administer the disposition of the replaced vehicles and equipment.

### **SECTION 1: POLICY**

#### **A. Policy Overview**

1. All fleet vehicles and equipment will be owned by the ERF and assigned to the user departments.
2. All user departments will be charged a monthly replacement fee for each item allocated for their use from the ERF. Such a fee will provide funds to purchase future replacement vehicles and equipment.
3. All items replaced will be surrendered simultaneously with the acquisition of the replacement. A determination will be made prior to the acquisition regarding the disposition of the item being replaced.
4. Proceeds for replaced items sold as surplus property will be credited to the ERF.
5. The ERF is for the purchase and replacement of vehicles and equipment. New items, additions and/or upgrades may be requested by departments during the budget process. If approved, items will be added to the ERF after acquisition, and the monthly replacement fee for units will be assessed accordingly.

### **SECTION 2: ORGANIZATIONAL RESPONSIBILITIES**

Throughout the process, it is critical that City staff works together to ensure that requirements are met, and that the City of Burleson achieves the identified goal that created the need for this funding mechanism.

#### **A. City Departments**

Departments operating vehicles and equipment are responsible for:

1. contributing monthly to the ERF according to this policy;
2. requesting replacement units during the annual budget process; and
3. appointing members to the internal vehicle and equipment review committee.

The internal review committee for vehicles and equipment is comprised of a Purchasing Division staff, Fleet Division staff, the Finance Director, and one representative from each user department with a vehicle/equipment unit in the ERF Fund. The user department representatives are appointed by their respective department heads.

Committee duties include:

- a. reviewing the Vehicle and Equipment Procurement Request Forms submitted annually for both scheduled and unscheduled replacements, identifying the items warranting replacement per this policy, and prioritizing these items for budgetary consideration;
- b. making recommendations regarding departmental requests to purchase used vehicles or equipment from the ERF; and
- c. recommending revisions to the replacement criteria.

#### **B. City Council Finance Committee**

The City Council Finance Committee is responsible for reviewing staff recommendations on behalf of the City Council. The purpose and scope of the committee is defined below. The Council Finance Committee is comprised of Councilmembers appointed by the City Council.

Committee duties include:

- a. periodically reviewing and making recommendations to the City's ERF as it relates to the acquisition, replacement and upgrading of the City's vehicles and equipment for recommendation in the budget development process.

#### **C. Purchasing Division**

The Purchasing Division is responsible for maintaining the ERF Policy, maintaining updated replacement schedules for vehicles and equipment, and for overseeing the activities of the ERF Committee for vehicles and equipment. The Purchasing Division also coordinates with user departments to facilitate individual replacements.

#### **D. Finance Director**

The Finance Director is responsible for managing the ERF, setting the annual budget for vehicle equipment replacements, and reviewing and proposing modifications and/or replacement lists based on budgetary constraints.

#### **E. City Manager**

The City Manager is responsible for reviewing and deciding departmental requests to purchase retired items from the ERF, approving proposed replacements units to be recommended to the Council Finance Committee and overseeing the activities of the ERF committee.

#### **F. City Council**

The City Council reviews and approves the list of proposed replacements, and the amount of annual contributions to the ERF during the budget development process each year.

### **SECTION 3: REPLACEMENT REQUEST PROCESS**

Departments will complete a Vehicle and Equipment Procurement Request Form to initiate the replacement process. Requests must be submitted annually during the budget process. If the requested unit is not scheduled for replacement, the user department will provide additional justification and support for the request. The internal vehicle and equipment review committee will meet to review all requested replacements.

### **SECTION 4: REPLACEMENT CRITERIA**

The Vehicle/Equipment Replacement Criteria (Exhibit A) identifies the estimated life expectancy of the City's vehicles and equipment. Age and mileage or hours are the primary criteria for replacement. The criterion is only intended as a guide for the replacement decision; items meeting or exceeding the criteria are not automatically approved for replacement. Meeting the criteria makes a unit eligible for replacement, but still subject to additional scrutiny, considering items such as physical condition, resale value, etc. Also, items that do not meet the criteria may still be eligible for early replacement for reasons like excessive maintenance costs, or a total loss declaration by the City's insurer.

### **SECTION 5: REPLACEMENT FUNDING**

The ERF is an internal service fund used to account for the replacement of City's vehicles and equipment. Contributions are made to the ERF based on a replacement schedule for each item. Departments using vehicles and equipment will contribute funds from their operational budget into the ERF; these contributions are then used to replace the items which mitigate the impact on the operating budget. The amount of the annual contribution for each item is determined as follows:

#### **CONTRIBUTION = ITEM REPLACEMENT PRICE / EXPECTED USEFUL LIFE**

Example: Chevrolet Tahoe purchased for Police Department: \$60,000\*  
 Expected useful life: 5 years  
 Contribution = (\$60,000/5) = \$12,000/year

\*Acquisition price is inclusive of all after-market installations required to place the unit into operation. The replacement costs are updated on a regular basis and the contributions are adjusted accordingly.

The annual contribution amount is divided by twelve (12) for monthly transfers from the department's budget to the ERF via journal entry. Proposed ERF transactions are reviewed and approved as part of the City's annual operating budget process.

1. Proceeds from sold vehicles will be credited to the ERF, as will the income earned from investment of ERF balances and all claims paid on ERF items.
2. The funding level goal of the ERF is to reach and maintain 65% to 75%.
3. Vehicles and equipment with a replacement cost greater than \$300,000 will be funded by the issuance of certificates of obligation, and the debt service payment will not exceed the unit's useful life.

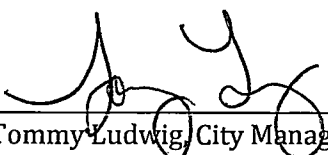
4. If a department's item reaches its expected useful life but continues in service, the department will not be required to make additional contributions for that unit.
5. In the event that City Manager approval is received to purchase a retired or replaced item from the ERF, the purchase price shall be ten percent (10%) of the original cost of the item or estimated sale price (whichever is greater). This amount is intended to compensate for the loss of sale proceeds that would otherwise be deposited in the ERF. The retained item will be removed from the ERF and will not be funded for future replacement.
6. In the event that a user department has not contributed enough over the life of an item to cover the cost of its replacement, the difference in funding may be derived from:
  - a. savings on other items being replaced according to this policy in the same department; and/or
  - b. funds available from total ERF balance of contributions made by the department, with the difference to be accounted for during the annual review; and/or
  - c. funds available in the department's operating budget, which shall be transferred to the ERF to fund the entire replacement cost.

This section applies to replacement items that are different in nature and more costly than the items to be replaced. It does not apply to increased costs resulting from inflation.

7. Replacement contributions will be discontinued for units sold or retired before the expiration of their useful life.
8. The acquisition price for ERF items will be reviewed on an annual basis during the budget development process and adjusted accordingly to reflect current market prices. This may result in an adjustment to the annual contributions in order to accommodate future replacement costs.

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The City of Burlison Equipment Replacement Fund (ERF) Program was revised and adopted the day of February 17, 2025.



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Tommy Ludwig, City Manager

## Exhibit A - Vehicle Equipment Replacement Criteria

The following schedule is a base guideline for vehicle and equipment replacement and is NOT absolute criteria for replacement. Vehicle depreciation, age, meter (mileage or hours), mechanical condition, maintainability/reliability, maintenance cost, and safety will impact the decision to replace or retain them.

Type of Vehicle	Years	Miles	Hours
Aerial Bucket Trucks	8	100,000	6,000
Air Compressors (trailer-mounted)	15	N/A	7,500
Ambulances	5	150,000	N/A
Backhoes	10	N/A	7,500
Backhoes, Tractor (Track hoes)	10	N/A	7,000
Bearcat	20	N/A	N/A
Boats	10	N/A	N/A
Bush Truck	8	125,000	N/A
Chippers	7	N/A	7,500
Command Vehicle	20	N/A	N/A
Crack Sealer	15	N/A	6,000
Cranes, Ditchers and Trenchers	10	N/A	7,000
Dozers	15	N/A	7,000
Excavators – Mini = 10 large = 15	10/15	N/A	7,000
Fire Engines, Pumper Tanks and Quints	18	N/A	N/A
Forklift	15	N/A	7,500
Generators	15	N/A	N/A
Hydraulic Hammers	10	N/A	7,000
Infield Groomer	5	N/A	4,000
Loaders with Tires or Tracks	10	N/A	10,000
Medcat	20	N/A	N/A
Medical UTV	10	N/A	N/A
Motor Graders	15	N/A	7,000
Mower, Attachments	15	N/A	N/A
Mowers, Riding	5	N/A	4,000
Sand Spreader Inserts	10	N/A	N/A
Sedans (including Police CID) and Staff Vehicles	8	125,000	N/A
Sedans, Full-Size (Pursuit Rated)	4	125,000	N/A
Sedans, Mid-Size (Pursuit Rated)	4	100,000	N/A
Street Rollers	15	N/A	6,000
Stump Cutter	6	N/A	6,000
SUV (Field)	8	125,000	N/A
SUV (Staff)	8	125,000	N/A
SUV (Pursuit Rated)	5	125,000	N/A
Trailers (Bed, Cargo, Livestock, etc.) Message Boards	10/15	N/A	N/A
Trucks, Dump, 6 and 12 Yards	12	100,000	7,000
Trucks, Flushing	12	100,000	7,000
Trucks, Pickup (Field 1 ton and under)	8	125,000	N/A
Turf Vehicles	5	N/A	4,500
Vans (Cargo, Passenger, Field/Staff)	8	125,000	N/A

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## Finance Committee

**DEPARTMENT:** Finance  
**FROM:** Mark Davies, Director of Finance  
**MEETING:** May 27, 2026

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**SUBJECT:**

Receive a report, hold a discussion, and provide recommendations to the city council regarding the March 2026 monthly financial and investment reports. *(Staff Contact: Mark Davies, Director of Finance, Presenting: Michael Franklin, Deputy Director of Finance, and Natalie Turner, Chief Accountant)*

**SUMMARY:**

The Monthly Financial Report is intended to provide internal and external stakeholders with an overview of the City's financial condition and current economic activity. The report is organized into four primary sections: Financial Summary, Economic Analysis, Investment Reports, and Special Interest. Commentary has been included for revenue sources that are 10% or more below projected amounts and for expenditures that exceed budget by 10% or more. New to this month's report are three "Executive Dashboard" pages, summarizing revenues and expenditures. Additional input in the form of "Key Takeaways" and "Watch Items" regarding current year performance is shared. Staff is interested in the committee's feedback of these areas.

The March monthly report is attached to this agenda item. The April monthly report is expected to be completed by May 25 and will be distributed at that time and presented during the committee meeting.

**RECOMMENDATION:**

Staff recommend that the Committee discuss the April 2026 monthly financial and investment reports and present staff with any comments, questions, or direction.

**PRIOR ACTION/INPUT (Council, Boards, Citizens):**

N/A

**REFERENCE:**

N/A

**FISCAL IMPACT:**

N/A

**STAFF CONTACT:**

Mark Davies  
Director of Finance  
817-426-9607  
[mdavies@burlesontx.com](mailto:mdavies@burlesontx.com)



# Monthly Financial and Investment Reports

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PRESENTED TO THE FINANCE COMMITTEE ON  
MAY 27, 2026

THE CITY OF  
**BURLESON**  
TEXAS

# Four Major Sections

- Financial Summary
- Economic Analysis
- Investment Reports
- Special Interest





THE CITY OF  
**BURLESON**  
TEXAS

# QUESTIONS/COMMENTS

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# FISCAL YEAR 2025-2026 MONTHLY FINANCIAL REPORT MARCH 2026

# ABOUT THIS REPORT

The Finance Department is dedicated to excellence in local government, comprehensive fiscal management, compliance, and reporting. The Monthly Financial Report is directed at providing our audience (internal and external users) with a general awareness of the City's financial positions and economic activity.

This report is comprised of four sections:

1. The **Financial Summary** reports the performance of the major operating funds of the City. It provides comparative data for major revenue sources and expenditure items. Narrative disclosures are used to highlight any significant changes or fluctuations.
2. The **Economic Analysis** section contains a summary of the key economic indicators and an in-depth review with graphic illustrations.
3. The **Investment Reports** provide a description of investment activity, a summary of interest earnings, and the City's portfolio.
4. Reports of **Special Interests** include Emergicon and Department Transfer Reports.

This financial report includes March 2026 data. **This information is neither final nor audited.** Please provide us with any comments or suggestions you may have, and should you desire additional information feel free to contact the finance department.

City of Burleson  
Finance Department  
141 W. Renfro St.  
Burleson, Texas 76028

Mark Davies  
Director of Finance

# City of Burleson Monthly Financial Report

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# Section 1

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## City of Burleson Monthly Financial Report

This report is designed for internal use and does not include all the funds and accounts included in the Burleson operations. For a complete report, refer to the City of Burleson's Annual Comprehensive Financial Report, available through the City's Finance Department.

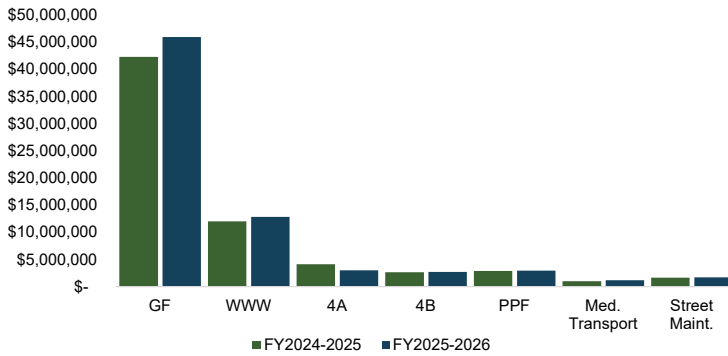
## Financial Summary

## Executive Dashboard

Following is a summary of total revenues from each fund reported for fiscal year 2025-26, to date, as compared to 2024-25.

Fund Level Revenue	Current Year		Percent of Budget		Percent of Year Expired		50%
	Budgeted	Actual	Collected	Prior Year Actual	Variance to Actual Prior Year (\$)	Variance to Actual Prior Year (%)	
General Fund	\$ 64,208,511	\$ 45,950,058	71.6%	\$ 42,260,366	\$ 3,689,692	8.7%	
Water & Sewer	31,727,239	12,888,049	40.6%	12,011,974	876,074	7.3%	
4A	8,524,854	3,011,667	35.3%	4,139,272	(1,127,605)	-27.2%	
4B	8,129,339	2,707,693	33.3%	2,646,830	60,862	2.3%	
Parks Performance	6,609,170	2,909,163	44.0%	2,885,495	23,668	0.8%	
Medical Transport	2,320,252	1,172,952	50.6%	996,268	176,684	17.7%	
Street Maintenance	1,701,345	1,751,333	102.9%	1,657,118	94,214	5.7%	
	\$ 123,220,710	\$ 70,390,915	57.1%	\$ 66,597,325	\$ 3,793,590	5.7%	

### Prior vs. Current Year Revenues



### Key Takeaways

- 1 General Fund revenues are up 8.7% overall, driven by property taxes, permits, and charges for services collections.
- 2 General Fund charges for services are ahead of budget due to Chisholm Summit, Bear Ridge, and Tall Grass development.
- 3 General Fund franchise fee revenues are up in 6 of the 7 categories. Specifically, natural gas collections are at 118% of budget as of March.
- 4 Water & Sewer Fund revenues rose 7.3% year over year, driven by water and sewer charges for services.
- 5 Medical Transport revenues increased by \$176,684 or 17.7%, primarily due to higher charges for services activity.

### Watch Items

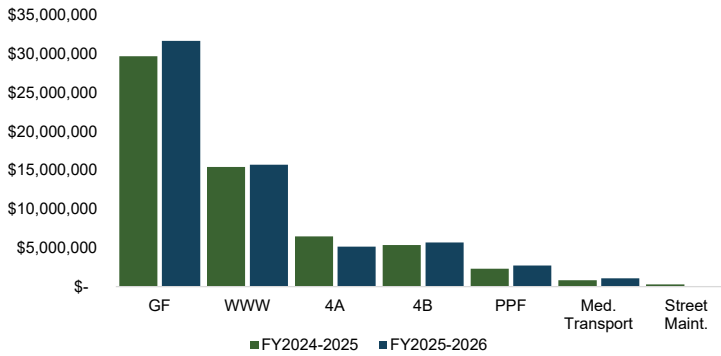
General Fund sales tax revenues are at 33.15% of budget, similar to FY 2025. By FY 2025 year-end sales tax slightly exceeded budget. 4A revenue declined sharply due to no comparable land sale. Excluding the capital sale line item, revenues were up year over year. Parks Performance Fund revenue was flat overall (+0.8%), but BRiCK memberships fell year over year by -11.2% or \$97,650.

## Executive Dashboard

Following is a summary of total expenditures from each fund reported for fiscal year 2025-26, to date, as compared to 2024-25.

Fund Level Expenditures	Current Year		Percent of Budget Spent	Prior Year Actual	Percent of Year Expired	
	Budgeted	Actual			50%	Variance to Actual Prior Year (\$)
General Fund	\$ 64,796,394	\$ 31,680,932	48.9%	\$ 29,676,961	\$ 2,003,971	6.8%
Water & Sewer	31,280,205	15,695,997	50.2%	15,416,025	279,972	1.8%
4A	13,145,108	5,172,394	39.3%	6,487,618	(1,315,224)	-20.3%
4B	10,116,558	5,696,808	56.3%	5,357,141	339,667	6.3%
Parks Performance	6,896,982	2,748,369	39.8%	2,307,330	441,039	19.1%
Medical Transport	1,698,040	1,070,293	63.0%	845,951	224,342	26.5%
Street Maintenance	1,716,345	-	0.0%	299,768	(299,768)	-100.0%
	\$ 129,649,632	\$ 62,064,794	47.9%	\$ 60,390,795	\$ 1,673,999	2.8%

### Prior vs. Current Year Expenditures



### Key Takeaways

- 1 General Fund expenditures are up approximately \$2 million, but in line with current year budget at 48.9%.
- 2 4A expenditures are lower compared to the prior year due to no equivalent land acquisition.
- 3 Total 4B expenditures are at 56.3% of budget, partially driven by required debt service expenditures at nearly 80% of line item budget.
- 4 Medical Transport expenditures increased over the prior year primarily driven by personnel costs.
- 5 Prior year Street Maintenance expenditures through March were at 18% of budget (0% this year), presenting a potential trend in expenditures occurring later in the fiscal year.

### Watch Items

Street Maintenance Fund has reported \$0 expenditures to date, with a budget of approximately \$1.7 million.

Medical Transport expenditures are at 63.0% of budget, whereas only 50% of the fiscal year has passed.

Parks Performance Fund expenditures increased 19.1% year over year due to capital expenditures, in line with planned budget.

## Executive Dashboard

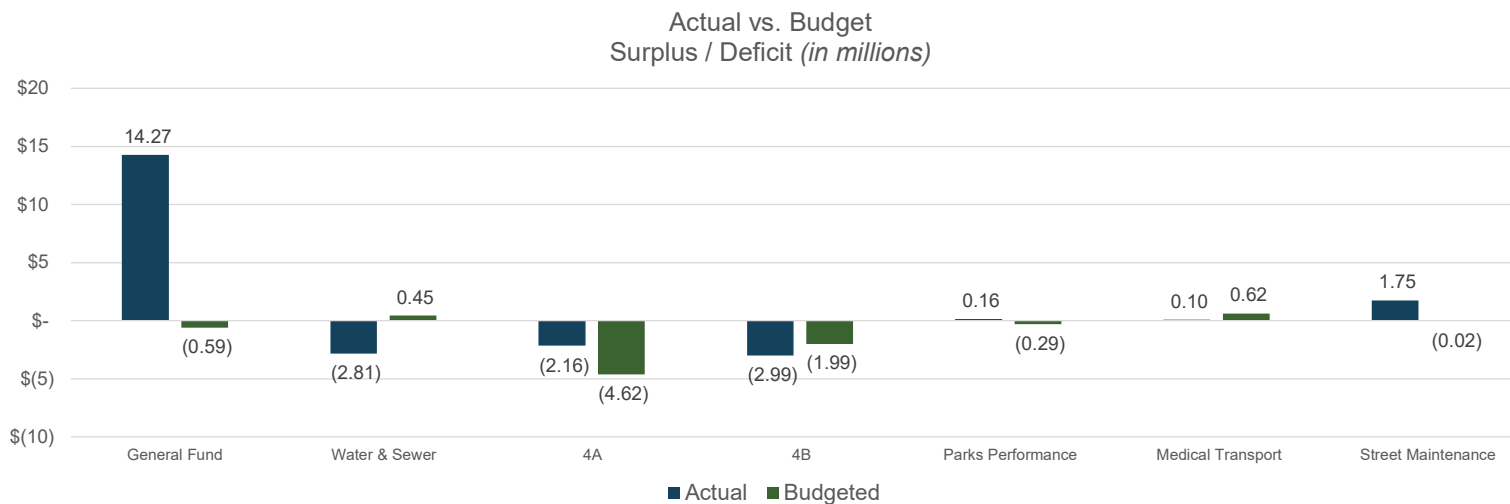
Following is a conclusion of aggregate fund revenue and expense activity reported for fiscal year 2025-26, to date.

### Surplus / Deficit

	Current Year Revenues	Current Year Expenditures	Surplus / Deficit	Budgeted Revenue	Budgeted Expenditures	Budgeted Surplus / Deficit
General Fund	\$ 45,950,058	\$ 31,680,932	\$ 14,269,126	\$ 64,208,511	\$ 64,796,394	\$ (587,883)
Water & Sewer	12,888,049	15,695,997	(2,807,948)	31,727,239	31,280,205	447,034
4A	3,011,667	5,172,394	(2,160,727)	8,524,854	13,145,108	(4,620,254)
4B	2,707,693	5,696,808	(2,989,115)	8,129,339	10,116,558	(1,987,219)
Parks Performance	2,909,163	2,748,369	160,794	6,609,170	6,896,982	(287,812)
Medical Transport	1,172,952	1,070,293	102,659	2,320,252	1,698,040	622,212
Street Maintenance	1,751,333	-	1,751,333	1,701,345	1,716,345	(15,000)
	\$ 70,390,915	\$ 62,064,794	\$ 8,326,120	\$ 123,220,710	\$ 129,649,632	\$ (6,428,922)

### Summary Conclusions

General Fund	Budgeted at a net deficit. As of March 2026, revenues exceeded expenditures by \$14.2 million, driven by higher revenues.
Water & Sewer	Budgeted at a net surplus. As of March 2026, expenditures exceeded revenues by \$2.8 million, driven by revenue below budget.
4A	The fund is tracking toward the planned net deficit. Actual revenues and expenditures are both below budget, at 35-40% each. The large budgeted deficit in 4A is due to projected timing of incentive payments expected in FY 2026, with less in the out years.
4B	The fund is at only 33% of budgeted revenue and 56% of budgeted expenditures, projecting an ending deficit in excess of plan. The large budgeted deficit in 4B is due to budgeted transfers out to the Hidden Creek Golf Course and Parks Performance Funds.
Parks Performance	The fund is spending within budget, with actual revenues and expenditures almost equivalent in total.
Medical Transport	Actual expenditures are ahead of budget. If personnel costs continue to exceed budget, the planned surplus may not be met.
Street Maintenance	Expenditures are budgeted to approximately equate revenues. The fund's expenditures typically come later in the fiscal year.



