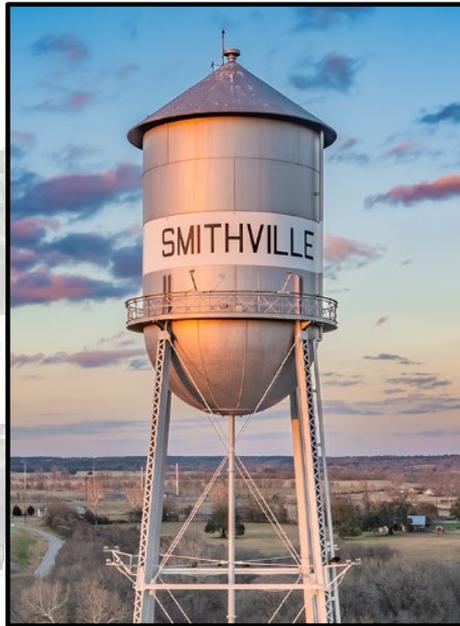


City of Smithville Special-Called Council Meeting / Budget Workshop #5



Wednesday, September 10, 2025

Special-Called Council Meeting / Budget Workshop #5

Wednesday, September 10, 2025

Agenda:

- FY25-26 Budget Overview
 - Budget Recap / Changes
 - Proposed Tax Rate
 - 2025 Tax Note
- Citizen Comments
- Discussion / Action on FY25-26 Budget
- Discussion / Action on FY25-26 Tax Rate
- Next Steps



City of Smithville Special-Called Council Meeting / Budget Workshop #5



FY25/26 Proposed Budget

City of Smithville Budget Workshop #5

Wednesday, September 10, 2025

FY25-26 Budget Recap / Changes:

- Proposed 5-cent Property Tax Increase of **\$.638952** / \$100 Valuation - \$147k LESS Tax Revenue.
- Increased Interfund XFER by **\$65,708** for total of \$1,254,945. Same as FY24/25.
- Identified **\$59,750** in additional REVENUE.
- Reduced EXPENSES by **\$87,481**.
- Budget is BALANCED at **\$16,534,322**.

REVENUE					
Item #	Fund	Dept. #	Department Name	Description	Amount
1	GF	100	Admin	Increase Misc. Revenue	\$5,000
2	GF	100	Admin	Increase Interfund XFER	\$0
3	GF	170	Solid Waste	Increase Revenue - Leaf & Limb	\$12,250
4	UF	620	Electrical	Increase for Svcs - Electric Permits	\$20,000
5	UF	640	Water	Increase Water Taps	\$9,000
6	UF	660	Wastewater	Increase Sewer Taps	\$13,500
TOTAL					\$59,750

EXPENSE					
Item #	Fund	Dept. #	Department Name	Description	Amount
1	GF	100	Admin	Decrease Council Expenses - Training	\$8,000
2	GF	130	Fire Department	Decrease Tools/Equip - Tax Note	\$35,000
3	GF	150	Parks	Decrease Motor Fuels	\$1,273
4	GF	175	Code Enforcement	Decrease Condemnation	\$20,000
5	UF	610	Admin	Decrease Interfund XFTER	\$0
6	UF	620	Electrical	Decrease Materials XFRM - Tax Note	\$18,208
7	UF	640	Water	Decrease Materials Piping - Tax Note	\$5,000
TOTAL					\$87,481

