

CITY OF KERRVILLE, TEXAS
BUDGET IN BRIEF
FISCAL YEAR 2025
BEYOND TOMORROW



City of Kerrville Budget Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**City of Kerrville
Texas**

For the Fiscal Year Beginning

October 01, 2023

Christopher P. Morill
Executive Director

The Government Finance Officers Association (GFOA) of the United States and Canada presented the Distinguished Budget Presentation Award to the City of Kerrville, for the Fiscal Year 2024 budget document. The City has received this award for 39 consecutive years. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, a financial plan, an operations guide, and a communications device. The City's presentation of the Annual Budget document in accordance with standards set by GFOA is part of the City's ongoing commitment to transparency.

Table of Contents

4 Message to Readers	5 FY2025 Budget Process	6 Citywide Revenues	7 Citywide Expenditures
8 General Fund Revenues	9 General Fund - Property Tax	10 General Fund - Sales Tax	11 General Fund Expenditures
12 Water Fund Revenues	13 Water Fund Expenditures	14 Asset Replacement Funds	15 General Fund Debt Service
16 General Debt Service Fund	17 Water Fund Debt Service	18 Water Fund Debt Service	19 Hotel Occupancy Tax Fund
20 General Capital Projects Fund	21 Water Capital Projects Fund	22 Facilities Fund	23 FY2025 Budget Summary

Message to Kerrville Residents

The City of Kerrville's Finance Department is pleased to present the Fiscal Year 2025 (FY2025) Budget in Brief. The FY2025 budget began on October 1, 2024 and ends on September 30, 2025. This document is intended to provide a high level overview of the City's FY2025 Budget, including projected revenues and expenditures for the entire City. This document will highlight funds that have significant budgetary impact. To view all City funds in more detail, please visit <https://kerrvilletx.gov/313/Budget>.

The FY2025 Budget theme, "Beyond Tomorrow," focuses on sustainability and future planning to support the City's operational and asset needs as well as the priorities of the City Council and the Kerrville 2050 Comprehensive Plan (Kerrville 2050). Recent inflation has made budgeting for operations more challenging. In order to ensure the City provides services in line with the Kerrville 2050, long-range financial forecasting is critical. This planning includes not only forecasting for operations but finding ways to plan for the future of Kerrville as a whole.

The FY2025 budget includes major capital projects and several significant water and wastewater projects including upgrades to lift stations, water lines, and pumps that will add sustainability to Kerrville's diverse system. The FY2025 budget also includes quality-of-life projects, funded by the Economic Improvement Corporation (EIC), including renovations of the Scott Schreiner Golf Course and Olympic Pool, a new roof and HVAC at the Cailloux Theatre, and the addition of Granger Macdonald Park that will provide accessibility to Nimitz Lake. These projects aim to attract tourists and improve amenities for residents. Finally, the FY2025 budget includes expenditures for the new Public Safety Facility that is scheduled for completion in the summer of 2025.

Higher interest revenues in FY2024 allowed the City Council to allocate additional funds for future facility and asset needs. Special funds were created to reserve these dollars for larger facility maintenance and asset replacement needs. Both the General Fund and Water Fund now include transfers to support long-term stability, which will help reduce future reliance on debt.

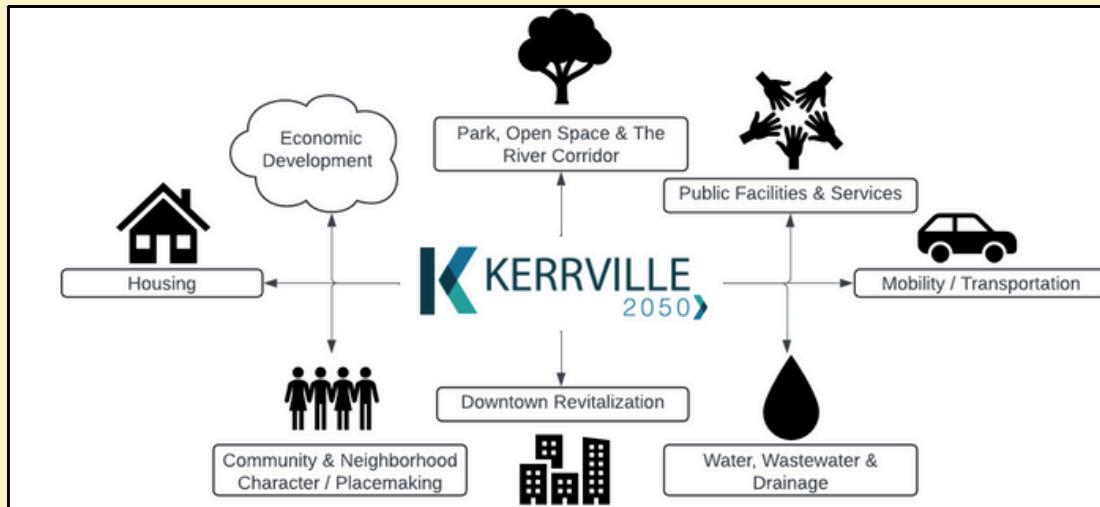
By focusing on sustainability, the City of Kerrville will remain a place that people want to live, work and play into the future.