## GENERAL FUND

### Revenues

General Fund revenues total \$45,950,058 through March 31, 2026. This represents an increase of 8.7% from revenue earned in the preceding year. Investment Earnings decreased by \$(62,529) or -14.2% driven by falling macroeconomic interest rates per FOMC direction. Also contributing to the decline is a FY 2026 start of year reversal of FY 2025 year end accrual for interest on US Agencies and Treasuries within the City's portfolio. Removing the impacts of year end reversals in both FY 2025 and FY 2026, the increase in Investment Earnings is \$21,392 or 4.4%. Fines Revenue decreased \$(44,213) or -15.5% driven by decreases in both Municipal Court fees and Code Enforcement nuisance code fines. Cost Allocation Revenue decreased \$(294,852) or -15.6% driven by no FY 2026 budgeted allocation from the Health Insurance Fund.

Following is a percentage summary of total revenues from each major source of General Fund revenue for fiscal year 2025-26, to date.

	Fiscal Year-to-Date 2026	Percentage of Total
Taxes	\$ 37,788,881	82.2%
Franchise Fees	2,360,064	5.1%
Investment Earnings	379,324	0.8%
Licenses, permits and fees	858,503	1.9%
Fines	241,857	0.5%
Charges for Services	456,827	1.0%
Other Revenues	1,519,936	3.3%
Cost Allocation	1,590,894	3.5%
Transfers In	753,772	1.6%
<b>Total</b>	<b>\$ 45,950,058</b>	<b>100.0%</b>

A comparison between FY 2025 and FY 2026 is presented below:

	Fiscal Year-to-Date		Increase/(Decrease) over 2025	
	2025	2026	Amount	Percent
Property Taxes	\$ 29,625,537	\$ 32,403,297	\$ 2,777,760	9.4%
Sales Tax	5,161,092	5,305,163	144,071	2.8%
Liquor Tax	81,246	80,422	(824)	-1.0%
Franchise Fees	2,175,956	2,360,064	184,107	8.5%
Investment Earnings	441,853	379,324	(62,529)	-14.2%
License, Permit & Fee	464,382	858,503	394,121	84.9%
Fines	286,070	241,857	(44,213)	-15.5%
Charges for Services	129,889	456,827	326,938	251.7%
Miscellaneous	194,614	299,721	105,106	54.0%
Sale of Capital	-	40,700	40,700	100.0%
Cost Allocation Rev	1,885,746	1,590,894	(294,852)	-15.6%
Intergovernmental	535,744	556,338	20,594	3.8%
Operating Grant & Contributions	529,174	623,177	94,004	17.8%
Transfer In	749,063	753,772	4,709	0.6%
	<b>\$ 42,260,366</b>	<b>\$ 45,950,058</b>	<b>\$ 3,689,692</b>	<b>8.7%</b>

## GENERAL FUND

Expenditures

Expenditures for General Fund purposes were \$31,680,932 through March 31, 2026. An increase of \$2,003,971 or 6.8% from the preceding year. Also note that total current year actuals as a percent of budget is comparable year over year, 48.89% as of FY 2026 and 45.91% as of FY 2025. Prior Year Comparison of General Fund Expenditures by Department through March 2026:

	Fiscal Year-to-Date		Increase/(Decrease) over 2025		Material Variance Drivers
	2025	2026	Amount	Percent	
City Council	\$ 41,710	\$ 41,461	\$ (248)	-0.6%	
City Manager's Office	671,345	655,828	(15,517)	-2.3%	
City Secretary's Office	430,626	367,317	(63,309)	-14.7%	
Communications	274,845	274,469	(376)	-0.1%	
Finance	735,197	824,223	89,026	12.1%	Driven by temporary services personnel expense. Department is now fully staffed.
Non-Departmental	973,750	989,672	15,922	1.6%	
Human Resources	572,334	612,831	40,497	7.1%	
Judicial	60,525	55,537	(4,988)	-8.2%	
Legal Services	319,222	374,049	54,827	17.2%	Driven by legal fees incurred compared to same time in prior year
Municipal Court	238,270	214,830	(23,441)	-9.8%	
Records Management	56,740	54,842	(1,898)	-3.3%	
Purchasing	145,267	150,951	5,684	3.9%	
Fire	5,455,307	5,777,510	322,203	5.9%	
Police	8,885,298	9,873,082	987,784	11.1%	Increased salaries expense for retirement payouts and budgeted Public Safety equity pay
Marshals Service	626	-	(626)	-100.0%	
PS Communication	1,258,269	1,194,226	(64,043)	-5.1%	
Drainage Maint	262,836	211,874	(50,963)	-19.4%	
Engineering/Capital	442,996	638,480	195,485	44.1%	Increased salaries expense due to three vacancies in 1Q FY 2025
Engineering/Development	284,187	205,252	(78,935)	-27.8%	
Engineering/Inspections	258,449	274,132	15,683	6.1%	
Facilities Maintenance	568,294	462,588	(105,707)	-18.6%	
Public Works Admin	405,571	462,060	56,489	13.9%	Increased salaries expense due to Deputy Director vacancy in 1Q FY 2025
Streets Pavement Maint	1,351,573	1,067,043	(284,529)	-21.1%	
Traffic Maint	408,736	878,037	469,300	114.8%	Increased signal maintenance & repair expenditures
Animal Services	345,217	343,040	(2,178)	-0.6%	
Code Enforcement	374,887	382,447	7,560	2.0%	
Environmental Services	72,665	59,244	(13,421)	-18.5%	
Neighborhood Svcs Admin	1,013	-	(1,013)	-100.0%	
Building Inspections	408,575	388,747	(19,827)	-4.9%	
Community Development	349,830	354,051	4,221	1.2%	
Economic Development	519,300	859,364	340,064	65.5%	Increased incentives expense
Library	724,772	640,955	(83,817)	-11.6%	
Parks	825,052	958,650	133,597	16.2%	Increased grounds repair & maintenance costs
Parks & Recreation Admin	140	-	(140)	-100.0%	
ROW Maintenance	208,825	189,046	(19,779)	-9.5%	
Senior Citizens Center	102,851	111,484	8,633	8.4%	
Transfer Out	1,641,862	1,733,611	91,749	5.6%	
	\$ 29,676,961	\$ 31,680,932	\$ 2,003,971	6.8%	

Expenditures for General Fund purposes through March 2026 are outlined as a percentage basis as follows:

Division	Total	Percent
General Government	\$ 4,616,009	15%
Public Safety	16,844,818	53%
Public Works	4,199,466	13%
Neighborhood Services	784,730	2%
Development Services	1,602,162	5%
Culture & Recreation	1,900,135	6%
Transfer Out	1,733,611	5%
	\$ 31,680,932	100%

# WATER AND SEWER FUND

## Revenues

Operating revenue in the Water and Sewer Fund was \$12,888,049 through March 31, 2026, an increase of \$876,074 or 7.3% compared to revenues reported for the same time period in the preceding year. License, Permit & Fee revenue decreased \$(867) or -11.0% due to lower returned check fees. Miscellaneous revenue decreased \$(13,088) or -33.8% due to decreases in the recycling revenue stream as well as other miscellaneous revenue accounts. Impact Fee revenues decreased \$(85,025) or -22.7% due to slower permitting activity. Transfer In decreased \$(3,685) or -15.8% due to lower Transfer from Solid Waste.

A comparison between FY 2025 and FY 2026 is presented below:

	Fiscal Year-to-Date		Increase/(Decrease) over 2025	
	2025	2026	Amount	Percent
Charges for Services	\$ 11,239,737	\$ 12,213,695	\$ 973,959	8.7%
License, Permit & Fee	7,854	6,987	(867)	-11.0%
Investment Earnings	328,084	332,865	4,782	1.5%
Miscellaneous	38,730	25,642	(13,088)	-33.8%
Impact Fee	374,252	289,227	(85,025)	-22.7%
Cost Allocation Revenue	-	-	-	N/A
Transfer In	23,318	19,633	(3,685)	-15.8%
	<u>\$ 12,011,974</u>	<u>\$ 12,888,049</u>	<u>\$ 876,074</u>	<u>7.3%</u>

The breakdown of the Charges for Services revenue is reflected in the preceding table as follows:

	Fiscal Year-to-Date		Increase/(Decrease) over 2025	
	2025	2026	Amount	Percent
Water Revenue	\$ 5,418,688	\$ 5,894,275	\$ 475,587	8.8%
Sewer Revenue	5,263,877	5,711,499	447,622	8.5%
Sewer Surcharge	317,977	377,867	59,889	18.8%
Connections & Extensions	24,960	17,676	(7,284)	-29.2%
Penalties	214,234	212,379	(1,856)	-0.9%
	<u>\$ 11,239,737</u>	<u>\$ 12,213,695</u>	<u>\$ 973,959</u>	<u>8.7%</u>

## WATER AND SEWER FUND

### Expenditures

The Water and Sewer Fund expenditures through March 31, 2026 totaled \$15,695,997. This represents an overall increase of \$279,972 or 1.8% compared to the preceding year. Personnel Development increased \$31,677 or 53.2% primarily due to increased Subscriptions and Publications expense. Minor Furniture and Equipment expense increased \$27,753 or 63.3% due to meters expense. Infrastructure Maintenance & Repair expense increased \$56,660 or 57.5% driven by various repair expenses including inline curb stops expense. Insurance expense increased \$54,785 or 42.0% due to higher annual insurance allocation.

A comparison between FY 2025 and FY 2026 is presented below:

	Fiscal Year-to-Date		Increase/(Decrease) over 2025	
	2025	2026	Amount	Percent
Personnel	\$ 1,420,146	\$ 1,355,405	\$ (64,742)	-4.6%
Personnel Development	59,542	91,219	31,677	53.2%
Supplies	62,088	48,201	(13,887)	-22.4%
Minor Furn & Equip	43,838	71,591	27,753	63.3%
Outside Services	96,751	83,548	(13,203)	-13.6%
Water Purchases	1,867,352	2,027,684	160,332	8.6%
Sewer Treatment	2,533,265	2,462,965	(70,300)	-2.8%
Infr Maint & Repair	98,591	155,251	56,660	57.5%
Equip Maint & Repair	12,599	4,784	(7,814)	-62.0%
Utilities	116,145	125,235	9,090	7.8%
Insurance	130,373	185,158	54,785	42.0%
Misc	579,472	623,239	43,766	7.6%
Contribution to ISF	1,054,578	1,156,500	101,922	9.7%
Cost Allocation Exp	656,700	656,700	-	0.0%
Capital Expenditures	64,069	-	(64,069)	-100.0%
Debt Service Charges	6,055,489	6,082,262	26,773	0.4%
Transfers Out	565,026	566,256	1,230	0.2%
	<b>\$ 15,416,025</b>	<b>\$ 15,695,997</b>	<b>\$ 279,972</b>	<b>1.8%</b>

## 4A SALES TAX FUND

### Revenues

4A revenue through March 31, 2026, is \$3,011,667 and a decrease of \$(1,127,605) or -27.2% for revenues reported for the same period in the preceding year. The decrease is driven by absence of an equivalent land sale compared to the same period in the prior year. Revenues are up year-over-year excluding the impact from sale of capital.

A comparison between FY 2025 and FY 2026 is presented below:

	Fiscal Year-to-Date		Increase/(Decrease) over 2025	
	2025	2026	Amount	Percent
Sales & Use Taxes	\$ 2,580,547	\$ 2,652,581	\$ 72,034	2.8%
OFS-Sale of Capital	1,217,460	-	(1,217,460)	-100.0%
Investment Earnings	113,273	108,569	(4,704)	-4.2%
Miscellaneous	227,992	250,517	22,525	9.9%
	<u>\$ 4,139,272</u>	<u>\$ 3,011,667</u>	<u>\$ (1,127,605)</u>	<u>-27.2%</u>

### Expenditures

Expenditures through March 31, 2026, are \$5,172,394 and a decrease of \$(1,315,224) or -20.3% for expenses reported for the same period in the preceding year. Personnel increased \$31,627 or 10.2% due to salaries increase in Economic Development. Personnel Development expense increased \$49,139 or 190.5% due to Memberships & Licenses expense. Supplies expense increased \$1,128 or 209.2% due to promotional supplies. Infrastructure Maintenance & Repair increased \$6,565 or 82.5% due to ROW maintenance costs. Utilities increased \$814 or 21.1% due to water expenses. Incentives expenses increased by \$885,895 or 196.9%. The increase is due to companies meeting the required benchmarks to qualify for reimbursement.

A comparison between FY 2025 and FY 2026 is presented below:

	Fiscal Year-to-Date		Increase/(Decrease) over 2025	
	2025	2026	Amount	Percent
Personnel	\$ 309,895	\$ 341,522	\$ 31,627	10.2%
Personnel Development	25,799	74,938	49,139	190.5%
Supplies	539	1,667	1,128	209.2%
Outside Services	73,014	33,938	(39,077)	-53.5%
Infr Maint & Repair	7,957	14,523	6,565	82.5%
Utilities	3,866	4,680	814	21.1%
Miscellaneous	209,173	202,823	(6,350)	-3.0%
Incentives	450,000	1,335,895	885,895	196.9%
Contribution to ISF	231,612	62,484	(169,128)	-73.0%
Cost Allocation Exp	80,628	80,628	-	0.0%
Capital Expenditures	1,693,498	10	(1,693,488)	-100.0%
Transfers Out-Debt Service	3,333,583	2,951,233	(382,350)	-11.5%
Transfers Out	68,055	68,055	-	0.0%
	<u>\$ 6,487,618</u>	<u>\$ 5,172,394</u>	<u>\$ (1,315,224)</u>	<u>-20.3%</u>

## 4B SALES TAX FUND

### Revenues

4B revenue was \$2,707,693 through March 31, 2026, an increase of \$60,862 or 2.3% compared to revenue reported for the same time period in the preceding year. Investment Earnings decreased \$(10,172) or -15.6% driven by falling macroeconomic interest rates per FOMC direction. Also contributing to the decline is a FY 2026 start of year reversal of FY 2025 year end accrual for interest on US Agencies and Treasuries within the City's portfolio. Removing the impacts of year end reversals in both FY 2025 and FY 2026, the increase in Investment Earnings is \$2,842 or 3.8% for the Fund year-over-year. Miscellaneous revenue decreased \$1,000 due to lower other rental fees for special events.

A comparison between FY 2025 and FY 2026 is presented below:

	Fiscal Year-to-Date		Increase/(Decrease) over 2025	
	2025	2026	Amount	Percent
Sales & Use Taxes	\$ 2,580,547	\$ 2,652,581	\$ 72,034	2.8%
Investment Earnings	65,284	55,112	(10,172)	-15.6%
Miscellaneous	1,000	-	(1,000)	-100.0%
	<u>\$ 2,646,830</u>	<u>\$ 2,707,693</u>	<u>\$ 60,862</u>	<u>2.3%</u>

### Expenditures

Expenditures through March 31, 2026, are \$5,696,808 and an increase of \$339,667 or 6.3% for expenses reported for the same period in the preceding year. Miscellaneous expense increased \$30,046 or 66.9% driven by project/event/meeting expenses. Transfer Out Debt Service increased \$466,636 or 19.3% due to higher annual February principal and interest debt payment. The Transfer Out for Chisenhall is new in FY 2026. The 4B Fund was planned to subsidize the initial funding of Chisenhall operations.

A comparison between FY 2025 and FY 2026 is presented below:

	Fiscal Year-to-Date		Increase/(Decrease) over 2025	
	2025	2026	Amount	Percent
Personnel	\$ 162,475	\$ 126,507	\$ (35,967)	-22.1%
Personnel Development	2,108	2,097	(11)	-0.5%
Supplies	708	-	(708)	-100.0%
Minor Furn & Equip	15,990	15,779	(211)	-1.3%
Outside Services	8,858	3,879	(4,979)	-56.2%
Infr Maint & Repair	-	-	-	N/A
Miscellaneous	44,921	74,967	30,046	66.9%
Utilities	-	-	-	N/A
Incentive Payments	-	-	-	N/A
Contribution to ISF	18,258	2,700	(15,558)	-85.2%
Cost Allocation Exp	52,662	52,662	-	0.0%
Capital Expenditures	61,641	1,300	(60,341)	-97.9%
Transfer Out-Parks Perf Fund	1,624,974	1,759,260	134,286	8.3%
Transfer Out-Debt Service	2,413,083	2,879,719	466,636	19.3%
Transfer Out-Non Bond CIP	-	-	-	N/A
Transfer Out-Golf	951,463	577,938	(373,525)	-39.3%
Transfer Out-Chisenhall	-	200,000	200,000	100.0%
	<u>\$ 5,357,141</u>	<u>\$ 5,696,808</u>	<u>\$ 339,667</u>	<u>6.3%</u>

## PARKS PERFORMANCE FUND

### Revenues

Parks Performance revenue was \$2,909,163 through March 31, 2026, an increase of \$23,668 or 0.8% compared to revenue reported for the same time period in the preceding year. Charges for Services decreased \$(143,007) or -11.7% driven by a decrease in BRiCk membership revenue. Investment Earnings decreased \$(7,746) or -36.6% driven by falling macroeconomic interest rates per FOMC direction. Also contributing to the decline is a FY 2026 start of year reversal of FY 2025 year end accrual for interest on US Agencies and Treasuries within the City's portfolio. Removing the impacts of year end reversals in both FY 2025 and FY 2026, the result is a decrease in Investment Earnings of \$(113) or -0.5% for the Fund year-over-year.

A comparison between FY 2025 and FY 2026 is presented below:

	Fiscal Year-to-Date		Increase/(Decrease) over 2025	
	2025	2026	Amount	Percent
Charges for Services	\$ 1,224,428	\$ 1,081,421	\$ (143,007)	-11.7%
Investment Earnings	21,185	13,439	(7,746)	-36.6%
Miscellaneous	14,908	55,043	40,135	269.2%
Transfer In-4B	1,624,974	1,759,260	134,286	8.3%
	<u>\$ 2,885,495</u>	<u>\$ 2,909,163</u>	<u>\$ 23,668</u>	<u>0.8%</u>

### Expenditures

Expenditures through March 31, 2026, totaled \$2,748,369. This represents an overall increase of \$441,039 or a 19.1% increase from the preceding year. Supplies expense increased \$15,446 or 29.2% due to chemical supplies. Minor furniture and equipment expense increased \$54,615 or 1,143.7% driven by minor apparatus expenditures. Outside Services expense increased \$82,958 or 427.6% due to increased janitorial services expense. Infrastructure Maintenance and Repair expense increased \$37,130 or 34.7% driven by BRiCk building related repairs including aquatic installations and window cleaning. Equipment Maintenance and Repair expense increased \$8,690 or 102.5% due to a BRiCk pipe leak repair. Insurance expense increased \$66,567 or 60.3% driven by increased annual insurance billing. Capital Expenditures increased \$158,014, driven by equipment for athletic fields.

A comparison between FY 2025 and FY 2026 is presented below:

	Fiscal Year-to-Date		Increase/(Decrease) over 2025	
	2025	2026	Amount	Percent
Personnel	\$ 1,159,045	\$ 1,212,808	\$ 53,763	4.6%
Personnel Development	11,789	12,006	217	1.8%
Supplies	52,818	68,265	15,446	29.2%
Minor Furn & Equip	4,775	59,390	54,615	1143.7%
Outside Services	19,402	102,360	82,958	427.6%
Infr Maint & Repair	107,154	144,285	37,130	34.7%
Equip Maint & Repair	8,477	17,167	8,690	102.5%
Utilities	239,191	205,243	(33,949)	-14.2%
Insurance	110,345	176,912	66,567	60.3%
Miscellaneous	50,206	40,427	(9,780)	-19.5%
Contribution to ISF	186,150	193,518	7,368	4.0%
Cost Allocation Exp	357,816	357,816	-	0.0%
Capital Expenditures	160	158,174	158,014	98764.6%
	<u>\$ 2,307,330</u>	<u>\$ 2,748,369</u>	<u>\$ 441,039</u>	<u>19.1%</u>

## MEDICAL TRANSPORT FUND

### Revenues

Medical Transport revenue was \$1,172,952 through March 31, 2026. This represents an overall increase of \$176,684 or a 17.7% increase from the preceding year.

A comparison between FY 2025 and FY 2026 is presented below:

	Fiscal Year-to-Date		Increase/(Decrease) over 2025	
	2025	2026	Amount	Percent
Charges for Services	\$ 982,457	\$ 1,156,252	\$ 173,795	17.7%
Investment Earnings	13,812	16,700	2,888	20.9%
Transfer In	-	-	-	N/A
	<u>\$ 996,268</u>	<u>\$ 1,172,952</u>	<u>\$ 176,684</u>	<u>17.7%</u>

### Expenditures

Expenditures through March 31, 2026 totaled \$1,070,293. This represents an overall increase of \$224,342 or a 26.5% increase from the preceding year. Personnel increased by \$192,537 or 19.2% driven by an increase in salaries and related benefits for added positions, as well as overtime expense for Fire Medical Transport. Medical Director/Lease increased \$8,238 or 45.3% due to payments for other professional services. Supplies expense increased \$12,488 or 24.7% due to increase in safety supplies expense. Contribution to Internal Service Fund increased by \$44,226 or 135% due to increased budgeted allocation for the Contribution to Equipment Services Fund and IT Contribution.

A comparison between FY 2025 and FY 2026 is presented below:

	Fiscal Year-to-Date		Increase/(Decrease) over 2025	
	2025	2026	Amount	Percent
Personnel	\$ 1,005,094	\$ 1,197,630	\$ 192,537	19.2%
Personnel Grant Reimburse	(260,658)	(293,805)	(33,147)	12.7%
Med Director/Lease	18,200	26,438	8,238	45.3%
Supplies	50,556	63,044	12,488	24.7%
Contribution to ISF	32,760	76,986	44,226	135.0%
	<u>\$ 845,951</u>	<u>\$ 1,070,293</u>	<u>\$ 224,342</u>	<u>26.5%</u>

# STREET MAINTENANCE FUND

## Revenues

This fund is made up of transfers from the General Fund derived from the portion of the M&O rate designated for street maintenance. Street Maintenance revenue was \$1,751,333 through March 31, 2026. The Street Maintenance allocation is a function of property tax collection receipt timing.