Delta = \$147,231

Smithville City Council Budget Workshop #5

Wednesday, September 10, 2025

BALANCED

CITY OF SMITHVILLE GENERAL FUND SUMMARY FISCAL YEAR 2025-26 PROPOSED BUDGET				
At September 4, 2025 - Version 5				
	2024-25 BUDGET	PROPOSED 2025-26 BUDGET	DIFFERENCE 2024-25 to 2025-26	
			Amount	Percent
REVENUES:				
Taxes	3,082,184	3,093,774	11,590	0.38%
Licenses & Permits	186,900	148,930	(37,970)	-20.32%
Services	1,667,675	1,740,600	72,925	4.37%
Court	57,250	57,250	0	0.00%
Contributions	616,650	181,750	(434,900)	-70.53%
Miscellaneous	464,959	528,100	63,141	13.58%
Interfund Transfers	1,255,337	1,254,945	(392)	-0.03%
TOTAL REVENUE	7,330,955	7,005,349	(325,606)	-4.44%
EXPENSES:				
Administration	452,488	531,186	78698	17.39%
Finance	83,208	83,614	406	0.49%
Police	1,799,411	1,872,325	72,914	4.05%
Animal Control	74,192	77,013	2,821	3.80%
Court	94,394	92,011	(2,384)	-2.53%
Fire	144,328	105,133	(39,195)	-27.16%
Library	463,642	471,168	7,527	1.62%
Parks & Recreation	452,120	449,037	(3,082)	-0.68%
Recreation Center	418,476	422,759	4,283	1.02%
Community Service	68,595	67,990	(605)	-0.88%
Street & Alley	516,428	408,286	(108,142)	-20.94%
Solid Waste	1,496,202	1,389,936	(106,266)	-7.10%
Enforcement/Insp	201,201	202,598	1,396	0.69%
Cemetery	144,034	134,429	(9,605)	-6.67%
Airport	720,210	307,910	(412,300)	-57.25%
Grants & Eco Development	202,025	389,954	187,929	93.02%
TOTAL EXPENSES	7,330,955	7,005,349	(325,606)	-4.44%
Revenues Over/(Under) Expenses	(0)	(0)		

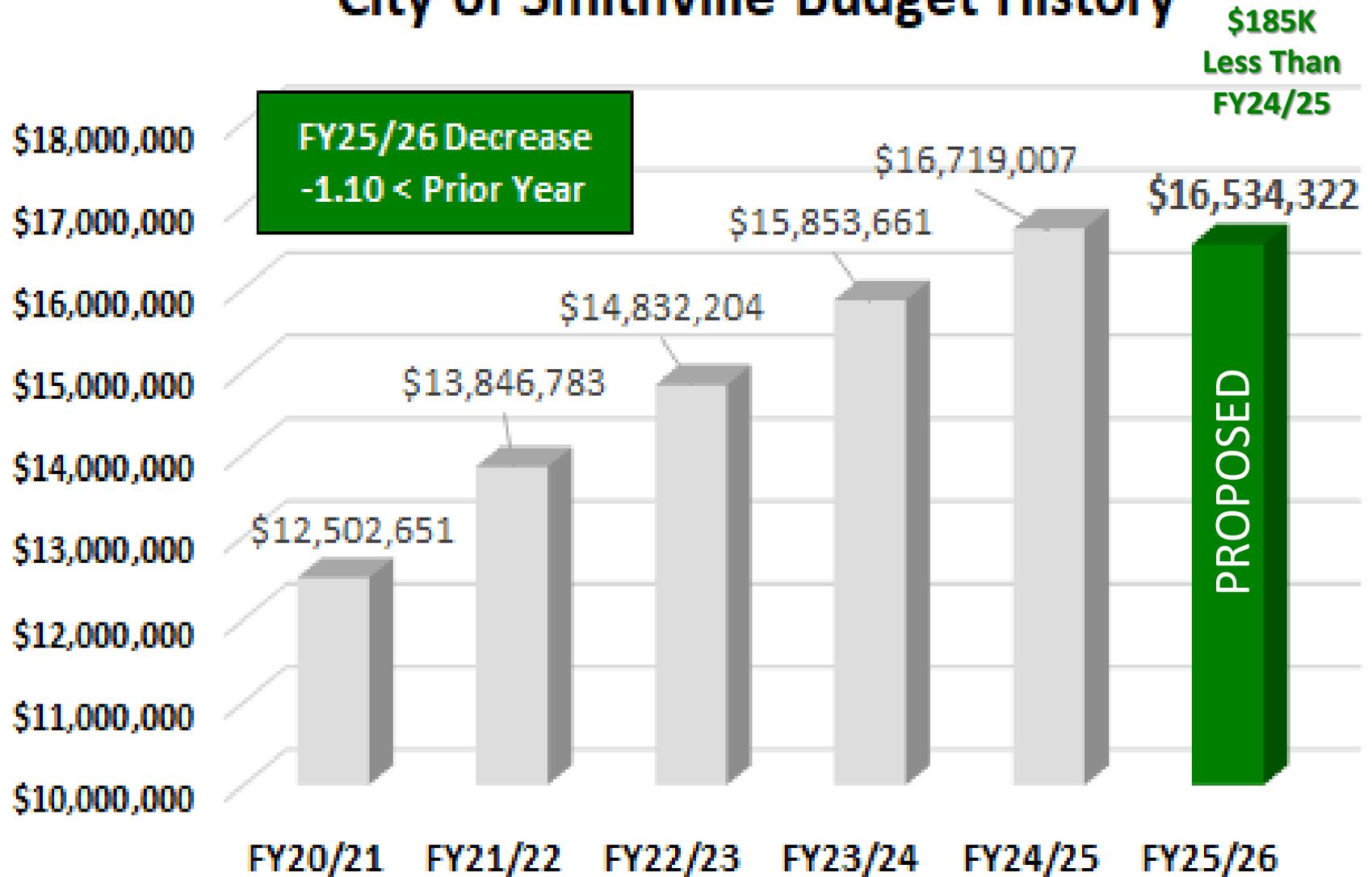
CITY OF SMITHVILLE UTILITY FUND SUMMARY FISCAL YEAR 2025-26 PROPOSED BUDGET				
At September 4, 2025 - Version 5				
	2024-25 BUDGET	PROPOSED 2025-26 BUDGET	DIFFERENCE 2024-25 to 2025-26	
			Amount	Percent
REVENUES:				
Electrical	5,728,978	5,737,539	8,561	0.15%
Water	1,261,820	1,242,000	(19,820)	-1.57%
Wastewater	882,885	868,500	(14,385)	-1.63%
Miscellaneous	520,345	639,034	118,689	22.81%
TOTAL REVENUES	8,394,028	8,487,073	93,045	1.11%
EXPENSES:				
Administration	3,165,871	3,354,934	189,063	5.97%
Electrical	3,869,727	3,788,878	(80,849)	-2.09%
Recycling	63,757	62,515	(1,243)	-1.95%
Water	409,359	382,659	(26,700)	-6.52%
Wastewater	885,312	898,087	12,775	1.44%
TOTAL EXPENSES	8,394,028	8,487,073	93,045	1.11%
Revenues Over/(Under) Expenses	0	(0)		