Please enjoy this budget overview and feel free to contact the City's Finance Department if you have specific questions.

BEYOND TOMORROW

FY2025 Budget Process

- 1 City Council identifies specific priorities in alignment with Kerrville 2050 and provides staff vision and direction.
- 2 Finance staff works to estimate available resources (revenues).
- 3 Departments submit their budget requests (expenses) and provide justification for all new items and requested new positions.
- 4 Finance conducts a preliminary budget review, coordinates with departments and makes preliminary budget adjustments.
- 5 The Budget Committee (made up of key staff members from several departments and City Administration) meets to discuss and consider budgets submitted by departments.
- 6 City Council Budget Workshops are held to discuss preliminary budget information and to provide opportunities for Council and citizen input.
- 7 The proposed budget and tax rate is presented to City Council and the public.
- 8 City Council considers resolution to set public hearing for Proposed Tax Rate.
- 9 Proposed Budget and Property Tax Rate are considered for adoption by City Council.
- 10 Budget and Property Tax Rate are adopted, by ordinance, by City Council.



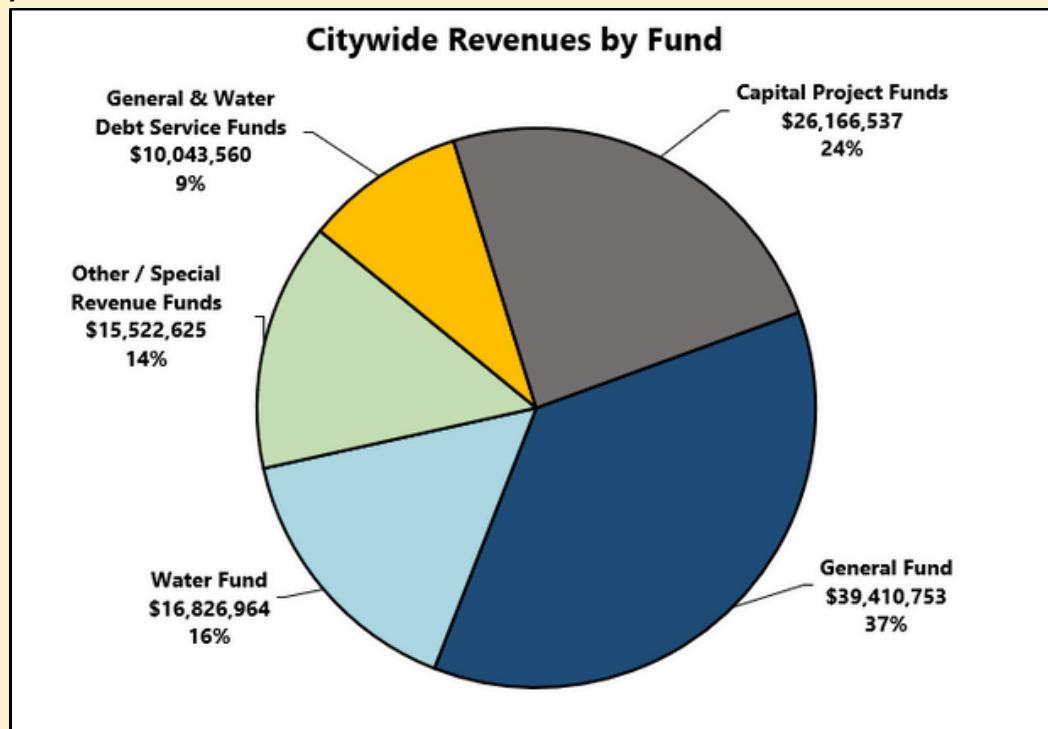
Citywide Revenues

The City of Kerrville's FY2025 Revenue Budget is \$107,970,439. This includes \$13,556,560 in transfers between funds. The total FY2025 Revenue Budget, net of transfers, is \$94,413,879. Transfers are treated as revenue for one fund and an expense to another fund.