A comparison between FY 2025 and FY 2026 is presented below:

	Fiscal Year-to-Date		Increase/(Decrease) over 2025	
	2025	2026	Amount	Percent
Investment Earnings	\$ 15,256	\$ 17,721	\$ 2,465	16.2%
Transfer In	1,641,862	1,733,611	91,749	5.6%
	<u>\$ 1,657,118</u>	<u>\$ 1,751,333</u>	<u>\$ 94,214</u>	<u>5.7%</u>

## Expenditures

Expenditures through March 31, 2026 totaled \$0. The Street Maintenance Fund has budgeted for engineering services and street maintenance and repair for FY 2026.

A comparison between FY 2025 and FY 2026 is presented below:

	Fiscal Year-to-Date		Increase/(Decrease) over 2025	
	2025	2026	Amount	Percent
Outside Services	\$ 13,486	\$ -	\$ (13,486)	-100.0%
Infr Maint & Repair	280,227	-	(280,227)	-100.0%
Capital Expenditures	6,055	-	(6,055)	-100.0%
	<u>\$ 299,768</u>	<u>\$ -</u>	<u>\$ (299,768)</u>	<u>-100.0%</u>

<b>Mar-26</b>		<b>General Fund - Schedule of Revenues</b>				<b>Percent of Year Expired</b>	
		<b>Budget vs. Actuals</b>				<b>50.0%</b>	
DESCRIPTION	PRIOR YEAR TO DATE ACTUAL	FY2026 ORIGINAL BUDGET	FY2026 REVISED BUDGET	FY2026 ACTUAL AMOUNT	FY2026 BUDGET BALANCE	ACTUAL AS PERCENT OF BUDGET	PRIOR YEAR PERCENT OF BUDGET
Ad Val Taxes - General	29,400,306	32,239,467	32,239,467	32,127,603	111,864	99.65%	98.82%
Ad Val Taxes - Delinquent	66,266	130,000	130,000	147,930	(17,930)	113.79%	50.97%
Ad Val Taxes - Pen & Int	158,965	230,000	230,000	127,763	102,237	55.55%	69.12%
<b>PROPERTY TAXES TOTAL</b>	<b>\$ 29,625,537</b>	<b>\$ 32,599,467</b>	<b>\$ 32,599,467</b>	<b>\$ 32,403,297</b>	<b>\$ 196,170</b>	<b>99.40%</b>	<b>98.39%</b>
Sales Tax	5,161,092	15,987,468	15,987,468	5,305,163	10,682,305	33.18%	33.76%
Liquor Tax	81,246	258,743	258,743	80,422	178,321	31.08%	37.63%
<b>SALES TAX TOTAL</b>	<b>\$ 5,242,338</b>	<b>\$ 16,246,211</b>	<b>\$ 16,246,211</b>	<b>\$ 5,385,585</b>	<b>\$ 10,860,626</b>	<b>33.15%</b>	<b>33.81%</b>
W&S Franchise Fee	547,418	1,138,628	1,138,628	563,840	574,788	49.52%	50.00%
Electric Util Franchise	975,938	2,097,324	2,097,324	1,006,041	1,091,283	47.97%	48.39%
Telephone Franchise Fees	15,897	54,080	54,080	14,289	39,791	26.42%	30.57%
Telecable Franchise Fees	25,473	129,137	129,137	62,457	66,680	48.36%	20.51%
Natural Gas Franchise Fee	356,981	360,431	360,431	425,598	(65,167)	118.08%	103.00%
Solid Waste Franchise Fee	92,507	308,256	308,256	112,822	195,434	36.60%	31.21%
SW Internal Srv Franchise	161,742	336,423	336,423	175,017	161,406	52.02%	50.00%
<b>FRANCHISE FEES TOTAL</b>	<b>\$ 2,175,956</b>	<b>\$ 4,424,279</b>	<b>\$ 4,424,279</b>	<b>\$ 2,360,064</b>	<b>\$ 2,064,215</b>	<b>53.34%</b>	<b>51.15%</b>
<b>INVESTMENT EARNINGS TOTAL</b>	<b>\$ 441,853</b>	<b>\$ 828,100</b>	<b>\$ 828,100</b>	<b>\$ 379,324</b>	<b>\$ 448,776</b>	<b>45.81%</b>	<b>73.64%</b>
<b>LICENSE, PERMIT, FEE TOTAL</b>	<b>\$ 464,382</b>	<b>\$ 1,474,716</b>	<b>\$ 1,474,716</b>	<b>\$ 858,503</b>	<b>\$ 616,213</b>	<b>58.21%</b>	<b>29.86%</b>
<b>FINES TOTAL</b>	<b>\$ 286,070</b>	<b>\$ 655,243</b>	<b>\$ 655,243</b>	<b>\$ 241,857</b>	<b>\$ 413,386</b>	<b>36.91%</b>	<b>33.54%</b>
<b>CHARGES FOR SERVICES TOTAL</b>	<b>\$ 129,889</b>	<b>\$ 363,722</b>	<b>\$ 363,722</b>	<b>\$ 456,827</b>	<b>\$ (93,105)</b>	<b>125.60%</b>	<b>44.74%</b>
<b>MISC TOTAL</b>	<b>\$ 194,614</b>	<b>\$ 604,384</b>	<b>\$ 612,484</b>	<b>\$ 299,721</b>	<b>\$ 312,763</b>	<b>48.94%</b>	<b>32.43%</b>
<b>SALE OF CAPITAL TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 40,700</b>	<b>\$ (40,700)</b>	<b>N/A</b>	<b>0.00%</b>
Cost Allocation From SRF	18,864	37,710	37,710	8,862	28,848	23.50%	50.02%
Cost allocation from 4A	80,628	161,260	161,260	80,628	80,632	50.00%	50.00%
Cost allocation from 4B	52,662	105,320	105,320	52,662	52,658	50.00%	50.00%
Cost allocation from PPF	357,816	715,620	715,620	357,816	357,804	50.00%	50.00%
Cost allocation from HMF	13,314	26,630	26,630	13,314	13,316	50.00%	50.00%
Cost allocation from TIF	18,798	37,590	37,590	18,798	18,792	50.01%	50.01%
Cost allocation from Misc SRF	9,360	18,720	18,720	9,360	9,360	50.00%	50.00%
Cost allocation from DS	348	1,220	1,220	348	872	28.52%	28.52%
Cost allocation from WS	656,700	1,313,390	1,313,390	656,700	656,690	50.00%	50.00%
Cost allocation from SW	26,592	53,180	53,180	27,390	25,790	51.50%	50.00%
Cost allocation from Golf	144,132	268,260	268,260	144,132	124,128	53.73%	50.00%
Cost allocation from CEM	390	780	780	390	390	50.00%	50.00%
Cost allocation from ERF	1,884	5,850	5,850	1,884	3,966	32.21%	32.21%
Cost allocation from ESF	87,108	174,220	174,220	87,108	87,112	50.00%	50.00%
Cost allocation from SSR	131,502	263,000	263,000	131,502	131,498	50.00%	50.00%
Cost allocation from HIF	285,648	-	-	-	-	N/A	50.00%
<b>COST ALLOCATION REV TOTAL</b>	<b>\$ 1,885,746</b>	<b>\$ 3,182,750</b>	<b>\$ 3,182,750</b>	<b>\$ 1,590,894</b>	<b>\$ 1,591,856</b>	<b>49.98%</b>	<b>49.97%</b>
Receipts from Counties	-	-	-	-	-	N/A	0.00%
Receipts From Federal Govn	535,744	1,016,038	1,016,038	556,338	459,700	54.76%	54.07%
Receipts From Other Agencies	-	-	-	-	-	N/A	N/A
<b>INTERGOVERNMENTAL TOTAL</b>	<b>\$ 535,744</b>	<b>\$ 1,016,038</b>	<b>\$ 1,016,038</b>	<b>\$ 556,338</b>	<b>\$ 459,700</b>	<b>54.76%</b>	<b>53.61%</b>
School Resource Officers	518,498	1,220,507	1,220,507	622,749	597,758	51.02%	50.00%
Auto Task Force Reimb	8,570	41,618	41,618	-	41,618	0.00%	20.59%
Reimbursable Overtime	2,105	-	-	428	(428)	N/A	N/A
<b>OPER GRANT &amp; CONTR TOTAL</b>	<b>\$ 529,174</b>	<b>\$ 1,262,125</b>	<b>\$ 1,262,125</b>	<b>\$ 623,177</b>	<b>\$ 638,948</b>	<b>49.38%</b>	<b>49.06%</b>
Transfer from ERF-Government	-	-	-	-	-	N/A	N/A
Transfer from WS	565,026	-	-	566,256	(566,256)	N/A	50.00%
Transfer In	-	1,511,626	1,511,626	-	1,511,626	0.00%	0.00%
Transfer From 4A	68,055	-	-	68,055	(68,055)	N/A	50.00%
Transfer From TIF2	115,982	-	-	119,462	(119,462)	N/A	50.00%
Transfer from Support Svc	-	-	31,750	-	31,750	0.00%	N/A
<b>TRANSFER IN TOTAL</b>	<b>\$ 749,063</b>	<b>\$ 1,511,626</b>	<b>\$ 1,543,376</b>	<b>\$ 753,772</b>	<b>\$ 789,604</b>	<b>48.84%</b>	<b>23.24%</b>
<b>TOTAL REVENUE</b>	<b>\$ 42,260,366</b>	<b>\$ 64,168,661</b>	<b>\$ 64,208,511</b>	<b>\$ 45,950,058</b>	<b>\$ 18,258,453</b>	<b>71.56%</b>	<b>65.99%</b>

**Mar-26**

**General Fund - Schedule of Expenditures  
Budget vs. Actuals**

Percent of Year Expired **50.0%**

DIVISIONS	PRIOR YEAR TO DATE ACTUAL	FY2026 ORIGINAL BUDGET	FY2026 BUDGET TRANSFERS	FY2026 REVISED BUDGET	FY2026 ENCUMBRANCE AMOUNT	FY2026 ACTUAL AMOUNT	FY2026 BUDGET BALANCE	FY2026 ACTUAL AS PERCENT OF BUDGET	PRIOR YEAR PERCENT OF BUDGET
<b>GENERAL GOVERNMENT</b>									
City Council	41,710	96,692	-	96,692	1,355	41,461	53,876	42.88%	46.47%
City Manager's Office	671,345	1,442,142	31,750	1,473,892	1,019	655,828	817,045	44.50%	49.45%
City Secretary's Office	430,626	895,154	-	895,154	36,463	367,317	491,374	41.03%	47.47%
Communications	274,845	654,910	-	654,910	912	274,469	379,530	41.91%	43.05%
Finance	735,197	1,883,444	-	1,883,444	31,122	824,223	1,028,099	43.76%	43.20%
Non-Departmental	973,750	568,416	-	568,416	305,344	989,672	(726,599)	174.11%	142.81%
Human Resources	572,334	1,310,652	-	1,310,652	43,310	612,831	654,511	46.76%	42.77%
Judicial	60,525	137,650	-	137,650	-	55,537	82,113	40.35%	44.06%
Legal Services	319,222	762,468	-	762,468	104,806	374,049	283,613	49.06%	33.06%
Municipal Court	238,270	517,167	-	517,167	5,196	214,830	297,141	41.54%	42.00%
Records Management	56,740	123,239	-	123,239	7,203	54,842	61,194	44.50%	43.48%
Purchasing	145,267	304,133	-	304,133	8,149	150,951	145,033	49.63%	43.02%
Risk Management	-	24	-	24	-	-	24	0.00%	N/A
<b>GENERAL GOVERNMENT TOTAL</b>	<b>\$ 4,519,831</b>	<b>\$ 8,696,091</b>	<b>\$ 31,750</b>	<b>\$ 8,727,841</b>	<b>\$ 544,879</b>	<b>\$ 4,616,009</b>	<b>\$ 3,566,953</b>	<b>52.89%</b>	<b>51.05%</b>
<b>PUBLIC SAFETY</b>									
Fire	5,455,307	12,136,501	40,450	12,176,951	295,488	5,777,510	6,103,952	47.45%	46.28%
Police	8,885,298	20,242,250	-	20,242,250	170,128	9,873,082	10,199,040	48.77%	45.52%
Marshals Service	626	-	-	-	-	-	-	N/A	N/A
Public Safety Communications	1,258,269	2,627,602	-	2,627,602	35,705	1,194,226	1,397,671	45.45%	40.99%
<b>PUBLIC SAFETY TOTAL</b>	<b>\$ 15,599,500</b>	<b>\$ 35,006,353</b>	<b>\$ 40,450</b>	<b>\$ 35,046,803</b>	<b>\$ 501,321</b>	<b>\$ 16,844,818</b>	<b>\$ 17,700,664</b>	<b>48.06%</b>	<b>45.38%</b>
<b>PUBLIC WORKS</b>									
Drainage Maint	262,836	551,411	-	551,411	1,521	211,874	338,016	38.42%	35.39%
Engineering/Capital	442,996	174,720	61,779	236,499	26,593	638,480	(428,574)	269.97%	30.18%
Engineering/Development	284,187	577,926	137,728	715,654	227,620	205,252	282,782	28.68%	29.74%
Engineering/Inspections	258,449	626,558	-	626,558	-	274,132	352,426	43.75%	42.69%
Facilities Maintenance	568,294	976,169	97,525	1,073,694	84,033	462,588	527,074	43.08%	47.26%
Public Works Admin	405,571	1,059,020	529	1,059,549	1,000	462,060	596,489	43.61%	41.02%
Streets Pavement Maint	1,351,573	4,239,778	55,000	4,294,778	205,211	1,067,043	3,022,524	24.85%	39.12%
Traffic Maint	408,736	1,449,252	360,363	1,809,615	201,553	878,037	730,026	48.52%	21.95%
<b>PUBLIC WORKS TOTAL</b>	<b>\$ 3,982,642</b>	<b>\$ 9,654,834</b>	<b>\$ 712,924</b>	<b>\$ 10,367,758</b>	<b>\$ 747,531</b>	<b>\$ 4,199,466</b>	<b>\$ 5,420,762</b>	<b>40.51%</b>	<b>35.31%</b>
<b>NEIGHBORHOOD SERVICES</b>									
Animal Services	345,217	805,810	-	805,810	3,000	343,040	459,770	42.57%	42.38%
Code Enforcement	374,887	793,370	-	793,370	10,113	382,447	400,811	48.21%	46.96%
Environmental Services	72,665	134,707	-	134,707	-	59,244	75,463	43.98%	46.93%
Neighborhood Svcs Admin	1,013	-	-	-	-	-	-	N/A	N/A
<b>NEIGHBORHOOD SERVICES TOTAL</b>	<b>\$ 793,781</b>	<b>\$ 1,733,887</b>	<b>\$ -</b>	<b>\$ 1,733,887</b>	<b>\$ 13,113</b>	<b>\$ 784,730</b>	<b>\$ 936,044</b>	<b>45.26%</b>	<b>44.90%</b>
<b>DEVELOPMENT SERVICES</b>									
Building Inspections	408,575	978,152	-	978,152	295	388,747	589,110	39.74%	45.63%
Community Development	349,830	799,077	-	799,077	6,254	354,051	438,772	44.31%	20.10%
Economic Development	519,300	1,129,787	-	1,129,787	333,117	859,364	(62,694)	76.06%	991.60%
<b>DEVELOPMENT SERVICES TOTAL</b>	<b>\$ 1,277,704</b>	<b>\$ 2,907,016</b>	<b>\$ -</b>	<b>\$ 2,907,016</b>	<b>\$ 339,666</b>	<b>\$ 1,602,162</b>	<b>\$ 965,187</b>	<b>55.11%</b>	<b>47.54%</b>
<b>CULTURE &amp; RECREATION</b>									
Library	724,772	1,364,753	-	1,364,753	106,318	640,955	617,480	46.96%	48.79%
Parks	825,052	1,934,230	61,400	1,995,630	31,403	958,650	1,005,577	48.04%	48.47%
Parks & Recreation Admin	140	-	-	-	-	-	-	N/A	N/A
ROW Maintenance	208,825	687,558	(6,900)	680,658	308,189	189,046	183,424	27.77%	34.21%
Senior Center	102,851	236,500	-	236,500	4,864	111,484	120,151	47.14%	44.76%
<b>CULTURE &amp; RECREATION TOTAL</b>	<b>\$ 1,861,640</b>	<b>\$ 4,223,041</b>	<b>\$ 54,500</b>	<b>\$ 4,277,541</b>	<b>\$ 450,774</b>	<b>\$ 1,900,135</b>	<b>\$ 1,926,632</b>	<b>44.42%</b>	<b>46.22%</b>
<b>TRANSFER OUT</b>									
Transfers Out	1,641,862	1,735,548	-	1,735,548	-	1,733,611	1,937	99.89%	99.76%
Transfer Out-Non Bond CIP	-	-	-	-	-	-	-	N/A	N/A
Transfer Out-IT Fund	-	-	-	-	-	-	-	N/A	N/A
<b>TRANSFER OUT TOTAL</b>	<b>\$ 1,641,862</b>	<b>\$ 1,735,548</b>	<b>\$ -</b>	<b>\$ 1,735,548</b>	<b>\$ -</b>	<b>\$ 1,733,611</b>	<b>\$ 1,937</b>	<b>99.89%</b>	<b>99.76%</b>
<b>TOTAL EXPENDITURE</b>	<b>\$ 29,676,961</b>	<b>\$ 63,956,770</b>	<b>\$ 839,624</b>	<b>\$ 64,796,394</b>	<b>\$ 2,597,283</b>	<b>\$ 31,680,932</b>	<b>\$ 30,518,179</b>	<b>48.89%</b>	<b>45.91%</b>

**Mar-26**

**Water and Sewer Fund - Schedule of Revenues and Expenditures  
Budget vs. Actuals**

Percent of  
Year Expired **50.0%**

DESCRIPTION	PRIOR YEAR TO DATE ACTUAL	FY2026 ORIGINAL BUDGET	FY2026 BUDGET TRANSFERS	FY2026 REVISED BUDGET	FY2026 ENCUMBRANCE AMOUNT	FY2026 ACTUAL	FY2026 BUDGET BALANCE	FY2026 ACTUAL AS PERCENT OF BUDGET	PRIOR YEAR PERCENT OF BUDGET
CHARGES FOR SERVICES	11,239,737	30,092,338	-	30,092,338	-	12,213,695	17,878,643	40.59%	39.7%
LICENSE, PERMIT & FEE	7,854	20,000	-	20,000	-	6,987	13,013	34.93%	39.27%
INVESTMENT EARNINGS	328,084	450,000	-	450,000	-	332,865	117,135	73.97%	72.91%
MISCELLANEOUS	38,730	43,922	-	43,922	-	25,642	18,280	58.38%	88.18%
IMPACT FEE	374,252	1,030,000	-	1,030,000	-	289,227	740,773	28.08%	36.34%
COST ALLOCATION REV	-	44,000	-	44,000	-	-	44,000	0.00%	0.00%
TRANSFER IN	23,318	46,979	-	46,979	-	19,633	27,346	41.79%	49.64%
<b>TOTAL REVENUE</b>	<b>\$ 12,011,974</b>	<b>\$ 31,727,239</b>	<b>\$ -</b>	<b>\$ 31,727,239</b>	<b>\$ -</b>	<b>\$ 12,888,049</b>	<b>\$ 18,839,190</b>	<b>40.62%</b>	<b>40.12%</b>
PERSONNEL	1,420,146	3,285,442	-	3,285,442	-	1,355,405	1,930,037	41.25%	41.45%
PERSONNEL DEVELOPMNT	59,542	115,173	-	115,173	9,050	91,219	14,903	79.20%	35.14%
SUPPLIES	62,088	119,995	-	119,995	27,147	48,201	44,647	40.17%	52.32%
MINOR FURN & EQUIP	43,838	221,275	4,328	225,603	7,126	71,591	146,886	31.73%	15.26%
OUTSIDE SERVICES	96,751	737,486	(4,007)	733,479	56,500	83,548	593,431	11.39%	20.03%
WATER PURCHASES	1,867,352	5,966,161	-	5,966,161	-	2,027,684	3,938,477	33.99%	33.72%
SEWER TREATMENT	2,533,265	5,938,334	-	5,938,334	-	2,462,965	3,475,369	41.48%	43.42%
INFR MAINT & REPAIR	98,591	286,050	34,142	320,192	5,070	155,251	159,871	48.49%	34.53%
EQUIP MAINT & REPAIR	12,599	25,325	(321)	25,004	-	4,784	20,220	19.13%	37.48%
UTILITIES	116,145	396,441	-	396,441	-	125,235	271,206	31.59%	27.41%
INSURANCE	130,373	298,308	-	298,308	-	185,158	113,150	62.07%	108.03%
MISC	579,472	1,297,350	-	1,297,350	7,362	623,239	666,749	48.04%	41.76%
CONTRIBUTION TO ISF	1,054,578	2,312,991	-	2,312,991	-	1,156,500	1,156,491	50.00%	50.00%
COST ALLOCATION EXP	656,700	1,313,390	-	1,313,390	-	656,700	656,690	50.00%	50.00%
CAPITAL EXPENDITURES	64,069	263,500	-	263,500	124,311	-	139,189	0.00%	23.92%
DEBT SERVICE CHARGES	6,055,489	7,536,331	-	7,536,331	-	6,082,262	1,454,069	80.71%	86.96%
TRANSFERS OUT	-	-	-	-	-	-	-	N/A	0.00%
TRANSFERS OUT-GENERAL FUND	565,026	1,132,511	-	1,132,511	-	566,256	-	-	-
					-		566,255	50.00%	50.00%
<b>TOTAL EXPENDITURE</b>	<b>\$ 15,416,025</b>	<b>\$ 31,246,063</b>	<b>\$ 34,142</b>	<b>\$ 31,280,205</b>	<b>\$ 236,566</b>	<b>\$ 15,695,997</b>	<b>\$ 15,347,642</b>	<b>50.18%</b>	<b>49.01%</b>

For purposes of this report, the Water & Wastewater Fund is combined with the Water Impact Fee Fund and Sewer Impact Fee Fund, referred to throughout as the Water & Wastewater Fund for collective reporting purposes.