*TOTAL = \$16,534,322

*Includes Debt Service (\$906,299) + Maint. (\$135,601)



City of Smithville Budget History



City of Smithville Special-Called Council Meeting / Budget Workshop #5



Series 2025 Tax Note

City of Smithville Budget Workshop #5

Wednesday, September 10, 2025

Proposed Series 2025 Tax Note:

- \$3M Tax Note for infrastructure upgrades, facility improvements, and capital equipment.
- 7-year amortization with fixed interest rate.
- Must spend within 3-years of issuance. Accrues interest.
- Structure / Repayment:
 - **\$2M – General Fund**
Repaid with property taxes from the I&S portion of debt service.
 - **\$1M – Utility Fund**
Repaid by monthly fee added to Utility Bill - **\$6.35** / customer / mo.



DECISION POINT:

Priority? What Do You Want to Add/Delete?

Smithville Police Department				
Item #	Description	Qty	Unit Cost	Total
1	Patrol Vehicles	2	\$65,000	\$130,000
2	Encrypted Radios	15	\$5,000	\$75,000
3	Micellaneous Equipment	1	\$15,000	\$15,000
4	Gun Range Upgrade	1	\$25,000	\$25,000
5	Animal Shelter Rehab	1	\$5,000	\$5,000
				\$250,000
Public Works / Utilities				
Item #	Description	Qty	Unit Cost	Total
6	Grant Match for WWTF	1	\$1,000,000	\$1,000,000
7	Tub Grinding @ Brush Dump	1	\$50,000	\$50,000
8	Streets/Drainage/Sidewalks/Curbs	1	\$200,000	\$200,000
9	Electric Utility Upgrades	1	\$300,000	\$300,000
10	Utility Trucks (F-150)	4	\$20,000	\$80,000
11	Wash Bay at Warehouse	1	\$25,000	\$25,000
12	Mowers	2	\$17,500	\$35,000
13	Mechanic Truck Lift & Diagnostic Computer	1	\$20,000	\$20,000
14	Stump Grinder	1	\$25,000	\$25,000
15	Covered Bays at Brush Dump	1	\$25,000	\$25,000
16	Miscellaneous Tools / Equip.	1	\$50,000	\$50,000
17	Sewer-Extension @ Riverbend	1	\$0	\$0
18	Remodel Public Restrooms	1	\$75,000	\$75,000
				\$1,885,000
General				
Item #	Description	Qty	Unit Cost	Total
19	MLK Sidewalk Grant Match	1	\$360,000	\$360,000
20	Computer / Software Upgrade	1	\$75,000	\$75,000
21	Encrypted Radios for SVFD	22	\$5,000	\$110,000
22	Airport RAMP Grant	1	\$10,000	\$10,000
23	Playground Equipment	1	\$175,000	\$175,000
24	Misc. City Facility Upgrades	1	\$125,000	\$125,000
25	Tree Trimming @ Cemetery	1	\$10,000	\$10,000
				\$865,000