The City's largest FY2025 Budgeted Revenue sources are:

- Property Tax Current Collections - \$17,107,090
 - The City of Kerrville will collect \$0.5595 per \$100 of appraised value on all taxing parcels located within the City limits. Revenue from property tax helps support the General Fund and pays for property tax-supported debt.
 - Maintenance and Operations Property Tax Rate (M&O Rate) = \$0.4189
 - Interest and Sinking Property Tax Rate (I&S Rate/Debt Rate) = \$0.1406
- Sales Tax - \$10,210,111
 - The City of Kerrville collects a 1% sales tax on all taxable goods and services purchased within the City.
- Water - \$7,816,830
- Wastewater Treatment - \$7,783,678
- EMS Services - \$4,514,986

*The information on this page does not include the FY2025 Budget for the Economic Improvement Corporation (EIC).

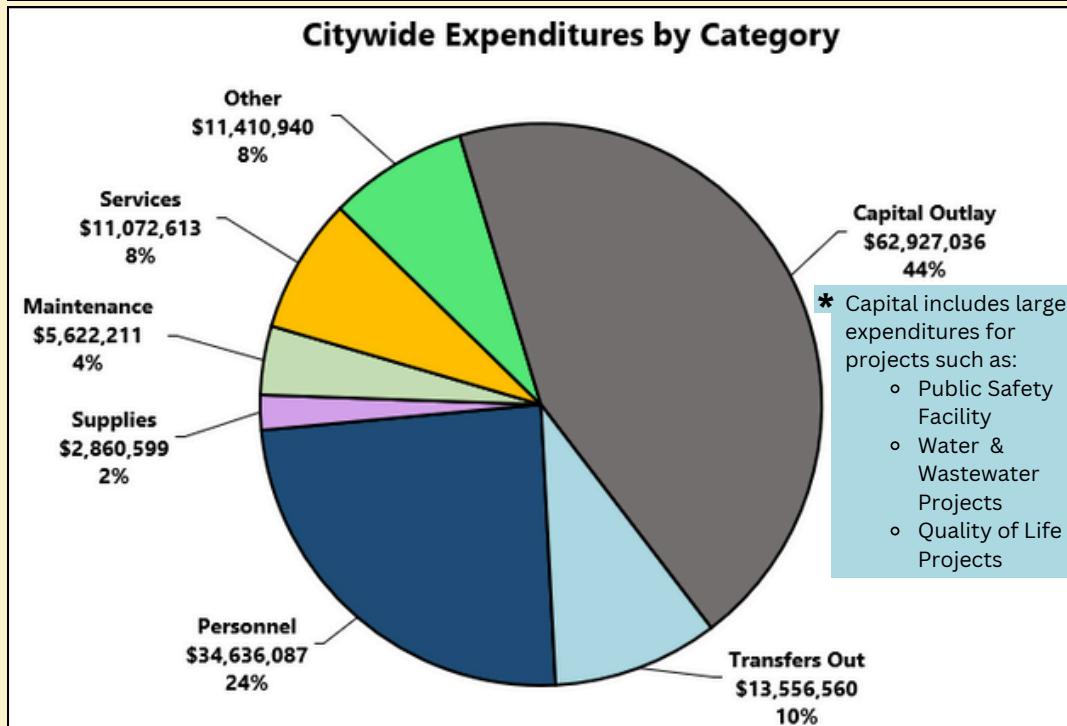
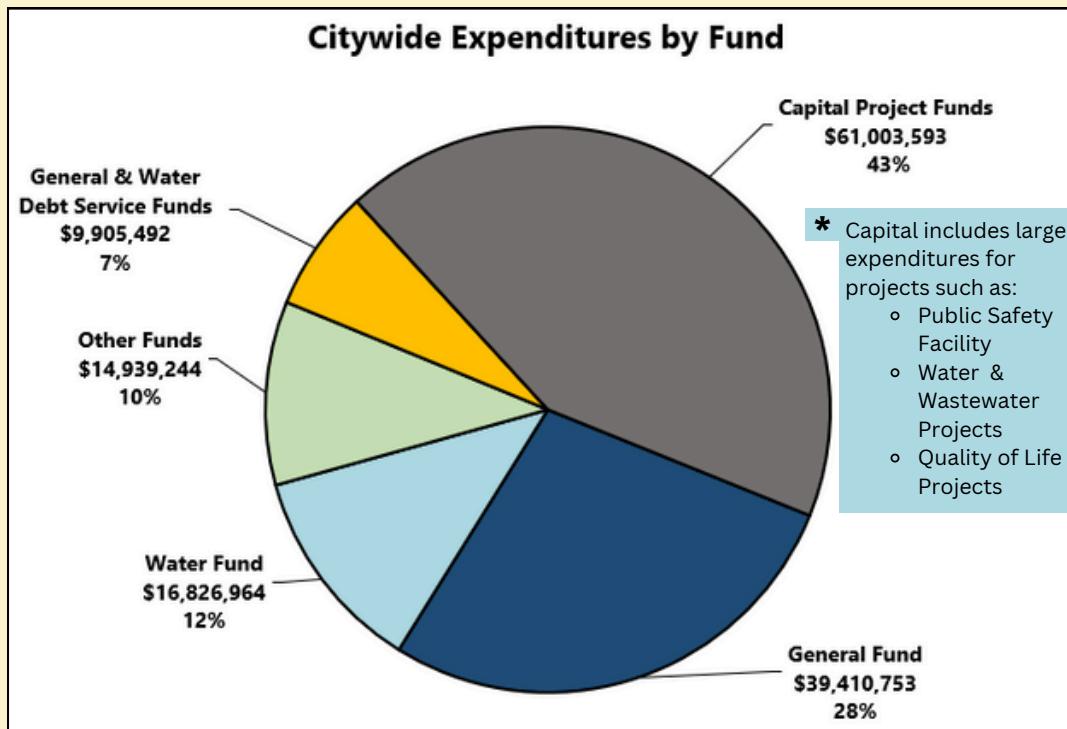