**Mar-26**

**4A Sales Tax Fund - Schedule of Revenues and Expenditures**

**Budget vs. Actuals**

Percent of Year Expired

50.0%

DESCRIPTION	PRIOR YEAR TO DATE ACTUAL	FY2026 ORIGINAL BUDGET	FY2026 BUDGET TRANSFERS	FY2026 REVISED BUDGET	FY2026 ENCUMBRANCE AMOUNT	FY2026 ACTUAL	FY2026 BUDGET BALANCE	FY2026 ACTUAL AS PERCENT OF BUDGET	PRIOR YEAR PERCENT OF BUDGET
SALES & USE TAXES	2,580,547	7,993,732	-	7,993,732	-	2,652,581	5,341,151	33.18%	33.76%
OFS-SALE OF CAPITAL	1,217,460	-	-	-	-	-	-	N/A	51.26%
INVESTMENT EARNINGS	113,273	220,500	-	220,500	-	108,569	111,931	49.24%	151.03%
MISCELLANEOUS	227,992	310,622	-	310,622	-	250,517	60,105	80.65%	75.60%
<b>TOTAL REVENUE</b>	<b>\$ 4,139,272</b>	<b>\$ 8,524,854</b>	<b>\$ -</b>	<b>\$ 8,524,854</b>	<b>\$ -</b>	<b>\$ 3,011,667</b>	<b>\$ 5,513,187</b>	<b>35.33%</b>	<b>39.82%</b>
PERSONNEL	309,895	738,400	-	738,400	-	341,522	396,878	46.25%	41.81%
PERSONNEL DEVELOPMNT	25,799	119,500	-	119,500	160	74,938	44,402	62.71%	25.40%
SUPPLIES	539	6,500	-	6,500	-	1,667	4,833	25.64%	6.16%
MINOR FURN & EQUIP	-	-	-	-	-	-	-	N/A	0.00%
OUTSIDE SERVICES	73,014	155,000	-	155,000	14,716	33,938	106,347	21.90%	44.92%
INFR MAINT & REPAIR	7,957	27,500	-	27,500	3,747	14,523	9,230	52.81%	28.94%
UTILITIES	3,866	20,915	-	20,915	-	4,680	16,235	22.38%	14.38%
MISC	209,173	332,500	-	332,500	18,628	202,823	111,049	61.00%	61.77%
INCENTIVE PAYMENTS	450,000	7,445,000	15,632	7,460,632	3,072,750	1,335,895	3,051,987	17.91%	7.52%
CONTRIBUTION TO ISF	231,612	124,972	-	124,972	-	62,484	62,488	50.00%	50.00%
COST ALLOCATION EXP	80,628	161,260	-	161,260	-	80,628	80,632	50.00%	50.00%
CAPITAL EXPENDITURES	1,693,498	-	-	-	-	10	(10)	N/A	153.95%
TRANSFER OUT-DEBT SERVICE	3,333,583	3,997,929	(136,109)	3,861,820	-	2,951,233	910,587	76.42%	80.78%
TRANSFERS OUT	68,055	-	136,109	136,109	-	68,055	68,054	50.00%	50.00%
<b>TOTAL EXPENDITURE</b>	<b>\$ 6,487,618</b>	<b>\$ 13,129,476</b>	<b>\$ 15,632</b>	<b>\$ 13,145,108</b>	<b>\$ 3,110,001</b>	<b>\$ 5,172,394</b>	<b>\$ 4,862,713</b>	<b>39.35%</b>	<b>48.47%</b>

**Mar-26**

**4B Sales Tax Fund - Schedule of Revenues and Expenditures**

**Budget vs. Actuals**

Percent of Year Expired **50.0%**

DESCRIPTION	PRIOR YEAR TO DATE ACTUAL	FY2026 ORIGINAL BUDGET	FY2026 BUDGET TRANSFERS	FY2026 REVISED BUDGET	FY2026 ENCUMBRANCE AMOUNT	FY2026 ACTUAL	FY2026 BUDGET BALANCE	FY2026 ACTUAL AS PERCENT OF BUDGET	PRIOR YEAR PERCENT OF BUDGET
SALES & USE TAXES	2,580,547	7,993,732	-	7,993,732	-	2,652,581	5,341,151	33.18%	33.76%
INVESTMENT EARNINGS	65,284	117,600	-	117,600	-	55,112	62,488	46.86%	50.22%
MISCELLANEOUS	1,000	46,007	28,000	18,007	-	-	18,007	0.00%	2.41%
<b>TOTAL REVENUE</b>	<b>\$ 2,646,830</b>	<b>\$ 8,157,339</b>	<b>\$ 28,000</b>	<b>\$ 8,129,339</b>	<b>\$ -</b>	<b>\$ 2,707,693</b>	<b>\$ 5,421,646</b>	<b>33.31%</b>	<b>33.87%</b>
PERSONNEL	162,475	370,347	-	370,347	-	126,507	243,840	34.16%	46.72%
PERSONNEL DEVELOPMNT	2,108	4,865	-	4,865	-	2,097	2,768	43.10%	43.33%
SUPPLIES	708	4,500	-	4,500	-	-	4,500	0.00%	33.43%
MINOR FURN & EQUIP	15,990	32,900	-	32,900	3,255	15,779	13,866	47.96%	47.25%
OUTSIDE SERVICES	8,858	30,000	-	30,000	14,716	3,879	11,405	12.93%	43.17%
INFR MAINT & REPAIR	-	-	28,000	28,000	-	-	28,000	0.00%	N/A
MISC	44,921	141,440	75,000	216,440	34,946	74,967	106,526	34.64%	32.00%
UTILITIES	-	52,600	-	52,600	-	-	52,600	0.00%	0.00%
INCENTIVE PAYMENTS	-	39,203	-	39,203	36,953	-	2,250	0.00%	0.00%
CONTRIBUTION TO ISF	18,258	5,402	-	5,402	-	2,700	2,702	49.98%	50.01%
COST ALLOCATION EXP	52,662	105,320	-	105,320	-	52,662	52,658	50.00%	50.00%
CAPITAL EXPENDITURES	61,641	50,000	1,300	51,300	-	1,300	50,000	2.53%	87.87%
TRANSFER OUT-PARK PERF	1,624,974	3,518,518	(107,285)	3,411,233	-	1,759,260	1,651,973	51.57%	50.00%
TRANSFER OUT-DEBT SERVICE	2,413,083	3,641,078	-	3,641,078	-	2,879,719	761,359	79.09%	79.49%
TRANSFER OUT-NON BOND CIP	-	-	-	-	-	-	-	N/A	N/A
TRANSFER OUT-GOLF	951,463	1,155,874	-	1,155,874	-	577,938	577,936	50.00%	81.61%
TRANSFER OUT-CHISENHALL	-	-	967,496	967,496	-	200,000	767,496	20.67%	N/A
<b>TOTAL EXPENDITURE</b>	<b>\$ 5,357,141</b>	<b>\$ 9,152,047</b>	<b>\$ 964,511</b>	<b>\$ 10,116,558</b>	<b>\$ 89,870</b>	<b>\$ 5,696,808</b>	<b>\$ 4,329,879</b>	<b>56.31%</b>	<b>63.76%</b>

**Mar-26**

**Parks Performance Fund - Schedule of Revenues and Expenditures**

**Budget vs. Actuals**

Percent of Year Expired

50.0%

DESCRIPTION	PRIOR YEAR TO DATE ACTUAL	FY2026 ORIGINAL BUDGET	FY2026 BUDGET TRANSFERS	FY2026 REVISED BUDGET	FY2026 ENCUMBRANCE AMOUNT	FY2026 ACTUAL	FY2026 BUDGET BALANCE	FY2026 ACTUAL AS PERCENT OF BUDGET	PRIOR YEAR PERCENT OF BUDGET
CHARGES FOR SERVICES	1,224,428	2,941,652	-	2,941,652	(14,810)	1,081,421	1,875,041	36.76%	51.67%
INVESTMENT EARNINGS	21,185	49,000	-	49,000	-	13,439	35,561	27.43%	205.68%
MISCELLANEOUS	14,908	100,000	-	100,000	-	55,043	44,957	55.04%	361.85%
TRANSFER IN-4B	1,624,974	3,518,518	-	3,518,518	-	1,759,260	1,759,258	50.00%	50.00%
<b>TOTAL REVENUE</b>	<b>\$ 2,885,495</b>	<b>\$ 6,609,170</b>	<b>\$ -</b>	<b>\$ 6,609,170</b>	<b>\$ (14,810)</b>	<b>\$ 2,909,163</b>	<b>\$ 3,714,817</b>	<b>44.02%</b>	<b>51.22%</b>
PERSONNEL	1,159,045	3,402,633	84,598	3,487,231	-	1,212,808	2,274,423	34.78%	37.24%
PERSONNEL DEVELOPMNT	11,789	130,049	(108,504)	21,545	-	12,006	9,539	55.72%	49.66%
SUPPLIES	52,818	193,162	(788)	192,374	61,632	68,265	62,477	35.49%	27.45%
MINOR FURN & EQUIP	4,775	141,043	1,144	114,187	7,076	59,390	47,721	52.01%	11.22%
OUTSIDE SERVICES	19,402	68,738	76,131	144,869	6,176	102,360	36,333	70.66%	13.67%
INFR MAINT & REPAIR	107,154	349,421	(2,607)	346,814	24,771	144,285	177,759	41.60%	33.65%
EQUIP MAINT & REPAIR	8,477	121,784	6,970	128,754	8,844	17,167	102,743	13.33%	28.70%
UTILITIES	239,191	581,712	(5,850)	575,862	-	205,243	370,619	35.64%	42.82%
INSURANCE	110,345	170,043	-	170,043	-	176,912	(6,869)	104.04%	100.00%
MISC	50,206	186,770	(1,452)	185,318	50,633	40,427	94,258	21.81%	35.72%
CONTRIBUTION TO ISF	186,150	387,040	10,000	397,040	-	193,518	203,522	48.74%	50.00%
COST ALLOCATION EXP	357,816	715,620	-	715,620	-	357,816	357,804	50.00%	50.00%
CAPITAL EXPENDITURES	160	161,152	228,173	417,325	67,769	158,174	191,382	37.90%	0.06%
<b>TOTAL EXPENDITURE</b>	<b>\$ 2,307,330</b>	<b>\$ 6,609,167</b>	<b>\$ 287,815</b>	<b>\$ 6,896,982</b>	<b>\$ 226,901</b>	<b>\$ 2,748,369</b>	<b>\$ 3,921,712</b>	<b>39.85%</b>	<b>38.19%</b>

**Mar-26**

**MEDICAL TRANSPORT - Schedule of Revenues and Expenditures  
Budget vs. Actuals**

Percent of Year Expired **50.0%**

DESCRIPTION	PRIOR YEAR TO DATE ACTUAL	FY2026 ORIGINAL BUDGET	FY2026 BUDGET TRANSFERS	FY2026 REVISED BUDGET	FY2026 ENCUMBRANCE AMOUNT	FY2026 ACTUAL	FY2026 BUDGET BALANCE	FY2026 ACTUAL AS PERCENT OF BUDGET	PRIOR YEAR PERCENT OF BUDGET
CHARGES FOR SERVICES	982,457	2,281,052	-	2,281,052	-	1,156,252	1,124,800	50.69%	50.12%
INVESTMENT EARNINGS	13,812	39,200	-	39,200	-	16,700	22,500	42.60%	34.53%
TRANSFER IN	-	-	-	-	-	-	-	N/A	0.00%
<b>TOTAL REVENUE</b>	<b>\$ 996,268</b>	<b>\$ 2,320,252</b>	<b>\$ -</b>	<b>\$ 2,320,252</b>	<b>\$ -</b>	<b>\$ 1,172,952</b>	<b>1,147,300</b>	<b>50.55%</b>	<b>38.10%</b>
PERSONNEL	1,005,094	2,563,079	-	2,563,079	-	1,197,630	1,365,449	46.73%	42.95%
PERSONNEL DEVELOPMNT	-	3,000	-	3,000	-	-	3,000	0.00%	N/A
PERSONNEL GRANT REIMBURSE	(260,658)	(1,263,755)	-	(1,263,755)	-	(293,805)	(969,950)	23.25%	N/A
MED DIRECTOR/LEASE	18,200	95,000	-	95,000	37,162	26,438	31,400	27.83%	19.15%
SUPPLIES	50,556	126,484	-	126,484	86,167	63,044	(22,727)	49.84%	48.70%
MINOR FURN & EQUIP	-	15,000	-	15,000	-	-	15,000	0.00%	N/A
CONTRIBUTION TO ISF	32,760	153,962	-	153,962	-	76,986	76,976	50.00%	50.00%
MISC	-	5,270	-	5,270	-	-	5,270	0.00%	N/A
<b>TOTAL EXPENDITURE</b>	<b>\$ 845,951</b>	<b>\$ 1,698,040</b>	<b>\$ -</b>	<b>\$ 1,698,040</b>	<b>\$ 123,329</b>	<b>\$ 1,070,293</b>	<b>\$ 504,418</b>	<b>63.03%</b>	<b>32.48%</b>

**Mar-26**

**STREET MAINTENANCE FUND - Schedule of Revenues and Expenditures  
Budget vs. Actuals**

Percent of Year Expired 50.0%

DESCRIPTION	PRIOR YEAR TO DATE ACTUAL	FY2026 ORIGINAL BUDGET	FY2026 BUDGET TRANSFERS	FY2026 REVISED BUDGET	FY2026 ENCUMBRANCE AMOUNT	FY2026 ACTUAL	FY2026 BUDGET BALANCE	FY2026 ACTUAL AS PERCENT OF BUDGET	PRIOR YEAR PERCENT OF BUDGET
PROPERTY TAXES	-	-	-	-	-	-	-	N/A	N/A
INVESTMENT EARNINGS	15,256	34,300	-	34,300	-	17,721	16,579	51.67%	76.28%
TRANSFER IN	1,641,862	1,667,045	-	1,667,045	-	1,733,611	(66,566)	103.99%	99.76%
<b>TOTAL REVENUE</b>	<b>\$ 1,657,118</b>	<b>\$ 1,701,345</b>	<b>\$ -</b>	<b>\$ 1,701,345</b>	<b>\$ -</b>	<b>\$ 1,751,333</b>	<b>(49,988)</b>	<b>102.94%</b>	<b>99.48%</b>
OUTSIDE SERVICES	13,486	30,000	-	30,000	-	-	30,000	0.00%	22.33%
INFR MAINT & REPAIR	280,227	1,686,345	-	1,686,345	38,962	-	1,647,383	0.00%	17.52%
CAPITAL EXPENDITURES	6,055	-	-	-	-	-	-	N/A	100.00%
<b>TOTAL EXPENDITURE</b>	<b>\$ 299,768</b>	<b>\$ 1,716,345</b>	<b>\$ -</b>	<b>\$ 1,716,345</b>	<b>\$ 38,962</b>	<b>\$ -</b>	<b>\$ 1,677,383</b>	<b>0.00%</b>	<b>18.00%</b>

## Section 2

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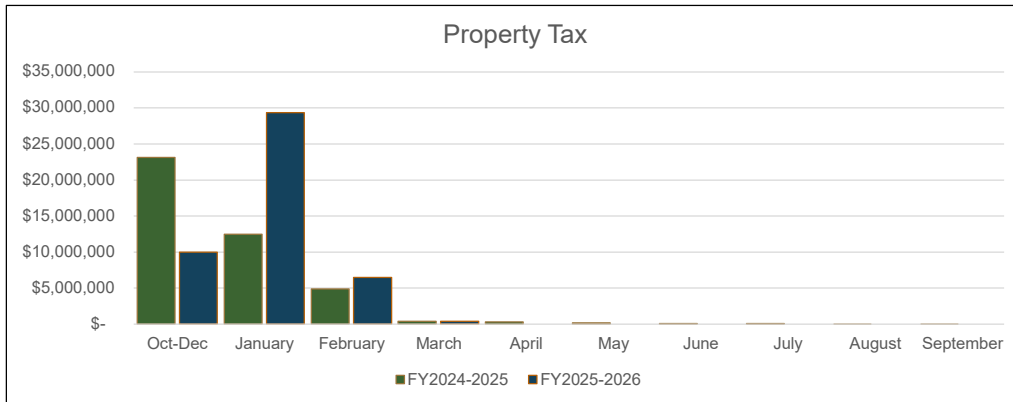
### City of Burleson Monthly Financial Report

This section contains a summary of the key economic indicators by analyzing major revenue sources and building permit activity.

## Economic Analysis

2025-2026 YEAR-TO-DATE  
 Current Property Tax  
 General Fund, Debt Service Fund & TIF Fund

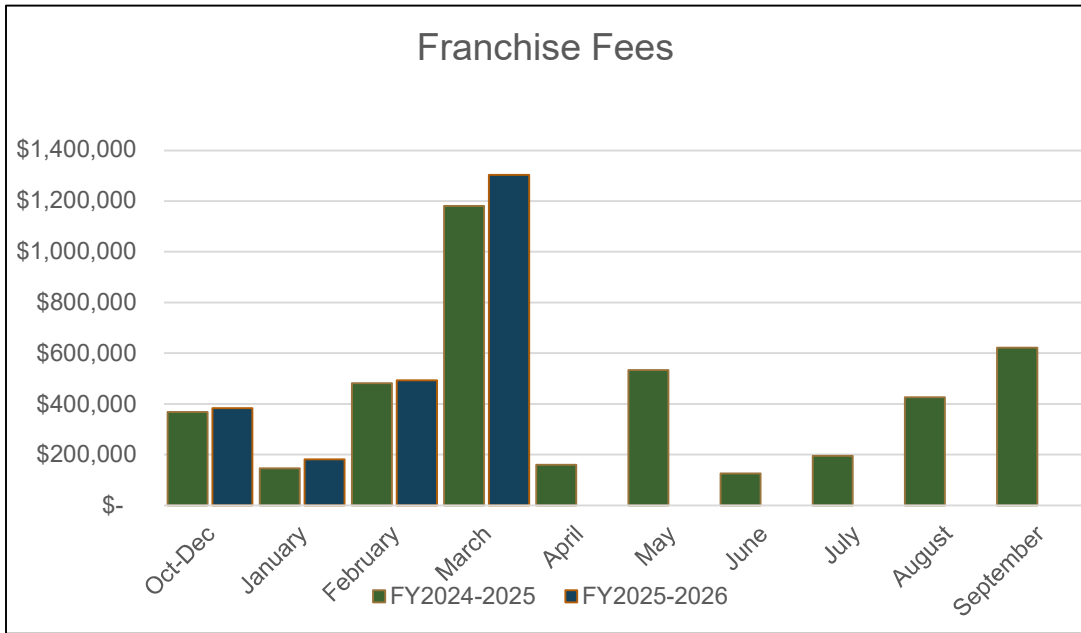
	2025-2026 Year Budgeted	2025-2026 Year Actual	Percent of Budget Collected	2024-2025 Year Actual	Variance to Actual Prior Year
Oct-Dec	\$ 46,459,200	\$ 10,016,959	21.56%	\$ 23,126,271	\$ (13,109,312)
January	46,459,200	29,317,725	63.10%	12,492,227	\$ 16,825,498
February	46,459,200	6,485,978	13.96%	4,893,977	\$ 1,592,001
March	46,459,200	423,761	0.91%	426,719	\$ (2,959)
April	46,459,200	-	0.00%	338,456	-
May	46,459,200	-	0.00%	206,785	-
June	46,459,200	-	0.00%	69,788	-
July	46,459,200	-	0.00%	103,389	-
August	46,459,200	-	0.00%	37,248	-
September	46,459,200	-	0.00%	28,683	-
	\$ 46,459,200	\$ 46,244,423	99.54%	\$ 41,723,543	\$ 5,305,228



Note: The majority of property tax revenues are collected during the months of December through February.

2025-2026 YEAR-TO-DATE  
Franchise Fees

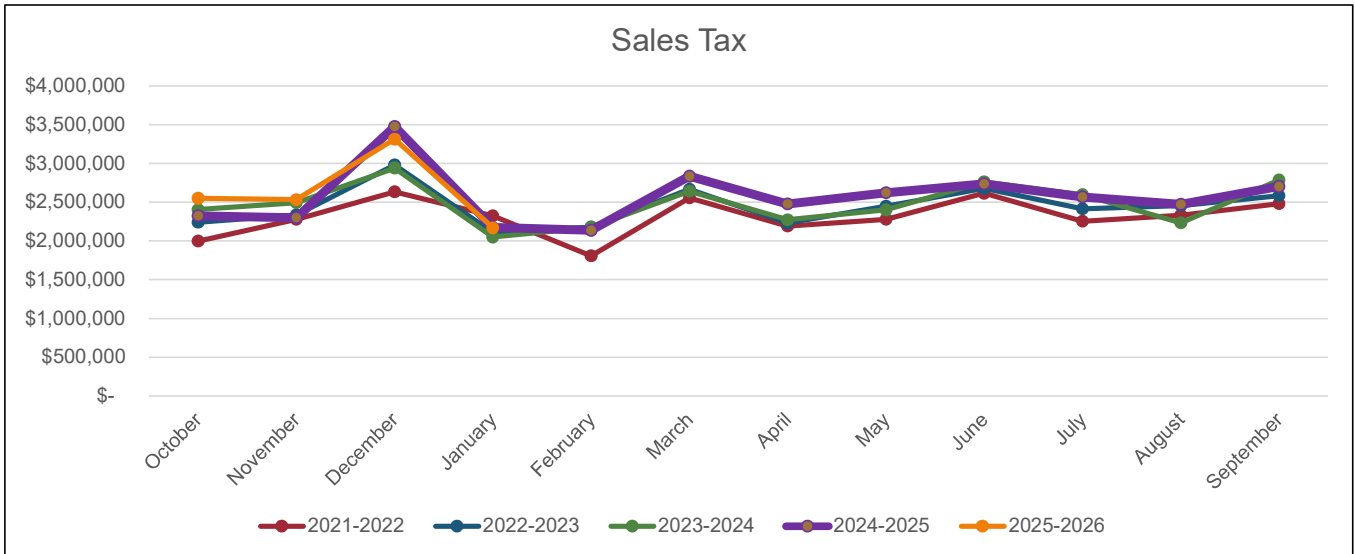
	2025-2026 Year Budgeted	2025-2026 Year Actual	Percent of Budget Collected	2024-2025 Year Actual	Variance to Actual Prior Year
Oct-Dec	\$ 4,424,279	\$ 382,695	8.65%	\$ 367,602	\$ 15,094
January	4,424,279	181,335	4.10%	146,135	\$ 35,200
February	4,424,279	493,426	11.15%	481,519	\$ 11,907
March	4,424,279	1,302,608	29.44%	1,180,701	\$ 121,907
April	4,424,279	-	0.00%	160,404	-
May	4,424,279	-	0.00%	533,381	-
June	4,424,279	-	0.00%	126,451	-
July	4,424,279	-	0.00%	195,711	-
August	4,424,279	-	0.00%	426,319	-
September	4,424,279	-	0.00%	621,582	-
	<b>\$ 4,424,279</b>	<b>\$ 2,360,064</b>	<b>53%</b>	<b>\$ 4,239,804</b>	<b>\$ 184,107</b>



2025-2026 YEAR-TO-DATE  
Sales Tax

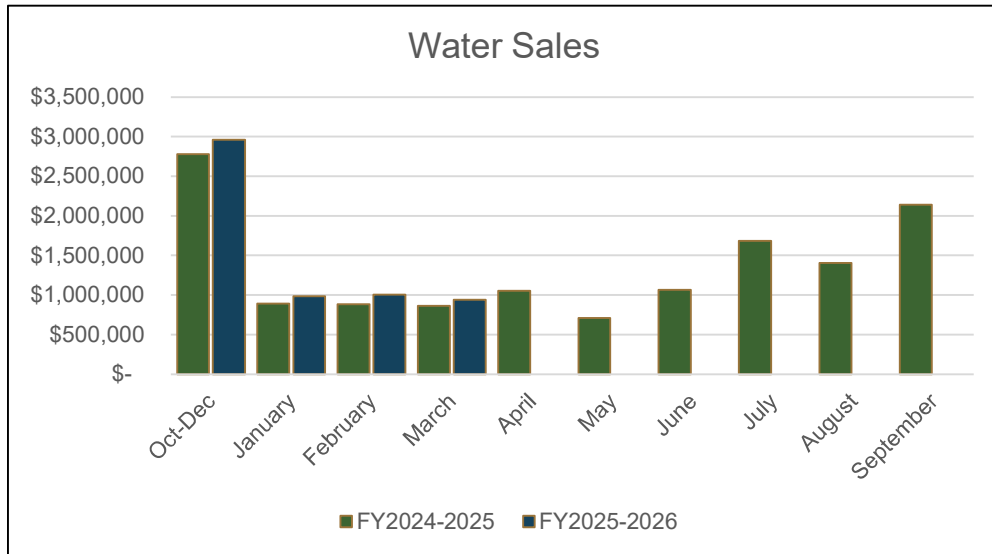
	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Yr/Yr
October	\$ 1,998,364	\$ 2,239,452	\$ 2,403,182	\$ 2,321,829	\$ 2,549,985	9.83%
November	2,277,226	2,333,010	2,494,301	2,297,690	2,531,132	10.16%
December	2,633,076	2,978,264	2,939,609	3,475,055	3,313,078	-4.66%
January	2,323,372	2,106,184	2,050,363	2,174,013	2,168,225	-0.27%
February	1,808,447	2,177,853	2,173,995	2,136,609		
March	2,555,920	2,667,094	2,643,269	2,834,924		
April	2,191,113	2,228,368	2,272,540	2,475,770		
May	2,277,057	2,448,603	2,401,475	2,620,414		
June	2,616,093	2,677,685	2,762,150	2,737,616		
July	2,252,940	2,414,432	2,592,942	2,566,656		
August	2,330,043	2,455,662	2,234,574	2,473,866		
September	2,479,445	2,582,720	2,783,828	2,701,612		
	<b>\$ 27,743,096</b>	<b>\$ 29,309,327</b>	<b>\$ 29,752,228</b>	<b>\$ 30,816,055</b>	<b>\$ 10,562,420</b>	
Year-Year %		5.65%	1.51%	3.58%	2.86%	

Note: The sales tax information from the Texas Comptroller of Public Accounts in reference to the City of Burleson Sales and Use Tax Collections for the most current period. January 2026 sales incurred represent the March 2026 sales tax collection amount.