Total = \$3,000,000

City of Smithville \$3M Series 2025 Tax Note - PROPOSED

Smithville Police Department

Item #	Description	Qty	Unit Cost	Total	Actual	Comments
1	Patrol Vehicles	2	\$65,000	\$130,000		Two (2) fully outfitted Patrol Vehicles
2	Encrypted Radios	15	\$5,000	\$75,000		Estimate \$5-6k each (Kenwood vs Motorola)
3	Micellaneous Equipment	1	\$15,000	\$15,000		Weapons, Ammunition, Office Equipment, Computers, etc.
4	Gun Range Upgrade	1	\$25,000	\$25,000		Install portable building w/ HVAC for gun safety training and storage
5	Animal Shelter Rehab	1	\$5,000	\$5,000		Repair / rehab City Animal Shelter for use during emergency
				\$250,000	\$0	

Public Works / Utilities

Item #	Description	Qty	Unit Cost	Total	Actual	Comments
6	Grant Match for WWTF	1	\$1,000,000	\$1,000,000		10% Match for \$10M DRRP Grant for WWTF expansion OR Priority 1 Repairs
7	Tub Grinding @ Brush Dump	1	\$50,000	\$50,000		Tub grinding at brush dump and removal of mulch to reduce fire risk
8	Streets/Drainage/Sidewalks/Curbs	1	\$200,000	\$200,000		Road repair / paving. Sidewalks, curbs, and gutters. Small drainage projects.
9	Electric Utility Upgrades	1	\$300,000	\$300,000		Garwood Re-conductor, power line tree trimming, XFRM / utility pole purchases, Eng. Studies
10	Utility Trucks (F-150)	4	\$20,000	\$80,000		Replace older trucks in current fleet w/ Used (newer) vehicles
11	Wash Bay at Warehouse	1	\$25,000	\$25,000		Wash Bay will allow PW/U staff the ability to wash vehicles on-site
12	Mowers	2	\$17,500	\$35,000		New Mowers for Cemetery and Parks
13	Mechanic Truck Lift & Diagnostic Computer	1	\$20,000	\$20,000		Mechanic's Truck Lift & Diagnostic Computer
14	Stump Grinder	1	\$25,000	\$25,000		Heavy-duty portable Stump Grinder
15	Covered Bays at Brush Dump	1	\$25,000	\$25,000		Build 3-stall covered bays to store maintainer, backhoe, and machines
16	Miscellaneous Tools / Equip.	1	\$50,000	\$50,000		Weed-eaters, Chainsaws, Tools, Sod Cutter, Paint Stripping Machine
17	Sewer Extension @ Riverbend	±	\$0	\$0		Grant Match to Extend sewer to Pavilion / Chuckwagon Square. Move to REUSE
18	Remodel Public Restrooms	1	\$75,000	\$75,000		Upgrade to interior only (Riverbend, MLK, Train Park)
				\$1,885,000	\$0	

General

Item #	Description	Qty	Unit Cost	Total	Actual	Comments
19	MLK Sidewalk Grant Match	1	\$360,000	\$360,000		\$2.7M TXDOT SRTS/TA Grant w/ 20% city match (\$1.8M TA portion)
20	Computer / Software Upgrade	1	\$75,000	\$75,000		Windows 10 obsolete. Upgrade to Windows 11 for all EE's w/ Computer
21	Encrypted Radios for SVFD	22	\$5,000	\$110,000		Estimate \$5-6k each (Kenwood vs Motorola). Misc. Equipment (SCBA's)
22	Airport RAMP Grant	1	\$10,000	\$10,000		Crack-fill and Sealcoat RAMP area and Taxiway (90/10)
23	Playground Equipment	1	\$175,000	\$175,000		Playground equipment. ADA-compliant Mulch. Keilberg Park Concession
24	Misc. City Facility Upgrades	1	\$125,000	\$125,000		AV System Upgrade at Rec Center / Council Chambers / Council chairs
25	Tree Trimming @ Cemetery	1	\$10,000	\$10,000		Contractor to Remove all Dead Trees at Oak Hill and Mt. Pleasant Cemetery
				\$865,000	\$0	