To view more information regarding Citywide Revenues please visit:
www.kerrilletx.gov/DocumentCenter/View/44631/FY2025-Proposed-Budget-Book

Citywide Expenditures

The City of Kerrville's FY2025 Expenditure Budget totals \$142,086,046, which includes \$13,556,560 in transfers between funds. The total FY2025 Expenditure Budget, net of transfers, is \$128,529,486. Transfers are treated as revenue for one fund and an expense to another fund.

*The information on this page does not include the FY2025 Budget for the Economic Improvement Corporation (EIC).



To view more information regarding Citywide Expenditures please visit:
www.kerrilletx.gov/DocumentCenter/View/44631/FY2025-Proposed-Budget-Book

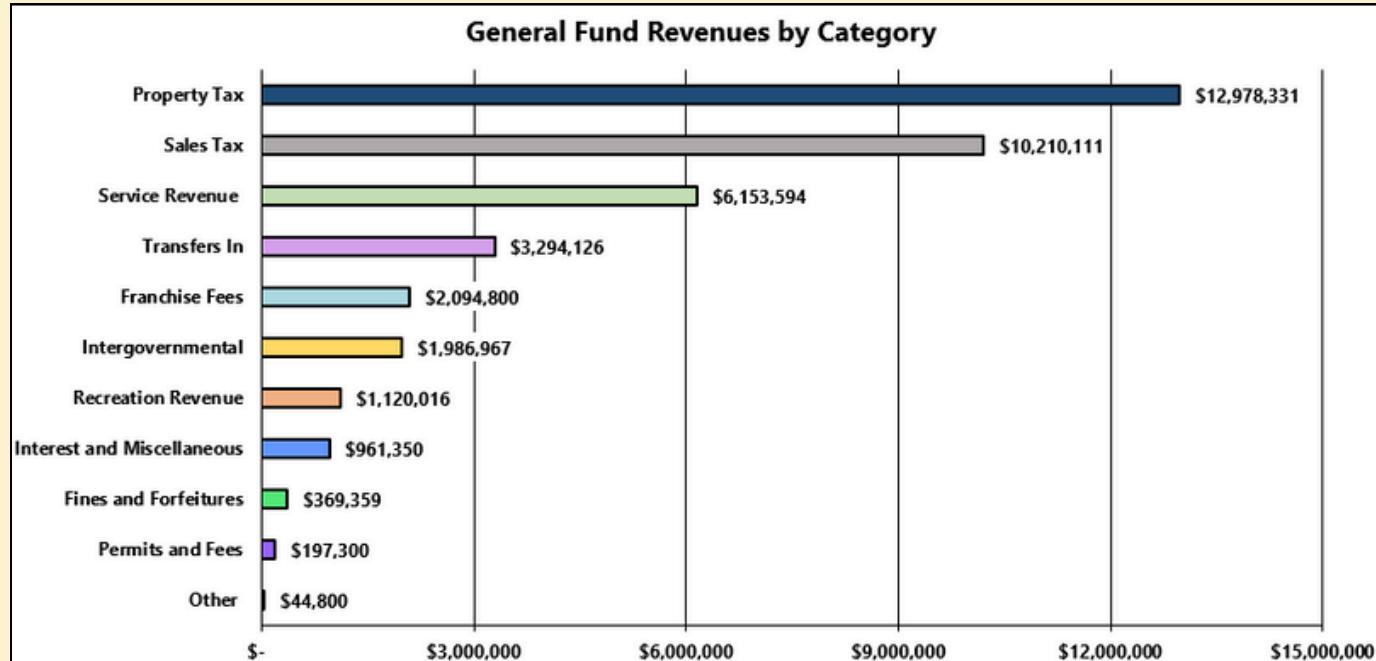
General Fund Revenue