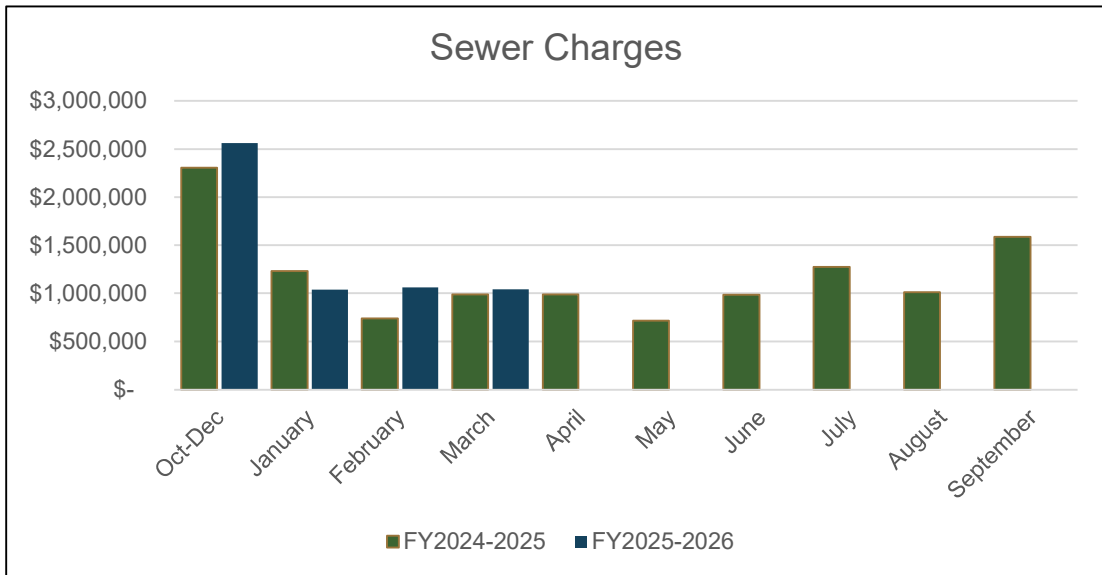
2025-2026 YEAR-TO-DATE  
Water Sales

	2025-2026 Year Budgeted	2025-2026 Year Actual	Percent of Budget Collected	2024-2025 Year Actual	Variance to Actual Prior Year
Oct-Dec	\$ 15,589,797	\$ 2,962,687	19.00%	\$ 2,777,677	\$ 185,009
January	15,589,797	987,462	6.33%	894,991	\$ 92,471
February	15,589,797	1,005,339	6.45%	882,223	\$ 123,115
March	15,589,797	938,788	6.02%	863,796	\$ 74,992
April	15,589,797	-	0.00%	1,057,309	-
May	15,589,797	-	0.00%	710,839	-
June	15,589,797	-	0.00%	1,068,550	-
July	15,589,797	-	0.00%	1,685,813	-
August	15,589,797	-	0.00%	1,406,135	-
September	15,589,797	-	0.00%	2,143,205	-
	<b>\$ 15,589,797</b>	<b>\$ 5,894,275</b>	<b>38%</b>	<b>\$ 13,490,539</b>	<b>\$ 475,587</b>



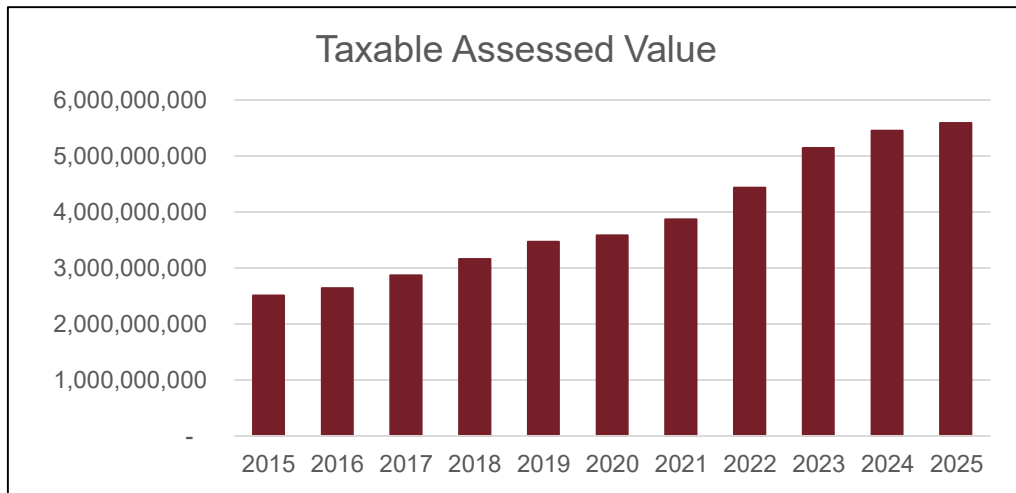
2025-2026 YEAR-TO-DATE  
Sewer Charges

	2025-2026 Year Budgeted	2025-2026 Year Actual	Percent of Budget Collected	2024-2025 Year Actual	Variance to Actual Prior Year
Oct-Dec	\$ 13,564,736	\$ 2,562,562	18.89%	\$ 2,303,276	\$ 259,285
January	13,564,736	1,041,957	7.68%	1,231,824	\$ (189,867)
February	13,564,736	1,063,905	7.84%	739,565	\$ 324,340
March	13,564,736	1,043,075	7.69%	989,212	\$ 53,863
April	13,564,736	-	0.00%	987,582	-
May	13,564,736	-	0.00%	719,706	-
June	13,564,736	-	0.00%	986,144	-
July	13,564,736	-	0.00%	1,276,335	-
August	13,564,736	-	0.00%	1,012,411	-
September	13,564,736	-	0.00%	1,589,095	-
	\$ 13,564,736	\$ 5,711,499	42%	\$ 11,835,150	\$ 447,622



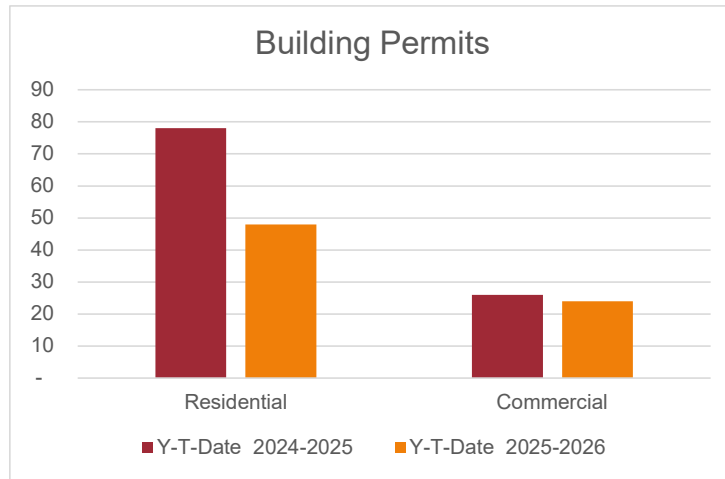
### APPRAISAL ROLL COMPARISON

Tax Year Ending	Certified Taxable Value	% chg from PY
2015	2,509,253,607	-
2016	2,640,189,455	5.22%
2017	2,864,695,326	8.50%
2018	3,158,477,838	10.26%
2019	3,464,531,315	9.69%
2020	3,580,262,197	3.34%
2021	3,865,654,867	7.97%
2022	4,433,184,219	14.68%
2023	5,144,004,660	16.03%
2024	5,449,777,686	5.94%
2025	5,589,084,770	2.56%

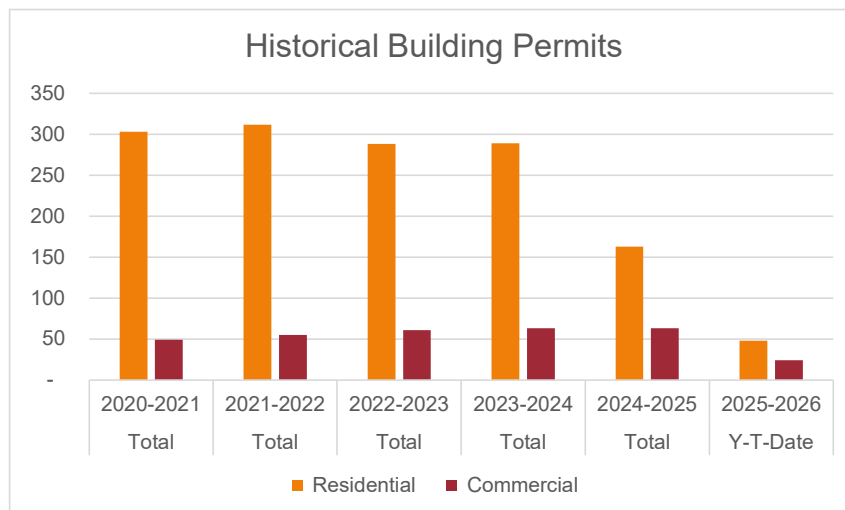


### BUILDING PERMITS

	Y-T-Date 2024-2025	Y-T-Date 2025-2026
Residential	78	48
Commercial	26	24
<b>Total</b>	<b>104</b>	<b>72</b>



	Total 2020-2021	Total 2021-2022	Total 2022-2023	Total 2023-2024	Total 2024-2025	Y-T-Date 2025-2026
Residential	303	312	288	289	163	48
Commercial	49	55	61	63	63	24
<b>Total</b>	<b>352</b>	<b>367</b>	<b>349</b>	<b>352</b>	<b>226</b>	<b>72</b>



**Mar-26****Fiscal Year to Date Interest Income by Fund  
Budget vs. Actuals**Percent of Year  
Expired**50%**

FUND	FY2026 REVISED BUDGET	FY2026 ACTUAL	FY2026 ACTUAL AS PERCENT OF BUDGET
General Fund	828,100	379,324	46%
Medical Transport Fund	39,200	16,700	43%
4A Fund	220,500	108,569	49%
4B Fund	117,600	55,112	47%
Parks Performance Fund	49,000	13,439	27%
Hotel/Motel Tax Fund	18,450	9,438	51%
Burleson TIF #2	49,000	18,605	38%
Street Maintenance Fund	34,300	17,721	52%
ARPA Grant Fund	-	9,167	N/A
MC Time Payment SRF	-	0	N/A
MC Security and Tech SRF	6,600	2,950	45%
PEG SRF	4,000	2,521	63%
PID #1 Panchasarp	13,851	4,943	36%
PID #2 Chisholm Summit	287	97	34%
General Debt Service	125,000	105,447	84%
4A Debt Service	-	165	N/A
4B Debt Service	-	1,842	N/A
Non-Bond Capital Project	-	47,655	N/A
4A Non-Bond Fund	-	2,943	N/A
4B Non-Bond Fund	-	2,252	N/A
Street Impact Fee Fund	-	64,099	N/A
Park Ded & Dev Fund	-	10,652	N/A
Water & Wastewater Fund	450,000	318,809	71%
Water Impact Fee Fund	-	8,757	N/A
Sewer Impact Fee Fund	-	5,300	N/A
W&S Non-Bond Fund	-	6,573	N/A
Solid Waste Fund	20,000	6,018	30%
Hidden Creek Golf Course	1,500	(1,342)	-89%
Golf Non-Bond Fund	-	653	N/A
Cemetery Fund	27,440	10,727	39%
Ceme Roylt Non-Bond Fund	-	1,253	N/A
Chisenhall Sports Complex Fund	-	47	N/A
Bartlett Park Soccer Complex	-	-	N/A
Equipment Services Fund	19,201	6,300	33%
Eqpt Replacement - Governmental	150,000	100,266	67%
Eqpt Replacement - Proprietary	30,000	6,104	20%
Eqpt Replacement - Support Services	-	-	N/A
Support Services Fund	44,100	5,970	14%
Health Insurance Fund	100,000	49,443	49%
<b>OPERATING FUND SUBTOTAL</b>	<b>\$ 2,348,129</b>	<b>\$ 1,398,519</b>	<b>59.6%</b>
Mineral Lease CIP Fund	-	3,966	N/A
<b>ROYALTY FUND SUBTOTAL</b>	<b>\$ -</b>	<b>\$ 3,966</b>	<b>N/A</b>
General CO Bond	-	255,955	N/A
General GO Bond	-	273,007	N/A
Public Safety CO Bond	-	226,870	N/A
Public Safety GO Bond	-	53,595	N/A
4A Bond Fund	-	317,555	N/A
4B Bond Fund	-	192,995	N/A
TIF Bond Fund	-	29,221	N/A
W&S Bond Fund	-	167,047	N/A
<b>CAPITAL FUND SUBTOTAL</b>	<b>\$ -</b>	<b>\$ 1,516,244</b>	<b>N/A</b>
<b>GRAND TOTAL</b>	<b>\$ 2,348,129</b>	<b>\$ 2,918,729</b>	<b>124.3%</b>

## Section 3

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### City of Burleson Monthly Financial Report

## COMPLIANCE REPORTS

Funds of the City of Burleson are invested in accordance with Chapter 2256 of the “Public Funds Investment Act.” The Act clearly defines allowable investment instruments for local governments. The City of Burleson’s Investment Policy incorporates the provisions of the act and all investment transactions are executed in compliance with the Act and the Policy.

## Investment Reports

# **INVESTMENT COMMITTEE REPORT**

## **For Month end March 2026**

The Investment Committee Report contains internal management reports for the City of Burleson investment program, which is in compliance with the policies and strategies as contained in the City's Investment Policy as approved by Council and in compliance with Section 2256.005 of the Public Funds Investment Act (PFIA).

THE CITY OF  
**BURLESON**  
TEXAS

**MONTHLY FINANCIAL REPORT**

**March 31, 2026**

**Prepared by  
Valley View Consulting, L.L.C.**





## Summary

### Month End Results by Investment Category:

Asset Type	February 28, 2026			March 31, 2026		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Demand Deposit Account (Cash) (3)	0.81%	\$ 2,836,362	\$ 2,836,362	0.76%	\$ 3,228,106	\$ 3,228,106
Money Market Accounts / Sweep	3.89%	34,316,505	34,316,505	3.88%	34,592,065	34,592,065
Pools / Money Market Funds	3.82%	11,395,055	11,395,055	3.79%	7,180,087	7,180,087
Certificates of Deposits	3.97%	61,153,467	61,153,467	3.94%	56,215,008	56,215,008
Securities	4.15%	54,330,102	54,510,287	4.16%	59,409,911	59,437,345
<b>Total</b>	<b>3.96%</b>	<b>\$ 164,031,491</b>	<b>\$ 164,211,676</b>	<b>3.94%</b>	<b>\$ 160,625,176</b>	<b>\$ 160,652,610</b>
<i>Total Excluding DDA / Cash</i>	<b>4.00%</b>	<b>\$ 161,195,129</b>	<b>\$ 161,375,314</b>	<b>4.00%</b>	<b>\$ 157,397,071</b>	<b>\$ 157,424,504</b>

<u>Average Yield - Current Month (1)</u>		<u>Fiscal Year-to-Date Average Yield (2)</u>	
Total Portfolio	3.94%	Total Portfolio	4.02%
Rolling Three Month Treasury	3.69%	Rolling Three Month Treasury	3.84%
Rolling Six Month Treasury	3.69%	Rolling Six Month Treasury	3.87%
TexPool	3.67%	TexPool	3.84%

#### Interest Earnings (Approximate)

Monthly Interest Income	\$ 1,667,442
Fiscal Year-to-date	\$ 4,376,206

(1) **Month End Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(2) **Fiscal Year-to-Date Average Yield** - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(3) **Demand Deposit Account (Cash)** - account at the City's depository bank utilized for day-to-day operating needs including outstanding payments pending clearing. Balances earn a credit to offset bank fees.

**Investment Advisor Note:** During market cycles where rates are rising, it is common to experience decreases in market value of current investments. This is due to the value the market places on the asset in terms of its buying or selling ability on the current market day. The City's Investment Policy establishes a "buy and hold" portfolio strategy where investment maturities are targeted to match with identified cash flow requirements, and the investments mature at the anticipated time the cash is needed. The City does not intend to liquidate or redeem securities prior to maturity and will therefore not recognize the losses from a pre-maturity sale. Instead, the City will report changes in market value as unrealized losses as required by the PFIA and current accounting standards. As the security approaches maturity, the unrealized loss will diminish, and at maturity the City will receive the full par value of the security.

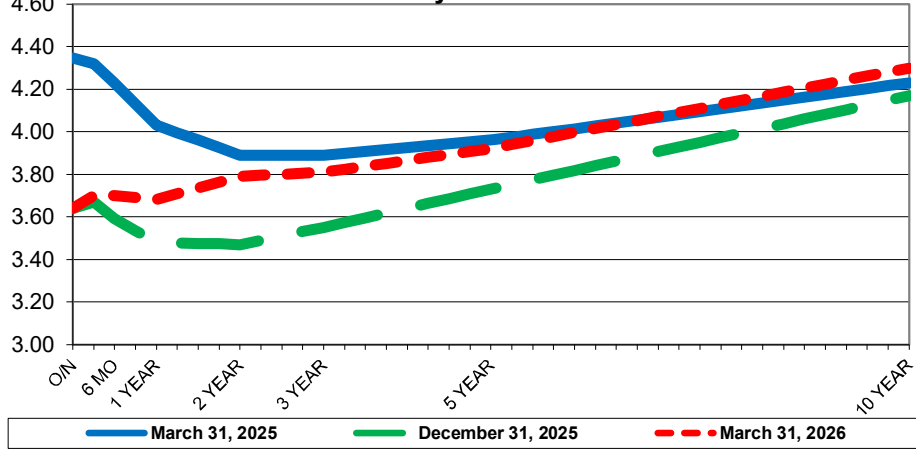


3/31/2026

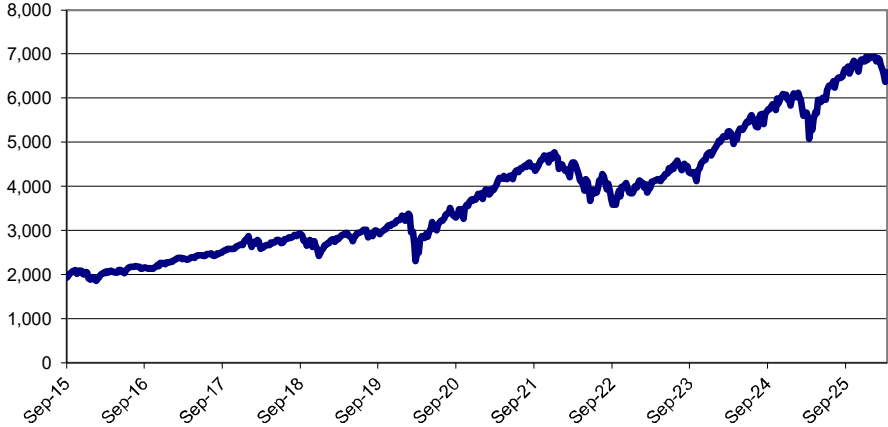
Economic Overview

The Federal Open Market Committee (FOMC) maintained the Fed Funds target 3.50% - 3.75% (Effective Fed Funds trade +/-3.64%) at their Jan meeting. Additional rate cuts during 2026 are uncertain, but could include one late fall. March Non-Farm Payroll added 178k (exceeding the +60k expectation) raising the three month average to +68k. The S&P 500 Stock Index retrenched +/-8% since touching 7,000. The yield curve is almost fully positive. With the Middle East conflict, Crude Oil continues \$100+. Inflation continues above the FOMC 2% target (Core CPI 2.5% and Core PCE +/-3.1%). The uncertain world events still influence volatility.