Grand Total	\$3,000,000
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City of Smithville Special-Called Council Meeting / Budget Workshop #5



FY25/26 Proposed Tax Rate

City of Smithville Budget Workshop #5

Wednesday, September 10, 2025

FY25-26 Tax Rate Discussion:

- **PROPOSED TAX RATE** is **\$0.638952** per \$100 valuation.
- FY25-26 Tax Rate increase due to Over-65 Exemptions & APV.
- Final FY25-26 budget depends upon ADOPTED Tax Rate which is a GUARANTEED source of REVENUE over time.



M&O Increased By:	2025 New M&O Rate	2025 Debt SVC Rate	2025 Total Rate	M&O Revenue Increase Over FY24-25 Budget	REVENUE GAIN / LOSS
De Minimis Rate	\$0.524654	\$0.245326	\$0.769980	\$666,915	\$336,819
Voter-Approval Tax Rate	\$0.433480	\$0.245326	\$0.678806	\$330,096	\$0
7 cent increase	\$0.413626	\$0.245326	\$0.658952	\$256,750	\$73,346
PROPOSED 5 cent increase	\$0.393626	\$0.245326	\$0.638952	\$182,865	\$147,231
No-New-Revenue Tax Rate	\$0.379117	\$0.245326	\$0.624443	\$129,266	\$200,830
Current Tax Rate	\$0.343626	\$0.245326	\$0.588952	-\$1,847	\$331,943

Impact is **\$90.00** increase over taxes paid in FY24-25 based on BCAD average FY25-26 taxable value of **\$251,837**.



DECISION POINT – What Proposed Tax Rate Do You Want to Adopt?

7/24/25

\$1,628,659	2024-25 M&O Collection Budget (AMENDED ESTIMATE)
0.361372	2024-25 M&O Tax Rate
0.22758	2024-25 Debt Service Tax Rate
0.588952	2024-25 Total Tax Rate



**Avg Impact
To Citizens
\$90 / Year**

Avg Total COS Tax = \$1,609

2025 No-New-Revenue Tax Rate (Effective Tax Rate)	0.624443
2025 Voter-Approval Tax Rate (Rollback Tax Rate)	0.678806
2025 De Minimis Rate	0.769980
2025 PROPOSED TAX RATE	0.638952

Collection Basis	2025	2024
Certified Net Taxable-Approved	445,759,404	472,892,622
less Freeze Taxable (Ceiling)	(106,242,151)	(107,038,265)
Certified Net Taxable-Under Review	23,934,437	
less allowance for contested (20%)	(4,786,888)	
Adjusted Net Taxable	358,664,802	365,854,357

	2025 New M&O Rate	2025 Debt Svc Rate *	2025 Total Rate	2025 M&O w/o Freeze Ovr65 Revenue**	2025 M&O Freeze Over 65 Actual Tax Rev	2025 M&O Revenue	M&O Revenue Increase Over 2024-25 Budget	Avg Homestead*** Increase Over 2024-25 Payment	Avg Homestead*** Property Tax Paid 2025-26 Tax Rate
M&O Increased By:									
De Minimis Rate	0.524654	0.245326	0.769980	\$1,938,202	\$357,373	\$2,295,574	\$666,915	\$420.18	\$1,939
Voter-Approval Tax Rate	0.433480	0.245326	0.678806	\$1,601,382	\$357,373	\$1,958,755	\$330,096	\$190.57	\$1,709
7 cent increase	0.413626	0.245326	0.658952	\$1,528,037	\$357,373	\$1,885,409	\$256,750	\$140.57	\$1,659
PROPOSED 5 cent increase	0.393626	0.245326	0.638952	\$1,454,152	\$357,373	\$1,811,524	\$182,865	\$90.20	\$1,609
No-New-Revenue Tax Rate	0.379117	0.245326	0.624443	\$1,400,552	\$357,373	\$1,757,925	\$129,266	\$53.66	\$1,573
Current Tax Rate	0.343626	0.245326	0.588952	\$1,269,439	\$357,373	\$1,626,812	-\$1,847	-\$35.72	\$1,483

2025 Debt Service Revenue: \$ 906,299

*Debt Service Revenue: = [(Adjusted Net Taxable/100) x Debt Svc Rate x Collection Rate]