Scan the QR code to learn more about the General Fund



The General Fund is the largest operating fund of the City. The General Fund contains the following groups of departments: Public Safety, Public Works, Parks and Recreation, Internal Support Services, General Operations, City Administration, Library, and City Council. The FY2025 General Fund budget is balanced by policy with \$39,410,753 in revenues and expenditures.

The General Fund is primarily funded by Property Tax, Sales Tax, Charges for Services, Transfers In, Franchise Fees, and Intergovernmental Services. The chart below shows the General Fund Revenues by Category.



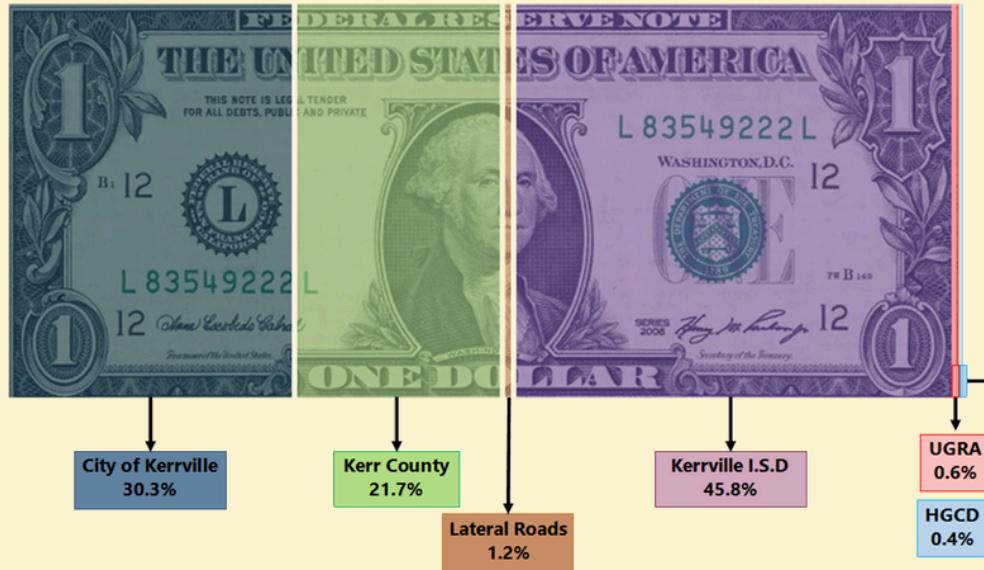
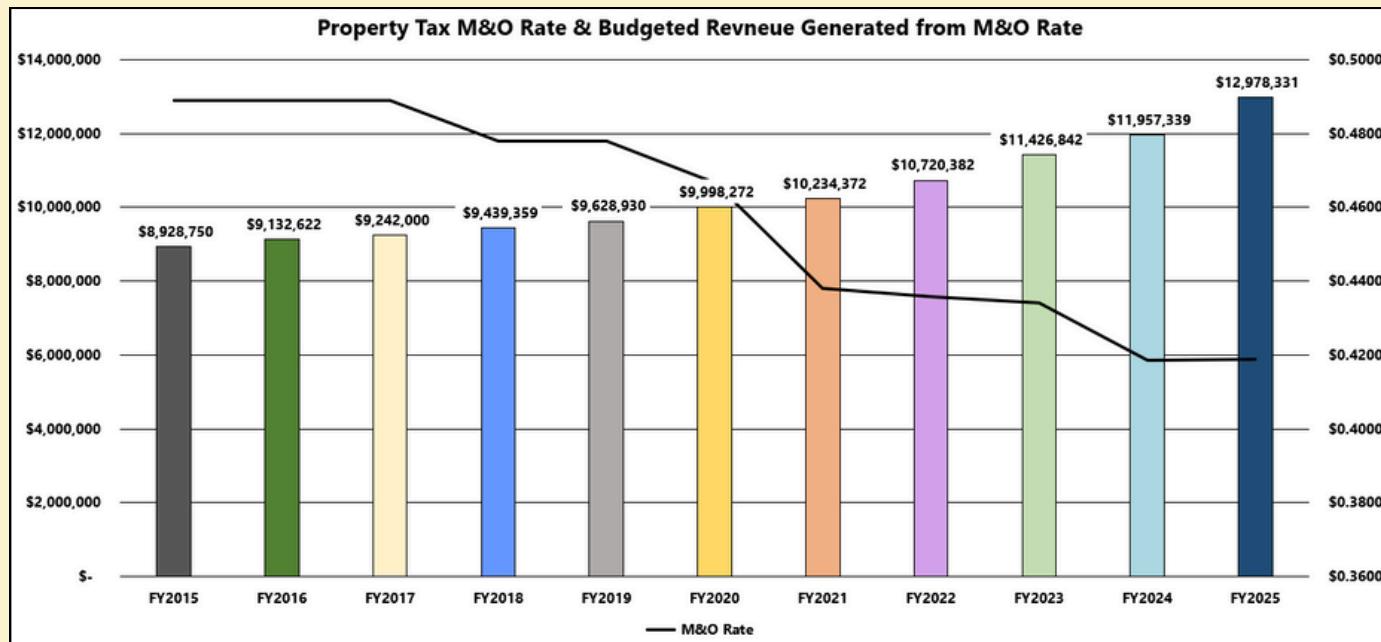
Major revenues sources explained:

- **Property Tax** - In FY2025, the City Council adopted an overall property tax rate of \$0.5595 per \$100 of assessed value, which is the same as prior year. Of the FY2025 overall tax rate, \$0.1406 will be used to pay property tax-supported debt and \$0.4189 will be used to support Maintenance and Operations. The City expects to collect \$12,978,331 from property taxes in the General Fund.
- **Sales Tax**: In FY2025, the City of Kerrville expects to generate \$10,210,111 in Sales Tax. The FY2025 budget reflects a 3% decrease from the FY2024 budget due to changing sales tax trends.
- **Service Revenue**: Service revenue includes EMS charges, solid waste fees (not curbside garbage pickup) and other smaller fees. The FY2025 budget increased 9.5% over the FY2024 budget. This increase is primarily related to an increase in the volume of services provided.
- **Transfers In**: In FY2025, the General Fund will receive \$3,294,126 in Transfers In. This is made up of the following Transfers In.
 - Water Fund Street Use Fee: \$673,079
 - Water Fund Admin Fee: \$1,759,047
 - Hotel Occupancy Tax Support: \$112,000
 - General Capital Projects Interest: \$750,000

Note: The following pages of this document will provide more detail about the City's General Fund.

General Fund - Property Tax

Property Tax is the City's largest revenue source, which is expected to generate \$12,978,331 (33% of the General Fund FY2025 Revenue) in FY2025. This is an increase of 8.5% compared to the FY2024 budget. This budget includes taxes due from current year as well as estimates from taxes owed from prior year. The FY2025 property tax rate is \$0.5595 per \$100 of assessed property value. The Maintenance and Operations (M&O) portion of the tax rate is dedicated to supporting General Fund Operations. The M&O rate is \$0.4189. The remaining \$0.1406 of the property tax rate is captured in the General Debt Service Fund and is used solely to pay property tax debt obligations.



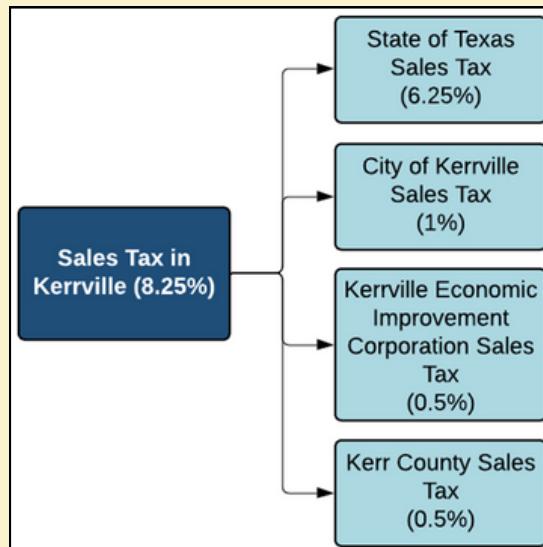
Historical Property Tax Rate			
Year	Tax Rate	M&O	I&S
FY2010	\$ 0.5625	\$ 0.4851	\$ 0.0774
FY2011	\$ 0.5625	\$ 0.4890	\$ 0.0735
FY2012	\$ 0.5625	\$ 0.4890	\$ 0.0735
FY2013	\$ 0.5625	\$ 0.4890	\$ 0.0735
FY2014	\$ 0.5625	\$ 0.4890	\$ 0.0735
FY2015	\$ 0.5625	\$ 0.4890	\$ 0.0735
FY2016	\$ 0.5625	\$ 0.4890	\$ 0.0735
FY2017	\$ 0.5625	\$ 0.4890	\$ 0.0735
FY2018	\$ 0.5514	\$ 0.4779	\$ 0.0735
FY2019	\$ 0.5514	\$ 0.4779	\$ 0.0735
FY2020	\$ 0.5400	\$ 0.4665	\$ 0.0735
FY2021	\$ 0.5116	\$ 0.4381	\$ 0.0735
FY2022	\$ 0.5093	\$ 0.4358	\$ 0.0735
FY2023	\$ 0.5752	\$ 0.4341	\$ 0.1411
FY2024	\$ 0.5595	\$ 0.4185	\$ 0.1410
FY2025	\$ 0.5595	\$ 0.4189	\$ 0.1406