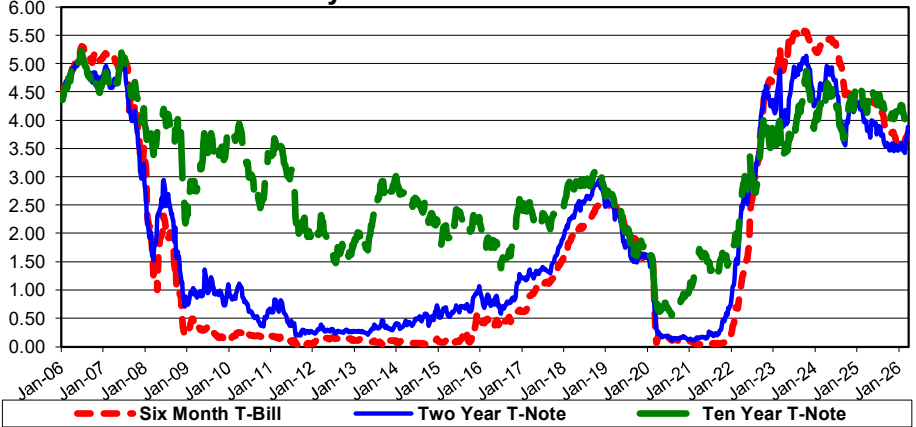
Treasury Yield Curves



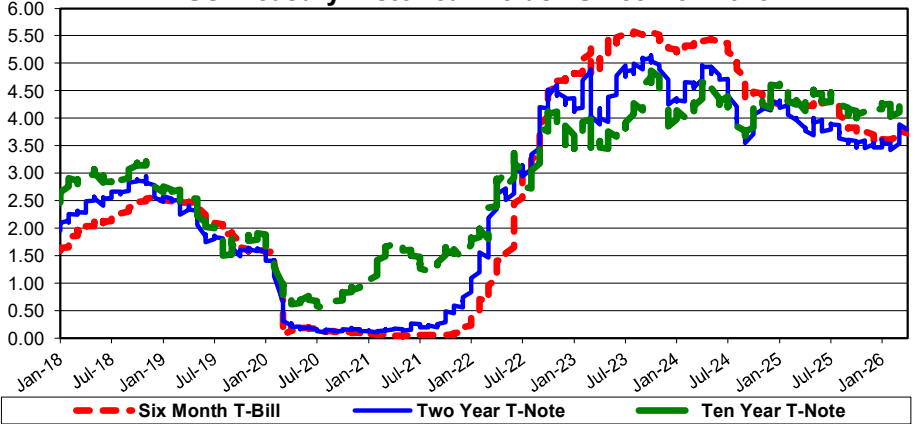
S&P 500



US Treasury Historical Yields - Since 2006



US Treasury Historical Yields - Since Nov 2018





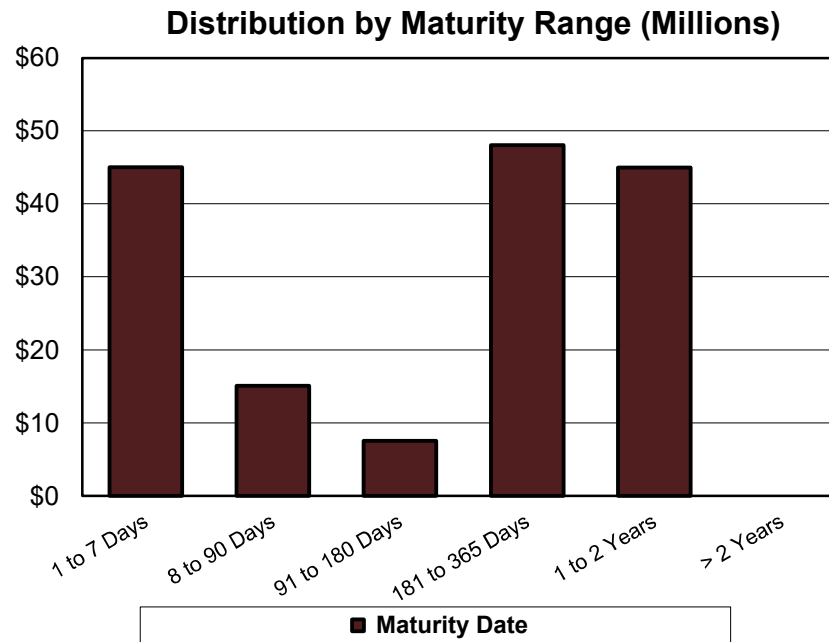
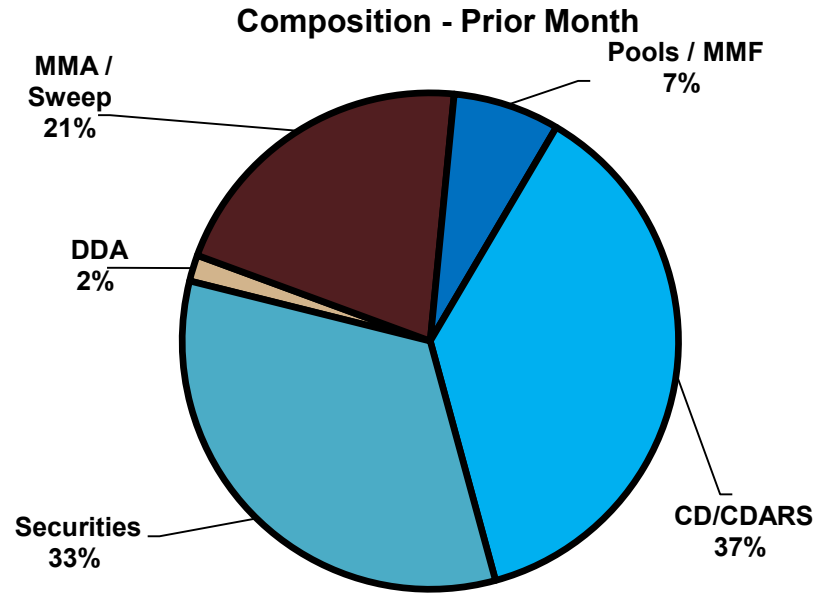
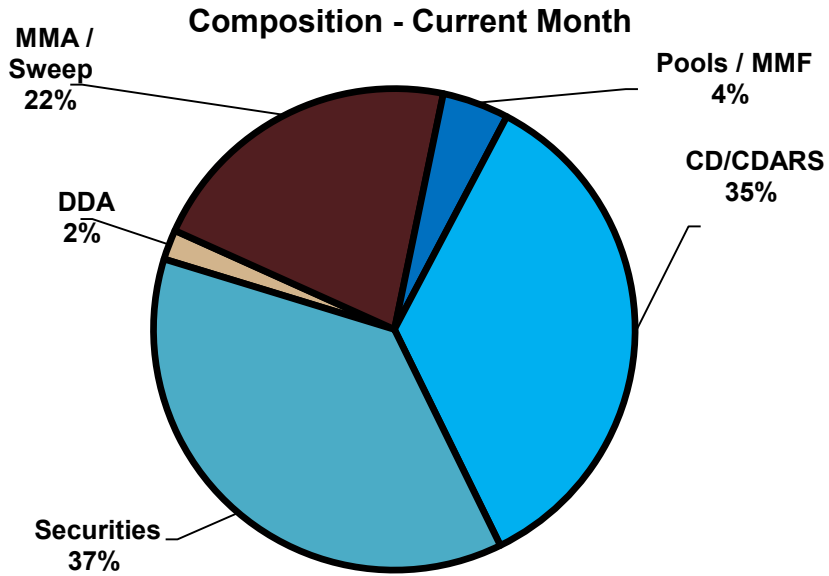
**Investment Holdings**  
**March 31, 2026**

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (Days)	Yield
SouthState Bank Cash		0.76%	04/01/26	03/31/26	\$ 3,228,106	\$ 3,228,106	1.00	\$ 3,228,106	1	0.76%
SouthState Bank MMA		3.81%	04/01/26	03/31/26	354,234	354,234	1.00	354,234	1	3.81%
InterBank MMA		3.97%	04/01/26	03/31/26	100,331	100,331	1.00	100,331	1	3.97%
InterBank ICS-MMA		3.90%	04/01/26	03/31/26	30,584,249	30,584,249	1.00	30,584,249	1	3.90%
NexBank ICS-MMA		3.75%	04/01/26	03/31/26	3,553,250	3,553,250	1.00	3,553,250	1	3.75%
TexPool Prime	AAAm	3.80%	04/01/26	03/31/26	6,029,239	6,029,239	1.00	6,029,239	1	3.80%
LOGIC	AAAm	3.79%	04/01/26	03/31/26	1,150,847	1,150,847	1.00	1,150,847	1	3.79%
FFCB	Aa1/AA+	4.88%	04/15/26	04/24/24	5,000,000	4,999,829	100.04	5,001,787	15	4.96%
East West Bank CD		3.72%	06/05/26	12/05/25	5,059,976	5,059,976	100.00	5,059,976	66	3.79%
FFCB	Aa1/AA+	4.88%	06/12/26	06/25/24	5,000,000	5,000,920	100.21	5,010,330	73	4.78%
Treasury Note	Aa1/AA+	3.75%	08/31/26	10/29/24	5,000,000	4,992,206	99.99	4,999,414	153	4.14%
American Nat'l Bank & Trust CDARS		4.30%	09/24/26	09/25/25	2,555,940	2,555,940	100.00	2,555,940	177	4.39%
Treasury Note	Aa1/AA+	4.63%	10/15/26	11/21/24	5,000,000	5,008,650	100.45	5,022,656	198	4.29%
American Nat'l Bank & Trust CDARS		3.89%	10/29/26	10/30/25	10,164,535	10,164,535	100.00	10,164,535	212	3.97%
FAMCA		4.23%	12/23/26	12/23/24	10,000,000	10,000,000	100.16	10,015,685	267	4.23%
Treasury Note	Aa1/AA+	4.13%	02/15/27	06/09/25	10,000,000	10,004,117	100.31	10,030,859	321	4.07%
First Nat'l Bank of McGregor CD		3.85%	03/23/27	09/23/25	7,643,872	7,643,872	100.00	7,643,872	357	3.91%
American Nat'l Bank & Trust CDARS		4.05%	03/25/27	03/27/25	5,209,534	5,209,534	100.00	5,209,534	359	4.13%
American Nat'l Bank & Trust CDARS		3.95%	04/29/27	05/01/25	5,184,583	5,184,583	100.00	5,184,583	394	4.03%
American Nat'l Bank & Trust CDARS		4.00%	05/13/27	08/14/25	1,025,524	1,025,524	100.00	1,025,524	408	4.07%
American Nat'l Bank & Trust CDARS		4.00%	05/13/27	08/14/25	4,102,098	4,102,098	100.00	4,102,098	408	4.07%
American Nat'l Bank & Texas CD		3.65%	06/10/27	12/09/25	5,044,500	5,044,500	100.00	5,044,500	436	3.70%
American Nat'l Bank & Trust CDARS		3.95%	07/01/27	07/03/25	5,149,357	5,149,357	100.00	5,149,357	457	4.03%
Treasury Note		3.63%	08/31/27	01/27/26	5,000,000	5,002,264	99.71	4,985,547	518	3.59%
American Nat'l Bank & Trust CDARS		3.56%	10/28/27	10/30/25	5,075,089	5,075,089	100.00	5,075,089	576	3.62%
Treasury STRIPS		0.00%	02/15/28	01/27/26	10,000,000	9,351,093	93.10	9,310,358	686	3.61%
FHLB		4.50%	03/10/28	03/23/26	5,000,000	5,050,832	101.21	5,060,708	710	4.23%
<b>Total Portfolio</b>					<b>\$ 161,215,265</b>	<b>\$ 160,625,176</b>		<b>\$ 160,652,610</b>	<b>248</b>	<b>3.94%</b>

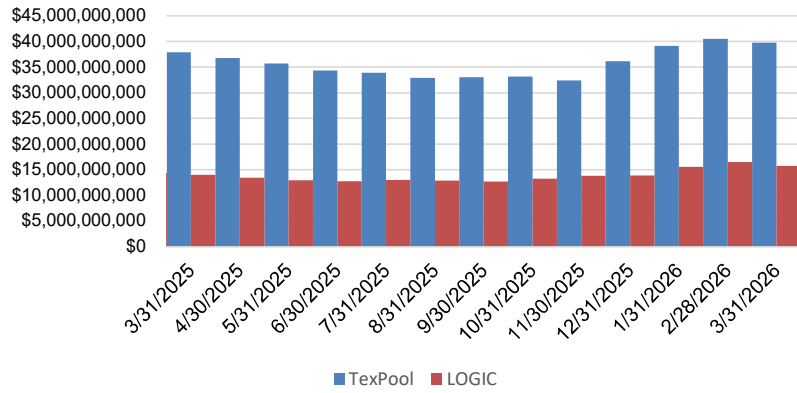
(1) (2)

(1) **Weighted average life** - For purposes of calculating weighted average life, overnight bank and pool balances are assumed to have a one day maturity.

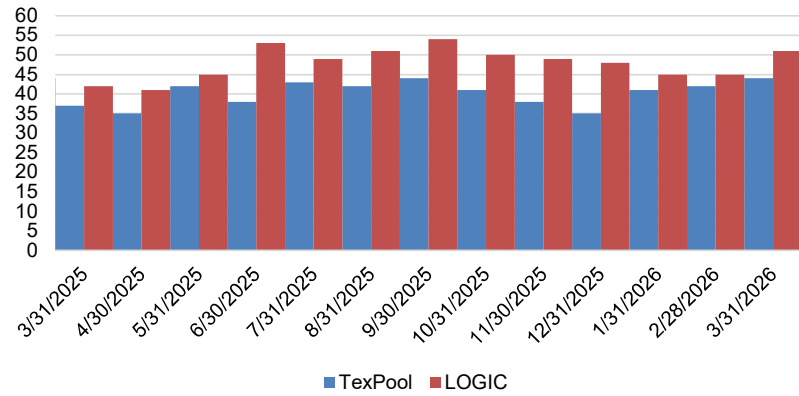
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on Book Value, realized and unrealized gains/losses and investment advisory fees are not included. The yield for the reporting month is used for overnight bank and pool balances.



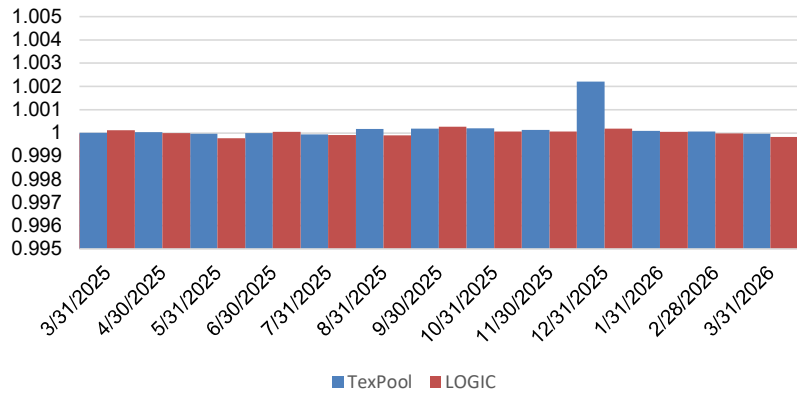
**Invested Balance**



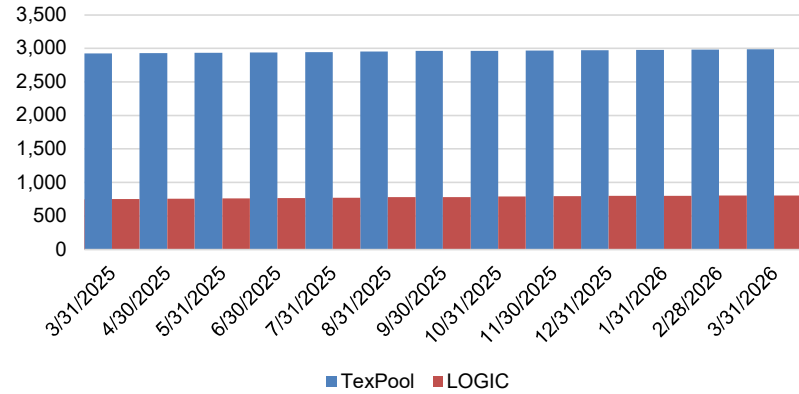
**Weighted Average Maturity in Days**



**Net Asset Value**



**Total Number of Participants**



## Section 4

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### City of Burleson Monthly Financial Report

This section contains the Emergicon and Department Transfer Reports.

### Special Interests

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*City of Burleson Monthly Financial Report*

**Emergicon - Emergency Medical Billing - March 2026**

On December 2022, the City entered into an agreement for specialized professional ambulance billing services with Emergicon, LLC for Emergicon to provide billing and claims management services for the City's emergency medical and ambulance services. The data source is Emergicon and the plan information is derived from the annual proforma as provided by Emergicon.

Category	Quarter Plan	1Q26 (Oct-Dec)	2Q26 (Jan-Mar)	2Q/Plan Var	Monthly Plan	March 2026	March Var
Gross Charges	\$ 1,914,772	\$ 1,660,587	\$ 2,011,803	\$ 97,031	\$ 638,257	\$ 687,820	\$ 49,563
Cash Collections	390,039	702,573	547,374	157,335	130,013	188,861	58,848
Gross Charge/Txp	2,157	5,528	5,504	3,347	2,157	1,859	(298)
Cash/Txp (CPT)	439	2,346	1,504	1,065	439	510	71
					540		

Payer Mix	Quarter Plan	1Q26 (Oct-Dec)	2Q26 (Jan-Mar)	2Q/Plan Var	Monthly Plan	March 2026	March Var
Insurance	23.0%	7.6%	11.1%	-11.9%	23.0%	15.9%	-7.1%
Medicaid	8.0%	4.1%	6.1%	-1.9%	8.0%	8.9%	0.9%
Medicare	56.0%	48.0%	53.7%	-2.3%	56.0%	50.5%	-5.5%
Private Pay	13.0%	3.4%	7.1%	-5.9%	13.0%	14.1%	1.1%
Payer Research	0.0%	36.7%	21.9%	21.9%	0.0%	10.5%	10.5%
Totals	100%	100%	100%	0.1%	100%	100%	0%

Level of Service	Quarter Plan	1Q26 (Oct-Dec)	2Q26 (Jan-Mar)	2Q/Plan Var	Monthly Plan	March 2026	March Var
ALS Non Emergent A0426	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ALS - Advanced Life Support A0427	68.0%	47.2%	50.0%	-18.0%	68.0%	63.5%	-4.5%
ALS-2 Emergency A0433	3.0%	2.3%	2.4%	-0.6%	3.0%	3.0%	0.0%
BLS Non Emergency A0428	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%
BLS - Basic Life Support A0429	29.0%	50.5%	47.4%	18.4%	29.0%	33.5%	4.5%
SCT A0429 TXP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Service Others Cnt	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Totals	100%	100%	100%	0.0%	100%	100%	0.0%

Level of Service Volume	Quarter Plan	1Q26 (Oct-Dec)	2Q26 (Jan-Mar)	2Q/Plan Var	Monthly Plan	March 2026	March Var
ALS Non Emergent A0426	-	-	-	-	-	-	-
ALS - Advanced Life Support A0427	604	424	556	(48)	201	235	34
ALS-2 Emergency A0433	27	20	27	-	9	11	2
BLS Non Emergency A0428	-	-	1	1	-	-	-
BLS - Basic Life Support A0429	257	457	514	257	86	124	38
Sct A0429 TXP	-	-	-	-	-	-	-
Service Others Cnt	-	-	-	-	-	-	-
Totals	888	901	1,098	210	296	370	74

Ground Mileage A0425	Quarter Plan	1Q26 (Oct-Dec)	2Q26 (Jan-Mar)	2Q/Plan Var	Monthly Plan	March 2026	March Var
	4,438	7,423	7,982	3,545	1,479	2,867	1,388

Note: Monthly Payer Mix line items are in process with Emergicon and will not total 100% until completed.

- ALS = Advanced Life Support
- BLS = Basic Life Support
- SCT = Specialty Care Transport
- Txp = Transport

### **Department Transfers**

- There were no FY 2026 department transfers made as of March 31, 2026.

### **Property Tax Report from Johnson County Tax Office**

- This report shows year-to-date collections and outstanding levy.