**M & O Revenue: = [(Adjusted Net Taxable/100) x M&O Rate x Collection Rate]

Calculations based on: 103% collection rate with an Adjusted Net Taxable of \$358,664,802

***Average Homestead Value: average taxable 2024 (FY 2024-2025) \$257,902 average taxable 2025 (FY 2025-2026) \$251,837

2025-2026 Debt Service (General / I&S)	
Payments:	
2018 CO's (refl 98, refl 05)	\$ -
2019 CO's	\$ 57,888
Tax Note, Series 2021	\$ 107,966
Tax Note, Series 2022	\$ 190,563
Tax Note, Series 2023	\$ 521,750
Tax Note, Series 2025	\$ 328,133
	\$ 1,206,299
Collections:	
Other Sources (Over65 Freeze)	\$ 300,000
Property Tax Levy	\$ 906,299
Prop Tax excess 2024	\$ -
	\$ 1,206,299

2025-26 Debt Service (Utility)	
Payments:	
2007 CO's	\$ 344,440
2019 CO's	\$ 146,350
	\$ 490,790
Collections:	
Utility Revenue	\$ 490,790

Freeze Over-65 Actual Tax Revenue 2025-2026	
Total	\$ 517,931.25
Estimated M&O	\$ 357,372.56
Estimated Debt	\$ 160,558.69
Total	<u>\$ 517,931.25</u>

City of Smithville Budget / Tax Rate History

	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26
General Fund	\$5,008,912	\$5,522,767	\$5,938,301	\$6,526,057	\$7,330,955	\$7,005,349
Utility Fund	\$6,982,972	\$7,703,590	\$8,029,067	\$8,320,855	\$8,394,028	\$8,487,073
I&S Debt	\$408,555	\$516,174	\$746,968	\$866,961	\$856,360	\$906,299
Maintenance Fund	\$102,212	\$104,252	\$117,868	\$139,788	\$137,664	\$135,601
TOTAL	\$12,502,651	\$13,846,783	\$14,832,204	\$15,853,661	\$16,719,007	\$16,534,322
% Year-Over-Year Increase / Decrease	2.19%	9.71%	6.64%	6.89%	5.46%	-1.10%
Tax Rate	\$0.549010	\$0.549000	\$0.548930	\$0.548952	\$0.588952	\$0.638952
% Year-Over-Year Increase / Decrease	-3.64%	0.00%	-0.01%	0.00%	7.29%	8.49%

- -1.10% Year-over-Year Budget **DECREASE** = \$185k LESS
- Current FY24/25 Tax Rate is \$0.588952 per \$100.00 valuation.
- **FY25/26 PROPOSED TAX RATE is \$0.638952** per \$100.00 valuation

City of Smithville Special-Called Council Meeting / Budget Workshop #5



City of Smithville Special-Called Council Meeting / Budget Workshop #5



COUNCIL DISCUSSION / DECISION POINTS:

Smithville City Council Workshop #4

Wednesday, September 3, 2025

Council Decision Points:

- What Budget Amendments do You Want?
- What Budget are You Going to Adopt?
- What Tax Rate are You Going to Adopt?



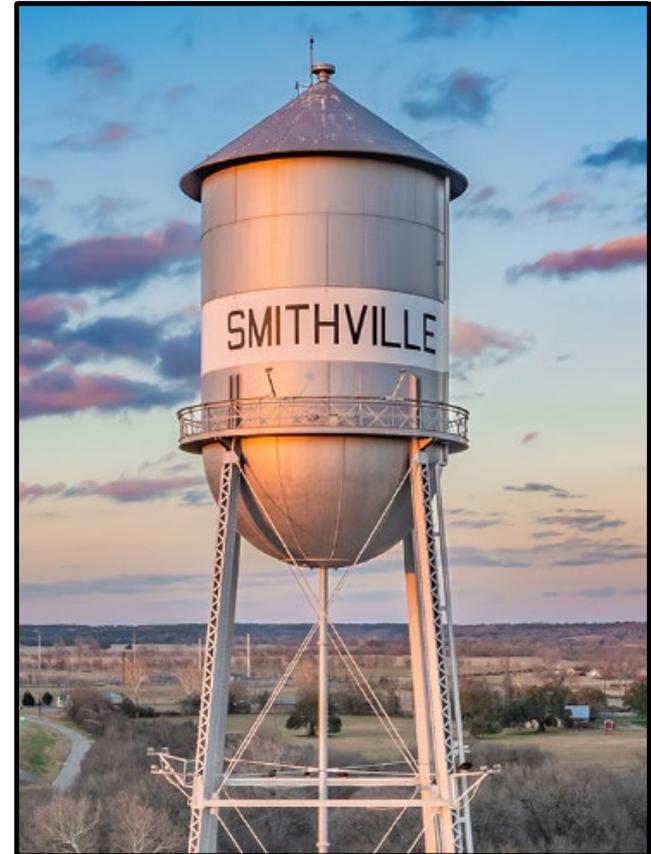
*The deadline for a Municipality in Texas to adopt a Budget and Tax Rate is **September 29, 2025.***