City residents will pay a total property tax rate of \$1.85 per \$100 of assessed property value in FY2025. The image to the left demonstrates how property tax dollars are allocated among various taxing entities.

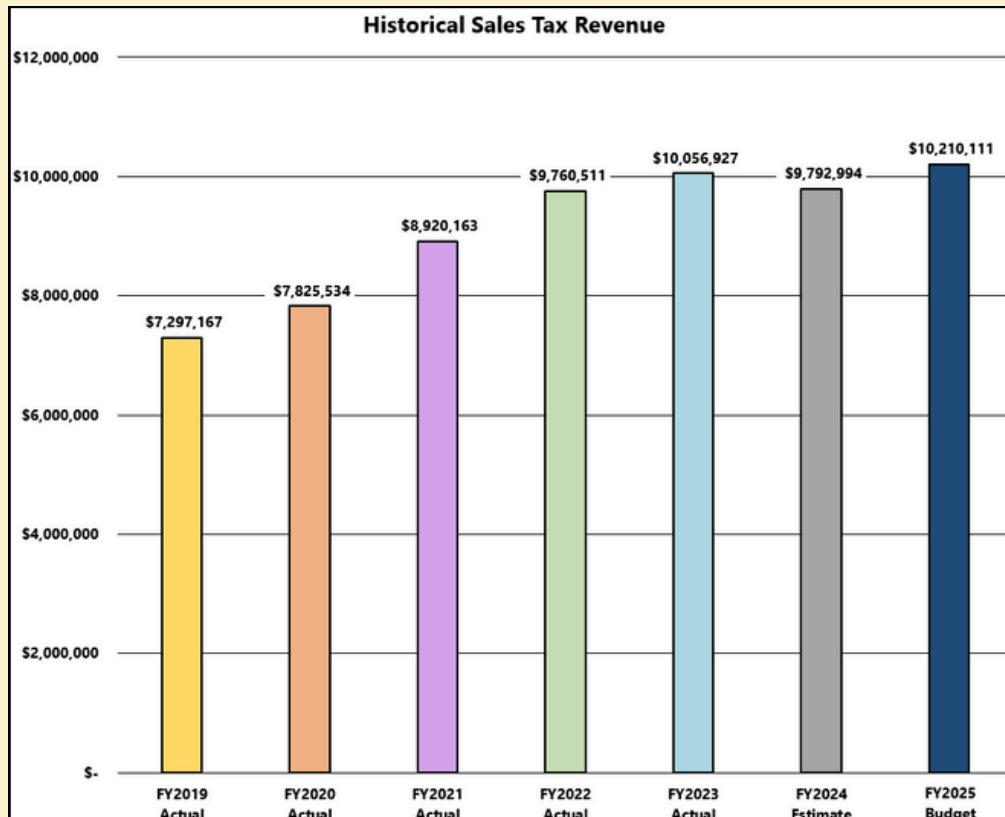
General Fund - Sales Tax

Kerrville, located in the heart of the Texas Hill Country, serves as a prime destination for tourism and commerce, which contributes significantly to its sales tax base. Kerrville serves as a retail hub for rural areas within a 100-mile radius. Its strategic location attracts both residents and visitors, fueling a steady stream of taxable transactions.

Sales Tax is the second largest revenue source of the General Fund, which is expected to generate \$10,210,111 (26% of the General Fund FY2025 Revenue). This is a 3% decrease from the FY2024 Budget. This reduction is in response to economic trends including slowed consumer spending due to inflation. Despite these economic trends the FY2025 Sales Tax revenue are expected to exceed pre-covid FY2019 actuals by 40%.



FY2024 Top Four Sales Tax Categories	
#1 - Retail	#2 - Food Service
54%	13%
#3 - Manufacturing	#4 - Wholesale
9%	5%



General Fund Expenditures

Scan the QR code to learn more about the General Fund



The City of Kerrville approached the FY2025 General Fund Expenditures Budget with several priorities that were identified in the Kerrville 2050 Comprehensive Plan. The City of Kerrville remains dedicated to making public safety the top priority, heavily focusing on street maintenance needs, and providing quality of life aspects for citizens and guests. The following list provides the departmental structure of the General Fund.