# Johnson County Tax Office

## YEAR-TO-DATE SUMMARY PART C

Tax Year = 2025 and Month = 3/31/2026 and Tax Units = {multiple}

### BUC - CITY OF BURLESON

**CURRENT YEAR INFORMATION**      Start Financial Year    10/01/2025    12

<b>Start Value</b>	<b>Start Exemption</b>	<b>Start Taxable</b>	<b>Rate</b>	<b>Calc Start Levy</b>	<b>Actual Start Levy</b>	<b>Start Frozen Loss</b>	<b>Start + Frozen</b>
8,553,814,573	1,554,639,169	6,999,175,404	0.721800	50,520,048.07	47,434,368.43	3,085,678.93	50,520,047.36
<b>Adjusted Value</b>	<b>Adjusted Exemption</b>	<b>Adj Taxable</b>	<b>Rate</b>	<b>Calc Adj Levy</b>	<b>Actual Current Levy</b>	<b>Adj Frozen Loss</b>	<b>Act Levy + Act Frozen</b>
8,549,689,671	1,568,607,441	6,981,082,230	0.721800	50,389,451.54	47,222,638.16	3,072,246.85	50,294,885.01
<b>Start Value</b>	<b>Net Value Adj</b>	<b>Start Value + Net Value Adj</b>			<b>Actual Current Value</b>	<b>Other Loss</b>	
8,553,814,573	(4,124,902)	8,549,689,671			8,549,689,671	94,046.02	
<b>Start Exemption</b>	<b>Net Exmp Adj</b>	<b>Start Exemp + Net Exmp Adj</b>			<b>Actual Current Exemption</b>		
1,554,639,169	13,968,272	1,568,607,441			1,568,679,441		

YEAR	NET START BALANCE	NET MTD ADJ	NET YTD ADJ	NET MTD PAID	NET YTD PAID	CALC BALANCE	REFUNDS DUE	COL %
AS OF 03/31/2026								
1990	99.79	0.00	(99.79)	0.00	0.00	0.00	0.00	0.00
1991	108.70	0.00	(108.70)	0.00	0.00	0.00	0.00	0.00
1992	75.66	0.00	(75.66)	0.00	0.00	0.00	0.00	0.00
1993	22.10	0.00	(22.10)	0.00	0.00	0.00	0.00	0.00
1994	16.98	0.00	(16.98)	0.00	0.00	0.00	0.00	0.00
1995	16.67	0.00	(16.67)	0.00	0.00	0.00	0.00	0.00
1996	16.49	0.00	(16.49)	0.00	0.00	0.00	0.00	0.00
1997	16.27	0.00	(16.27)	0.00	0.00	0.00	0.00	0.00
1998	(83.92)	0.00	(16.08)	0.00	0.00	(100.00)	0.00	0.00
1999	15.70	0.00	(15.70)	0.00	0.00	0.00	0.00	0.00
2000	184.56	0.00	(15.52)	0.00	0.00	169.04	0.00	0.00
2001	(1,660.37)	0.00	(14.88)	0.00	0.00	(1,675.25)	0.00	0.00
2002	(2,634.49)	0.00	(18.13)	0.00	0.00	(2,652.62)	0.00	0.00
2003	(3,272.38)	0.00	(17.95)	0.00	0.00	(3,290.33)	0.00	0.00
2004	(8,879.41)	0.00	(17.95)	0.00	0.00	(8,897.36)	0.00	0.00
2005	2,755.93	0.00	(17.89)	0.00	0.00	2,738.04	0.00	0.00
2006	2,696.48	0.00	(18.90)	0.00	0.00	2,677.58	0.00	0.00
2007	3,120.91	0.00	(19.85)	0.00	0.00	3,101.06	0.00	0.00
2008	5,721.91	0.00	(791.16)	414.50	414.50	4,516.25	0.00	8.40
2009	5,288.48	0.00	(20.82)	414.50	1,311.85	3,955.81	0.00	24.90
2010	6,538.78	0.00	(1,027.31)	414.64	1,328.32	4,183.15	0.00	24.10
2011	8,414.73	0.00	(1,017.62)	414.50	1,306.30	6,090.81	0.00	17.65
2012	10,573.34	0.00	(1,017.62)	389.91	1,290.87	8,264.85	0.00	13.50
2013	14,529.11	0.00	(1,314.86)	0.97	814.48	12,399.77	(0.27)	6.16
2014	16,774.41	0.00	(1,461.37)	372.57	1,695.16	13,617.88	0.00	11.07
2015	26,865.57	0.00	(1,461.37)	788.64	2,436.43	22,967.77	0.00	9.59

# Johnson County Tax Office

## YEAR-TO-DATE SUMMARY PART C

Tax Year = 2025 and Month = 3/31/2026 and Tax Units = {multiple}

YEAR	NET START BALANCE	NET MTD ADJ	NET YTD ADJ	NET MTD PAID	NET YTD PAID	CALC BALANCE	REFUNDS DUE	COL %
						<b>AS OF 03/31/2026</b>		
2016	21,347.92	0.00	(42.56)	782.35	2,584.61	18,720.75	0.00	12.13
2017	21,742.48	0.00	(15.16)	782.00	2,591.97	19,135.35	0.00	11.92
2018	27,519.60	0.00	0.00	1,097.56	3,266.30	24,253.30	0.00	11.86
2019	38,955.19	0.00	0.00	1,601.21	4,578.48	34,376.71	0.00	11.75
2020	42,308.81	(29.51)	(29.51)	2,782.75	5,553.18	36,726.12	(29.51)	13.13
2021	45,320.17	(67.19)	(356.34)	1,974.74	7,642.13	37,321.70	(228.00)	16.99
2022	68,237.76	(68.09)	(928.62)	3,204.99	9,887.75	57,421.39	(750.58)	14.69
2023	131,598.63	(594.58)	(2,735.00)	5,567.18	36,435.62	92,428.01	(2,579.81)	28.27
2024	308,622.31	(6,938.24)	(20,531.99)	11,239.35	103,096.83	184,993.49	(8,489.19)	35.78
2025	47,434,368.43	(41,875.45)	(211,730.27)	407,702.11	46,082,165.45	1,140,472.71	(48,216.56)	97.58
<b>TOTAL</b>	<b>48,227,343.30</b>	<b>(49,573.06)</b>	<b>(245,027.09)</b>	<b>439,944.47</b>	<b>46,268,400.23</b>	<b>1,713,915.98</b>	<b>(60,293.92)</b>	

**Finance Committee**

**DEPARTMENT:** Finance


**FROM:** Kevin Hennessey, Deputy Director of Finance

**MEETING:** May 27, 2026

**SUBJECT:**

Receive a report, hold a discussion, and provide recommendations to the city council on tax rate strategies. *(Staff Contact: Kevin Hennessey, Deputy Director of Finance)*

**STRATEGIC PRIORITY AND GOAL(S):**

Strategic Priority	Strategic Goal
 <p><b>High Performing City Organization</b> Providing Exceptional, People Focused Services</p>	<p>1.4 Be a responsible steward of the city's financial resources by providing rates and fees that represent a strong value to our citizens; providing timely, accurate and transparent financial reporting; and utilizing long-range planning.</p>

**SUMMARY:**

The tax rate is made up of the M&O rate and the debt rate. Staff will discuss a presentation of the definition and history of these rates, and how they relate to assessed values and the re-appraisal plan. As staff continues working through the budget process, guidance is needed from the committee regarding property tax strategies related to the tax rate and possible budget adjustments in response to the re-appraisal plan

**RECOMMENDATION:**

Staff seek guidance from the committee and recommends discussing property tax rate strategies.

**PRIOR ACTION/INPUT (Council, Boards, Citizens):**

N/A

**REFERENCE:**

N/A

**FISCAL IMPACT:**

N/A

**STAFF CONTACT:**

Kevin Hennessey  
Deputy Director of Finance  
[KHennessey@burlesontx.com](mailto:KHennessey@burlesontx.com)  
817-426-9648



# Property Tax Strategy

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CITY COUNCIL FINANCE COMMITTEE

MAY 27, 2026

# Background

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- Historically, the City has reduced the tax rate over the last ten years by 1.32 cents while recent years utilizing the 3.5% voter approval rate and using the unused increment last year.
- The City implemented the first homestead exemption in recent years to ease the financial burden on homeowners.
- Assessed values historically increased each year by an average of 9% over the last ten years.
- The preliminary values are provided by the Appraisal Districts on 4/30/2026. Certified numbers are expected 07/25/2026.

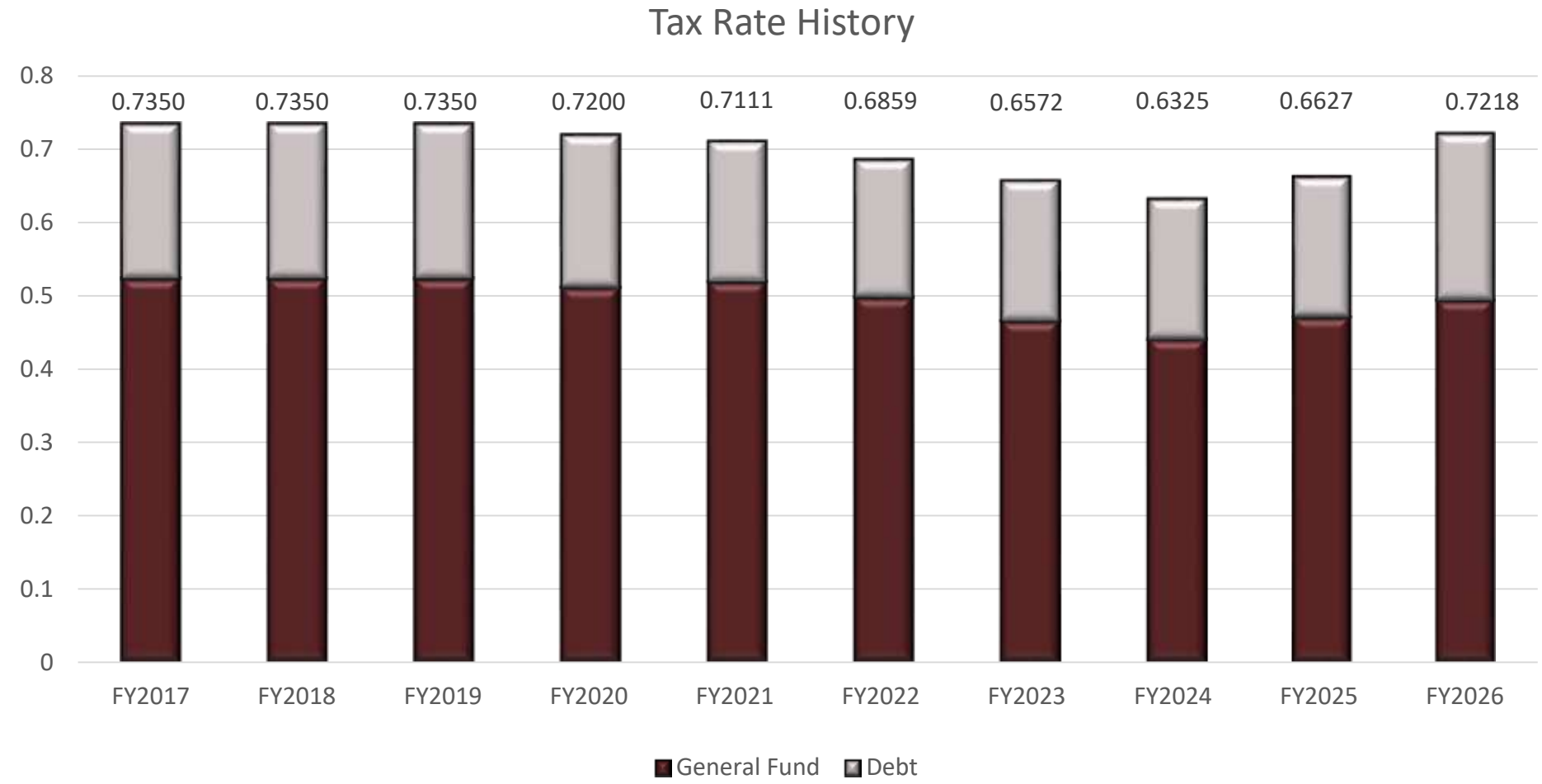
# 10 Year Assessed Value Growth

Tax Year	Assessed Value	Growth (YOY)
2026	7,197,367,186	4.47%
2025	6,889,661,801	3.10%
2024	6,682,231,203	7.11%
2023	6,238,588,521	15.64%
2022	5,395,041,820	13.99%
2021	4,732,777,275	8.63%
2020	4,356,847,366	4.94%
2019	4,151,854,531	10.41%
2018	3,760,434,828	11.14%
2017	3,383,396,267	9.60%
Average Growth		8.69%
Outliers Removed		
2025	6,889,661,801	3.10%
2023	6,238,588,521	15.64%
2020	4,356,847,366	4.94%
Average Growth Less Outliers		9.34%

# Projected Fiscal Impact

<b>Fiscal Year</b>	<b>Original Revenue Projection</b>	<b>Preliminary Revenue Projection – Response to Reappraisal Plan</b>	<b>Scenario Variance</b>
2026-2027	1.0 % Increase	3.9 % Increase	954,838
2027-2028	4.0 % Increase	3.0 % Increase	(342,096)
2028-2029	4.0 % Increase	3.0 % Increase	(352,358)
2029-2030	2.0 % Increase	2.0 % Increase	-
2030-2031	1.0 % Increase	2.0 % Increase	370,188

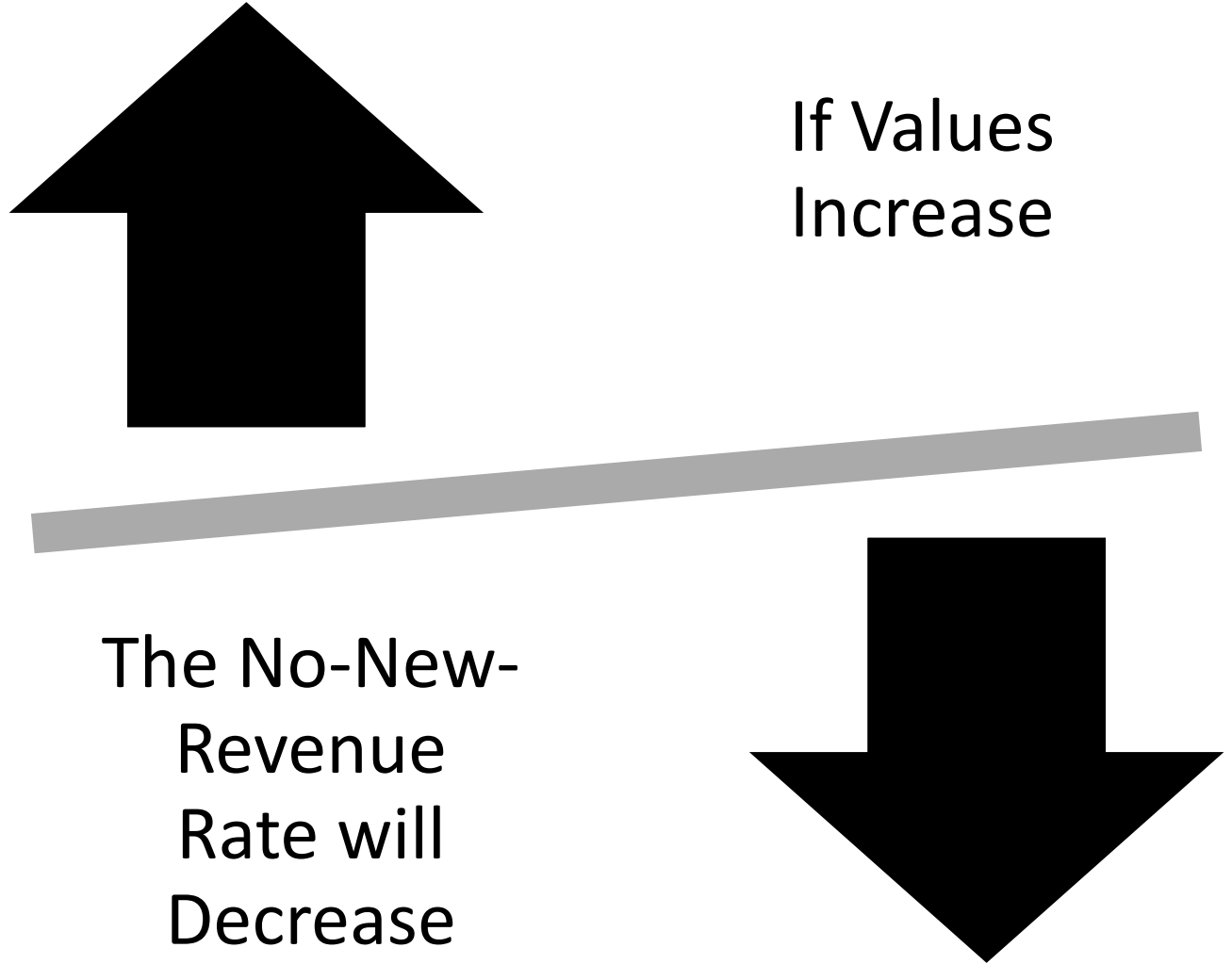
# Property Tax Facts

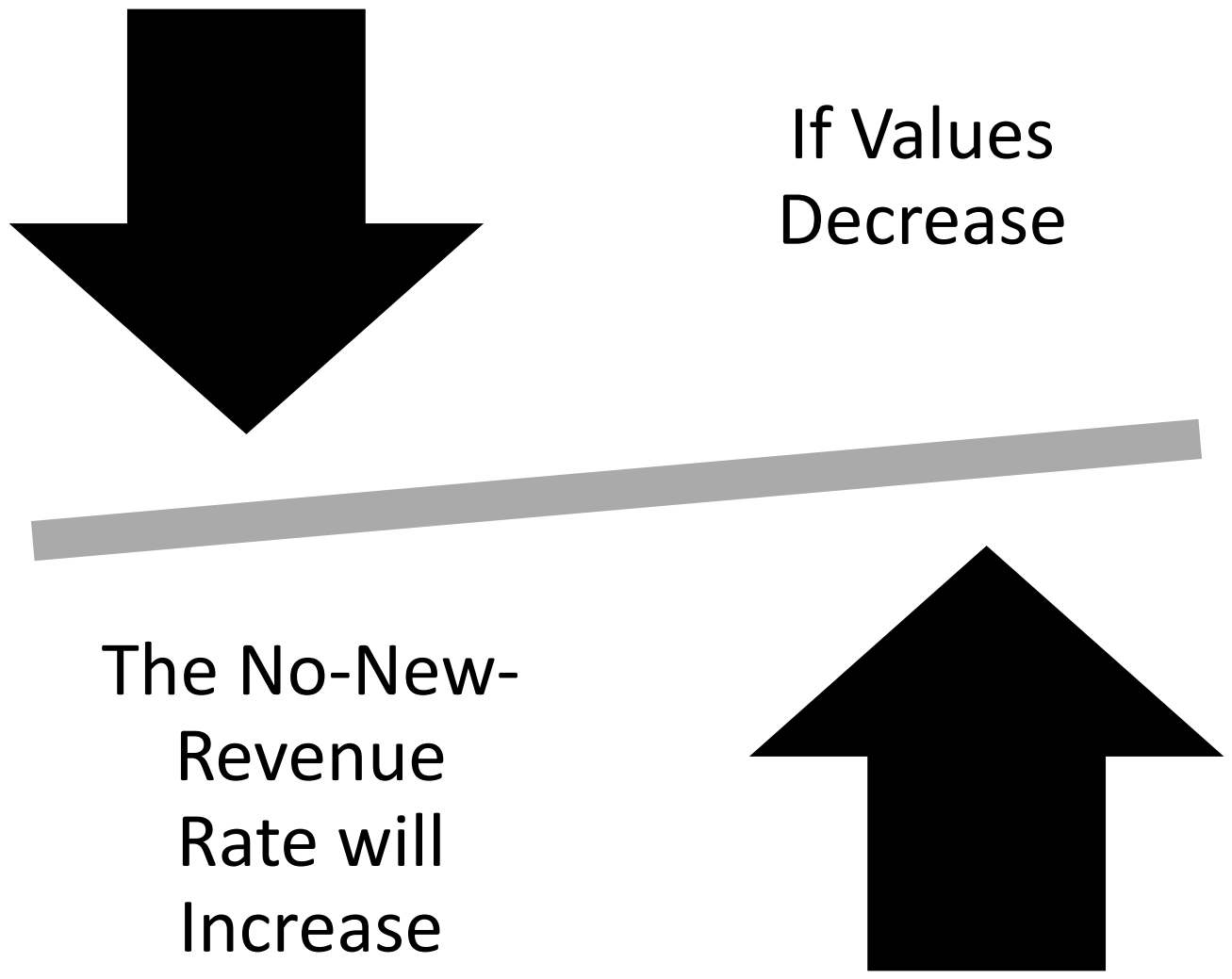


# Terminology and Calculations for Taxing Units

“No-New-Revenue Tax Rate” is the tax rate for the year that would raise the same amount of property tax revenue for the City from the same properties as the preceding tax year. The rate is expressed in dollars per \$100 of taxable value calculated to the following formula:





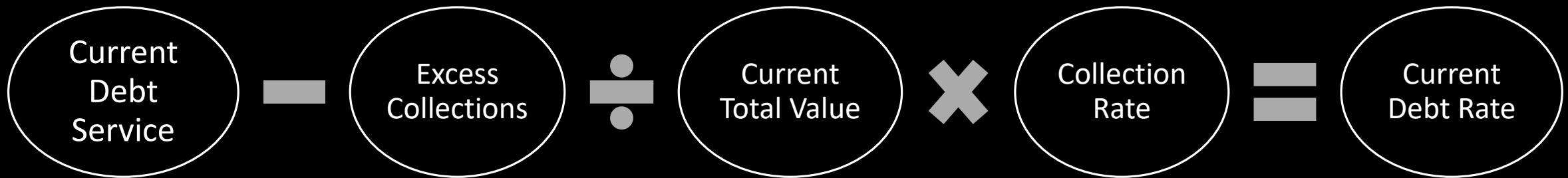


If Values  
Decrease

The No-New-  
Revenue  
Rate will  
Increase

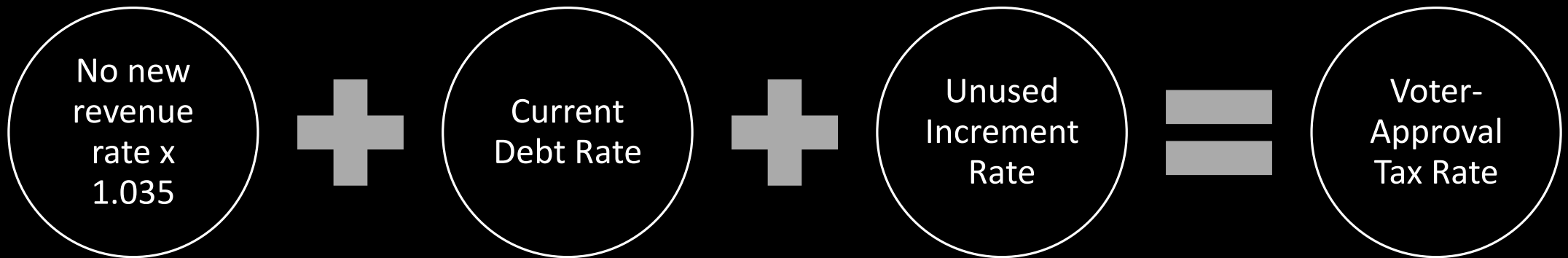
# Terminology and Calculations for Taxing Units

“*Current Debt Rate*” is a rate that is expressed in dollars per \$100 of taxable value calculated to the following formula:

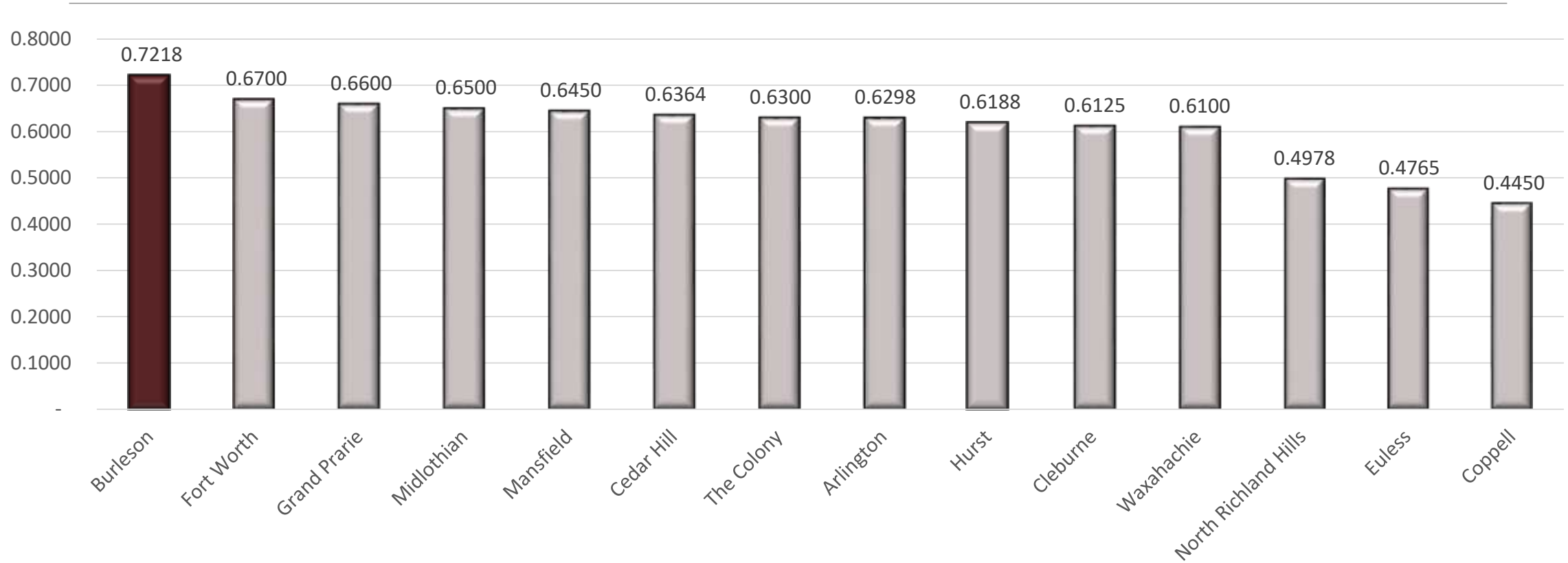


# Terminology and Calculations for Taxing Units Cont.

“Voter-Approval Tax Rate” means a rate expressed in dollars per \$100 of taxable value calculated as follows:



# Other City Tax Rates Comparative Fiscal Year 2025-26



# Items for Consideration

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- City Management and staff are working on recommendations for budget cuts through the budget.
- To respond to projected values, the Council reserves the option to adopt a tax rate to capture a rate of 3.5% above the no-new-revenue rate.