City of Smithville - City Council Workshop #4

Wednesday, September 3, 2025

Next Steps:

- Incorporate budget changes as directed by City Council.
- Finalize FY25/26 Budget.
- Council must **VOTE** to Adopt FY25/26 Tax Rate & Budget on or before **9/29/25** deadline.





BACK UP

City of Smithville Budget Workshop

Wednesday, September 3, 2025

GENERAL
FUND

**YELLOW
SHEET
REVIEW**

IF NEEDED

UTILITY
FUND

FY25 BCAD Property Values - CERTIFIED

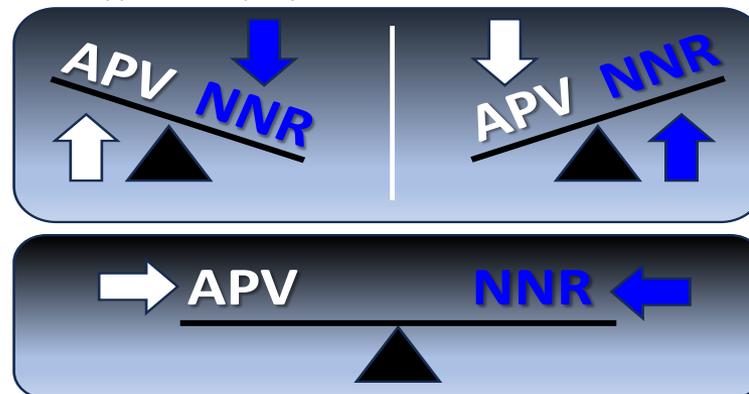
- 2025 BCAD net taxable property values CERTIFIED on 7/24/25.
- Total Assessed Property Value = **\$469,693,841**.
- **0.72% DECREASE** over last year's net taxable value of **\$473,112,093**.
- # of Over-65 Resident Exemptions **INCREASED** from 464 to 500 which equates to a **\$154k LOSS** in property tax revenue.

*The **No-New Revenue (NNR) Tax Rate** is the tax rate the City would pass to collect the same tax revenue as last year (FY24) using this year's (FY25) assessed values.*

BCAD Property Valuation & City Tax Rate Comparison								
Year	Assessed Valuation	% Change in Value	Avg Home Value	Avg City Tax Paid	M&O Rate	I&S Rate	Total Tax Rate	% Change
2025	\$469,693,841	-0.72%	\$251,837	\$1,709	\$0.433480	\$0.245326	\$0.678806	15.26%
2024	\$473,112,093	4.78%	\$257,902	\$1,519	\$0.361372	\$0.227580	\$0.588952	7.29%
2023	\$451,537,121	14.45%	\$236,410	\$1,298	\$0.376543	\$0.172400	\$0.548952	0.004%
2022	\$394,511,444	20.20%	\$208,432	\$1,144	\$0.383085	\$0.165893	\$0.548930	-0.01%
2021	\$328,207,972	12.44%	\$186,277	\$1,023	\$0.419400	\$0.129600	\$0.549010	0.002%
2020	\$291,892,810	6.06%	\$170,086	\$934	\$0.446627	\$0.102434	\$0.549000	-3.52%
2019	\$275,208,274	10.97%	\$162,541	\$925	\$0.452515	\$0.116505	\$0.569020	0.004%
2018	\$247,999,239	4.63%	\$151,444	\$862	\$0.445499	\$0.123500	\$0.568999	5.57%

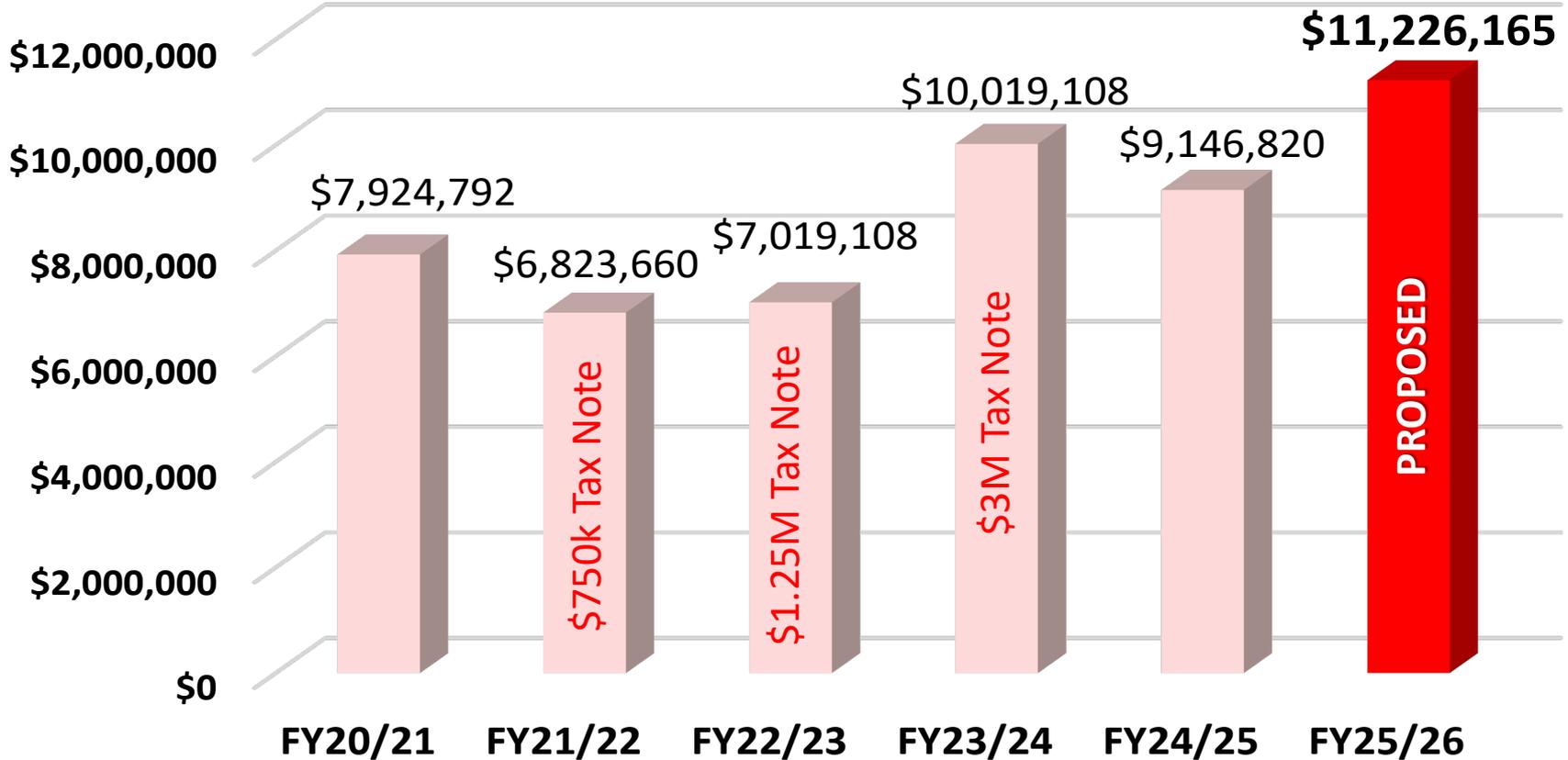
Seesaw Effect

APV: Appraised Property Value NNR: No-New Revenue Tax Rate



City of Smithville Debt History

Includes
\$3M Series 2025
Tax Note



- \$750k Tax Note (Series 2021) for Capital Equipment (Vehicles for PD & Public Works);
- \$1.25M Tax Note (Series 2022) for Capital Equipment / Infrastructure Upgrades;
- \$3M Tax Note (Series 2023) for Capital Equipment / Infrastructure Upgrades / Facility Improvements.
- \$3M Tax Note (Series 2025) for Capital Equipment / Infrastructure Upgrades / Facility Improvements.