# Questions for Committee/Guidance Needed

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Does the Committee desire to keep the tax rate relatively flat?

Does the Committee prefer substantial budget cuts that will impact service delivery to raising tax rates.



# QUESTIONS/COMMENTS


**Finance Committee**

**DEPARTMENT:** Finance  
**FROM:** Mark Davies, Director of Finance  
**MEETING:** May 27, 2026

**SUBJECT:**

Receive a report, hold a discussion, and provide recommendations to the city council on proposed amendments to City Council Policy #32, Financial Policy, and City Council Policy #41, Debt Management Policy. *(Staff Contact: Mark Davies, Director of Finance)*

**STRATEGIC PRIORITY AND GOAL(S):**

Strategic Priority	Strategic Goal
 <p><b>High Performing City Organization</b> Providing Exceptional, People Focused Services</p>	<p>1.4 Be a responsible steward of the city's financial resources by providing rates and fees that represent a strong value to our citizens; providing timely, accurate and transparent financial reporting; and utilizing long-range planning.</p>

**SUMMARY:**

In June 2025, the City Council adopted significant updates to the Financial Policy (#32) and Debt Management Policy (#41). The policies align well with many core Government Finance Officers Association (GFOA) best practices for municipal financial management and demonstrate good governance principles. The Financial Policy (#32) and Debt Management Policy (#41) serve as foundational documents that guide the City's financial planning, reporting, and debt issuance strategies. Staff has conducted a comprehensive review and recommend a few updates to strengthen and improve clarity and add flexibility to position the city in the best fiscal circumstances. A summary of the proposed amendments can be found below.

**FINANCIAL POLICY RECOMMENDED UPDATES:**

- **VI. Expenditure Control:**
  - Equipment Financing: Recommend to replace current wording to match language in the ERF policy.  
“Vehicles and equipment with a replacement cost greater than \$300,000 will be funded by the issuance of certificates of obligation, and the debt service payment will not exceed the unit’s useful life.”
  
- **Update terminology consistency:**
  - State Annual Comprehensive Financial Report (ACFR) throughout.

**DEBT MANAGEMENT POLICY RECOMMENDED UPDATES:**

- **General Debt Governing Policies:**
  - Updating the sentence concerning refunding to be more concise by adding the words “net” and “overall”.
  - Include a policy allowing a parameters ordinance to be utilized to maximize market agility and achieve the lowest interest cost when issuing debt.

**RECOMMENDATION:**

Review and discuss the recommended policy changes and provide staff with feedback and direction on the proposed amendments.

**PRIOR ACTION/INPUT (Council, Boards, Citizens):**

On June 16, 2025, the City Council revised the Financial Policy (#32) and adopted the Debt Management Policy (#41).

**REFERENCE:**

N/A

**FISCAL IMPACT:**

Proposed Expenditure/Revenue: N/A

Account Number(s): N/A

Fund: N/A

Account Description: N/A

**STAFF CONTACT:**

Mark Davies  
Director of Finance  
[mdavies@burlesontx.com](mailto:mdavies@burlesontx.com)  
817-426-9601



# Financial and Debt Policy Review and Recommended Updates

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CITY COUNCIL FINANCE COMMITTEE

MAY 27, 2026

# Financial and Debt Policy Review

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- Policies are designed to evolve and adapt over time.
- Annual review supports transparency and clarity.
- Incorporate updates to internal processes.
- Ensure compliance and reflect current best practices.



# Financial Policies

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# Purpose of the Financial Policies

- Promote long-term financial stability and positive financial condition
- Establish guiding principles: integrity, stewardship, planning, accountability, and disclosure
- Provide management guidance for financial planning and recommendations
- Ensure compliance with GAAP, GASB, Texas Local Government Code, and legal mandates

# Policy Scope

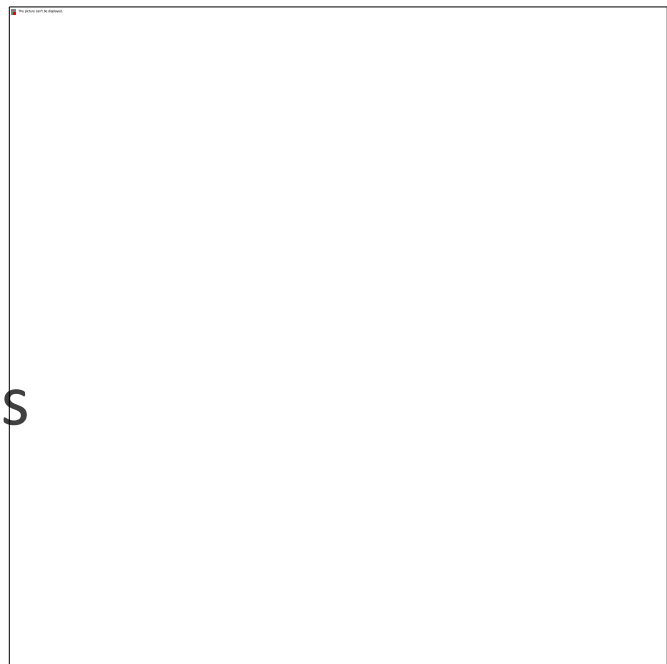
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- Accounting, auditing, and financial reporting
- Internal controls and operational budgeting
- Capital budgeting and revenue management
- Cash, investments, and debt management
- Expenditure controls and financial planning
- Investment, debt, and continuing disclosure policies

# Governance and Oversight

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- Finance Committee meets at least quarterly
- Committee responsibilities include policy review, auditor recommendations, debt and investment guidance, and long-range planning
- City Council annually approves financial policies
- Finance Director responsible for implementation, compliance, and reporting variances



# Accounting and Auditing Standards



- Annual independent audit by certified public accounting firm
- Auditor selected in accordance with Texas Local Government Code Chapter 103
- Audit completed within 180 days of fiscal year-end
- Management letter reviewed with management and Finance Committee
- Audit services proposals solicited at least every five years

# Financial Reporting

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Annual Comprehensive Financial Report (ACFR) prepared in accordance with GAAP



ACFR presented within 180 days of fiscal year-end



Pursue GFOA Certificate of Achievement for Excellence in Financial Reporting



Internal reports prepared regularly for operational monitoring and decision-making

# Operating Budget Process

- Budget developed collaboratively by City Manager and departments
- Budget presented 60–90 days prior to fiscal year-end
- Balanced budget required using current revenues and resources
- Five-year financial forecast prepared annually
- Public hearings and City Council participation incorporated into process

# Budget Structure and Controls

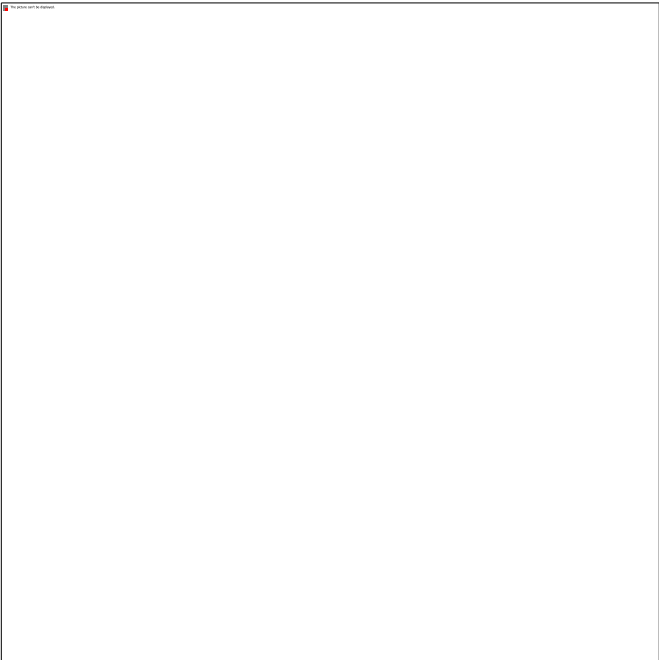
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- Budget includes personnel, operations, capital projects, and revenues
- Modified accrual basis used for governmental funds
- Full accrual basis used for utility funds
- Monthly financial reports provided to departments and Council
- Encumbrances carried forward and adjusted in current year budgets

# Revenue Management Principles

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- Revenue system should emphasize simplicity, certainty, equity, and efficiency
- Diversified revenue base maintained to reduce economic risk
- Grants pursued on a cost-benefit basis
- One-time revenues restricted to one-time expenditures
- Annual review of fees and service charges



# Property Taxes and Utility Rates

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Property values based on appraisal district valuations



98% annual property tax collection goal



Delinquent taxes aggressively pursued



Utility rates reviewed annually



Utility rates designed to fully recover operational and debt obligations



Utility transfers include administrative charges, franchise fees, and PILOT payments

# Operational Controls and Payments

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- Prompt payment of approved invoices within 30 days
- Risk management focused on minimizing liability exposure
- Dual authorization required for investments and payments
- Electronic transfer duties separated for internal control purposes

# Asset Management

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Idle cash invested in accordance with Texas Public Funds Investment Act

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Centralized cash management maximizes investment opportunities

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Fixed assets safeguarded, insured, and tracked

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Annual physical inventory required for all departments maintaining inventory

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Depository institutions may be located within five miles of City Hall

# Capital Improvement Program (CIP)

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- Five-year Capital Improvement Plan developed annually
- Capital projects appropriated at project level
- Finance Department certifies funding availability before project approval
- Future maintenance and operational costs evaluated during project planning
- Infrastructure maintenance prioritized to reduce future replacement costs

Operating revenues plus approved fund balance appropriations must meet or exceed expenditures

Avoid use of one-time resources for recurring operations

General Fund unassigned balance target: minimum 20% of expenditures

Utility and economic development funds maintain 20% working capital target

Debt service reserves maintained in accordance with bond covenants

# Financial Stability and Reserve Policies

# Debt and Treasury Management

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- Idle cash invested to safeguard assets, maintain liquidity, and maximize returns
- Investments governed by Public Funds Investment Act and City Investment Policy
- Debt Management Policy governs issuance and monitoring of obligations
- Coverage ratios maintained for revenue bonds and economic development obligations

# Internal Controls

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Written financial procedures maintained for all financial functions

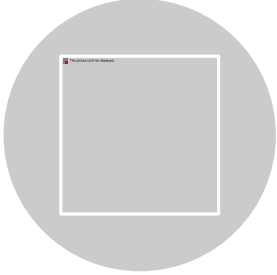
Managers responsible for implementing and monitoring internal controls

Controls designed to ensure accuracy, compliance, and protection of resources

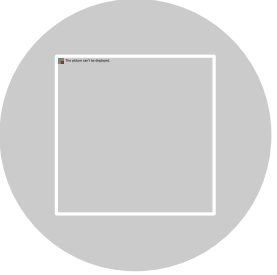
Internal controls support operational effectiveness and achievement of goals

# Staffing, Training, and Professional Development

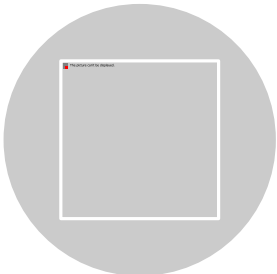
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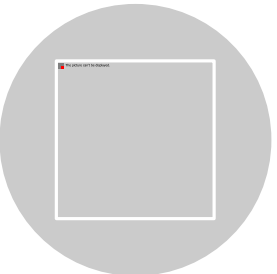
Staffing levels maintained to support effective fiscal operations



Continuing education and professional certifications encouraged



Support for GFOA awards and recognitions



Finance staff expected to share training and knowledge organization-wide

# Transparency and Public Accountability

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- Financial information presented in user-friendly formats
- City pursues state and national transparency recognitions
- Continuing disclosure policies incorporated into financial practices
- Commitment to accountability and public trust

# Recommended Updates

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# Financial Policy Recommended Updates

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## VI. Expenditure Control:

- Equipment Financing: Recommend replacing language to match the ERF policy.

~~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.~~ Vehicles and equipment with a replacement cost greater than \$300,000 will be funded by the issuance of certificates of obligation, and the debt service payment will not exceed the unit's useful life.

# Financial Policy Recommended Updates

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**Update terminology consistency:** State - "Annual Comprehensive Financial Report (ACFR)" throughout.

# Debt Management Policy

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# Purpose of the Debt Management Policy

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- Establish parameters for issuance and management of debt obligations
- Provide guidance for evaluation, reporting, and compliance
- Promote transparency, continuity, and fiscal sustainability
- Support long-term financial planning objectives
- Strengthen bond rating agency review process

# Policy Objectives

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- Maintain or improve the City's bond rating
- Minimize borrowing costs
- Preserve access to capital markets
- Ensure compliance with IRS post-issuance regulations
- Provide consistent guidance for debt issuance decisions

# Policy Statement and Authority

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- Debt issued under Federal and State law, City Charter, ordinances, and resolutions
- Debt used for infrastructure, capital assets, and refinancing opportunities
- Applies to all debt instruments regardless of funding source
- Debt may be secured by taxes, enterprise revenues, or other identifiable revenues

# General Debt Governing Policies

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- Debt will not be used for current operations or routine maintenance
- Permissible debt includes GO bonds, COs, revenue bonds, lease purchases, and other authorized obligations
- Outstanding debt reviewed annually for refunding opportunities
- Refundings generally require minimum 3.5% present value savings

# Debt Policy Recommended Updates

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## General Debt Governing Policies:

- 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 net present values savings of an overall-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.

# Debt Policy Recommended Update


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## General Debt Governing Policies:

- To maximize market agility and achieve the lowest True Interest Cost (TIC), the City may elect to use a parameter ordinance to authorize the sale of debt obligations. Such an ordinance shall delegate the authority to a designated Pricing Officer to execute the final sale of bonds, provided that the final terms—including maximum interest rate, maximum principal amount, and expiration of authority—fall within the specific limits established by the City Council within the ordinance.

# QUESTIONS



y of Burleson  
**Debt Management Policy**  
**May 27, 2026**

### **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 net present value savings of an overall 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.
- To maximize market agility and achieve the lowest True Interest Cost (TIC), the city may elect to use a parameter ordinance to authorize the sale of debt obligations. Such an ordinance shall delegate the authority to a designated Pricing Officer to execute the final sale of bonds, provided that the final terms—including maximum interest rate, maximum principal amount, and expiration of authority—fall within the specific limits established by the City Council within the ordinance.
- 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 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, Texas  
FINANCIAL POLICY STATEMENTS  
May 27, 2026

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 (ACFR) 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.~~ Vehicles and equipment with a replacement cost greater than \$300,000 will be funded by the issuance of certificates of obligation, and the debt service payment will not exceed the unit's useful life.
- 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 Comprehensive Financial Report (ACFR).
- 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 Burlison 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 Burluson'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. The actions of administrators and employees are in compliance with the City's charter, plans, policies and procedures, and all relevant laws and regulations.
  - 2) The City's resources, including its people, systems, data/information, assets, and citizens are adequately protected.
  - 3) Resources are acquired economically and employed effectively.
  - 4) 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.

**Finance Committee**

**DEPARTMENT:** Finance


**FROM:** Mark Davies, Director of Finance

**MEETING:** May 27, 2026

**SUBJECT:**

Receive a report, hold a discussion, and provide recommendations to the city council regarding future debt refunding opportunities. *(Staff Contact: Mark Davies, Director of Finance)*

**STRATEGIC PRIORITY AND GOAL(S):**

Strategic Priority	Strategic Goal
 <p><b>High Performing City Organization</b> Providing Exceptional, People Focused Services</p>	<p>1.4 Be a responsible steward of the city's financial resources by providing rates and fees that represent a strong value to our citizens; providing timely, accurate and transparent financial reporting; and utilizing long-range planning.</p>

**SUMMARY:**

The City of Burleson annually evaluates debt refunding opportunities as part of a proactive debt management strategy to ensure the most efficient use of public resources. Debt refunding allows the city to refinance existing debt obligations, typically when market interest rates decline or when restructuring debt service payments may better align with the city's long-term financial objectives. By pursuing refunding opportunities when economically beneficial, the city may reduce total interest costs, generate budgetary savings, improve cash flow flexibility, or mitigate future financial risk. Regular monitoring of refunding potential also demonstrates sound fiscal stewardship and prudent financial management to taxpayers, credit rating agencies, investors, and other stakeholders. While not every refunding opportunity will result in sufficient savings to justify issuance costs, maintaining an ongoing review process will

help position the City of Burleson to respond strategically to favorable market conditions and optimize its overall debt portfolio.

On November 13, 2025, S&P Global Ratings revised its outlook for Burleson's outstanding utility revenue bonds to negative from stable. While they affirmed the 'AA-' rating at that time, the shift to a negative outlook serves as a formal notice that there is a "one-in-three chance" of a downgrade over the next two years.

The city no longer issues revenue bonds and the age of the existing utility revenue debt is approximately 14 years old. The city issues COs for water/sewer bonds and pays the debt through the revenue from the utility fund.

The city plans to transition a portion of our outstanding utility revenue debt into Certificates of Obligation (COs). This shift is a proactive measure designed to address the recent negative outlook from S&P Global Ratings by leveraging the city's stronger 'AA' General Obligation credit rating. It will strengthen our debt service coverage ratios and directly mitigate the risk of a rating downgrade, ensuring the city maintains its high-grade credit standing for future infrastructure needs.

**RECOMMENDATION:**

Review and discuss debt refunding opportunities and provide staff with feedback and direction on the proposed recommended action regarding the refunding of the utility debt and other possible opportunities.

**PRIOR ACTION/INPUT (Council, Boards, Citizens):**

On September 2, 2025, the City Council held a public hearing and conducted the first reading of the city's FY 2025-2026 annual budget with the five-year Capital Improvement Plan (CIP).

On September 8, 2025, the City Council approved the second reading of the city's FY 2025-2026 annual budget with the five-year Capital Improvement Plan (CIP).

**REFERENCE:**

CSO#5910-09-2025

**FISCAL IMPACT:**

N/A

**STAFF CONTACT:**

Mark Davies  
Finance Director  
[mdavies@burlesontx.com](mailto:mdavies@burlesontx.com)  
817-426-9601



# Refunding Opportunities

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PRESENTED TO THE FINANCE COMMITTEE ON  
MAY 27, 2026

# Refunding Opportunities

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- Debt refunding allows the City to refinance existing debt obligations, typically when market interest rates decline or when restructuring debt service payments may better align with the City's long-term financial objectives.
- By pursuing refunding opportunities, the city may reduce total interest costs, generate budgetary savings, improve cash flow flexibility, or mitigate future financial risk.
- Regular monitoring of refunding potential also demonstrates sound fiscal stewardship and prudent financial management to taxpayers, credit rating agencies, investors, and other stakeholders.
- While not every refunding opportunity will result in sufficient savings to justify issuance costs, maintaining an ongoing review process will help position the City of Burleson to respond strategically to favorable market conditions and optimize its overall debt portfolio.

# Refunding Opportunities

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On November 13, 2025, S&P Global Ratings revised its outlook for Burleson's outstanding utility revenue bonds to negative from stable. While they affirmed the 'AA-' rating at that time, the shift to a negative outlook serves as a formal notice that there is a "one-in-three chance" of a downgrade over the next two years.

# Refunding Opportunities - Insights

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- The city no longer issues revenue bonds and the age of the existing utility revenue debt is approximately 14 years old.
- The city issues COs for water/sewer bonds and pays the debt through the revenue from the utility fund.

# Refunding Opportunities – Series 2012 W&S

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- The City recommends to transition a portion of our outstanding utility revenue debt into Certificates of Obligation (COs). This shift is a proactive measure designed to address the recent negative outlook from S&P Global Ratings by leveraging the City's stronger 'AA' General Obligation credit rating.
- It will strengthen our debt service coverage ratios and directly mitigates the risk of a rating downgrade.

# Refunding Opportunities – Other Issuances?

We are assessing other possible opportunities for refunding. Currently all opportunities are below the 3.5% PVS threshold but if market conditions change, we will recommend for consideration.

# Refunding Opportunities – Debt Policy

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“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.”

City of Burleson, TX

General Obligation Refunding & Improvement Bonds, Series 2026

Assumes Interest Rates as of 5/11/26

Preliminary; For Illustration Purposes Only

All changes have been saved

Item G.

	Refund: Series 2012 W&S	Refund: Series 2015 CO	Refund: Series 2016 CO
Dated Date	09/24/2026	09/24/2026	09/24/2026
Delivery Date	09/24/2026	09/24/2026	09/24/2026
Arbitrage Yield	3.512916%	3.512916%	3.512916%
Escrow Yield	3.666784%	3.666786%	3.666786%
Value of Negative Arbitrage	-216.28	-858.52	-773.37
Bond Par Amount	1,175,000.00	5,945,000.00	5,330,000.00
True Interest Cost	3.024147%	3.112947%	3.197736%
Net Interest Cost	3.151498%	3.292989%	3.391881%
All-In TIC	3.299551%	3.254079%	3.317371%
Average Coupon	5.000000%	5.000000%	5.000000%
Average Life	3.074	4.752	5.339
Weighted Average Maturity	3.126	4.846	5.439
Par amount of refunded bonds	1,605,000.00	6,370,000.00	5,740,000.00
Average coupon of refunded bonds	4.000000%	4.008742%	3.817142%
Average life of refunded bonds	3.059	4.699	5.265
Remaining weighted average maturity of refunded bonds	3.030	4.699	5.265
PV of prior debt	1,616,360.35	6,431,890.90	5,749,964.78
Net PV Savings	25,301.55	196,631.51	131,402.11
Percentage savings of refunded bonds	1.576421%	3.086837%	2.289235%



THE CITY OF  
**BURLESON**  
TEXAS

# QUESTIONS/COMMENTS

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