Public Safety:

- Police
- Fire-EMS
- Emergency Management & Training
- Fire Prevention
- Municipal Court

Public Works:

- Engineering
- Streets
- Solid Waste

Parks and Recreation:

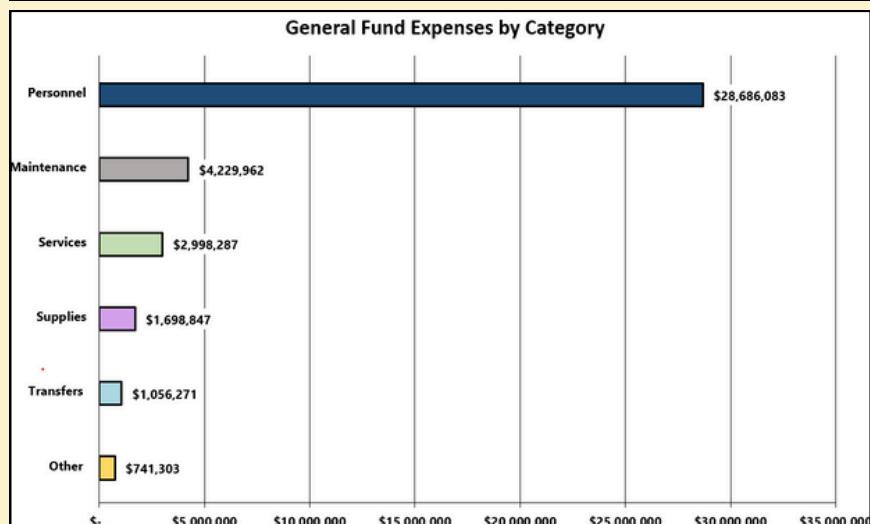
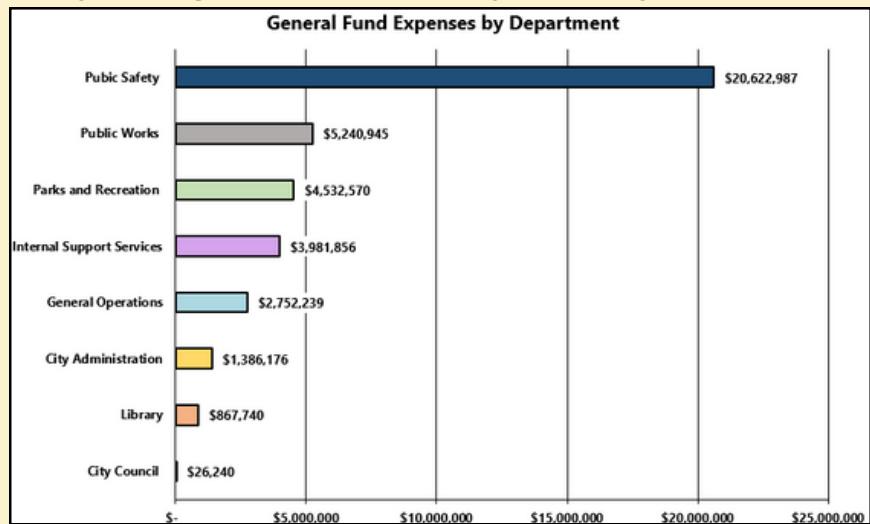
- Kerrville Schreiner Park
- Kerrville Tennis Complex
- Aquatics
- Scott Schreiner Golf Course
- Kerrville Sports Complex
- Recreation
- Community Events
- Parks and Facility Maintenance

Internal Support Services:

- Finance
- Innovation Technology
- Human Resources
- City Secretary
- Public Information Office

City Administration:

- City Manager's Office
- City Attorney



Some highlights of the FY2025 General Fund Budget are:

- 274 Full-Time Employees
 - 165 Public Safety Employees
- \$2,351,735 allocated to street maintenance and repairs
- Overall increase of 4.7% from prior year's budget
 - 6.9% increase in Personnel
 - 8.9% decrease in Supplies
 - 3.2% increase in Maintenance
 - 2.7% decrease in Services
 - 5.4% increase in Capital Outlay
- Transfers Out include:
 - General Fund Asset Replacement: \$750,000
 - Development Services: \$306,271
- Scott Schreiner Golf Course will be closed for a portion of FY2025 for renovations.
- Aquatics - Olympic Pool will be closed in FY2025 for renovations

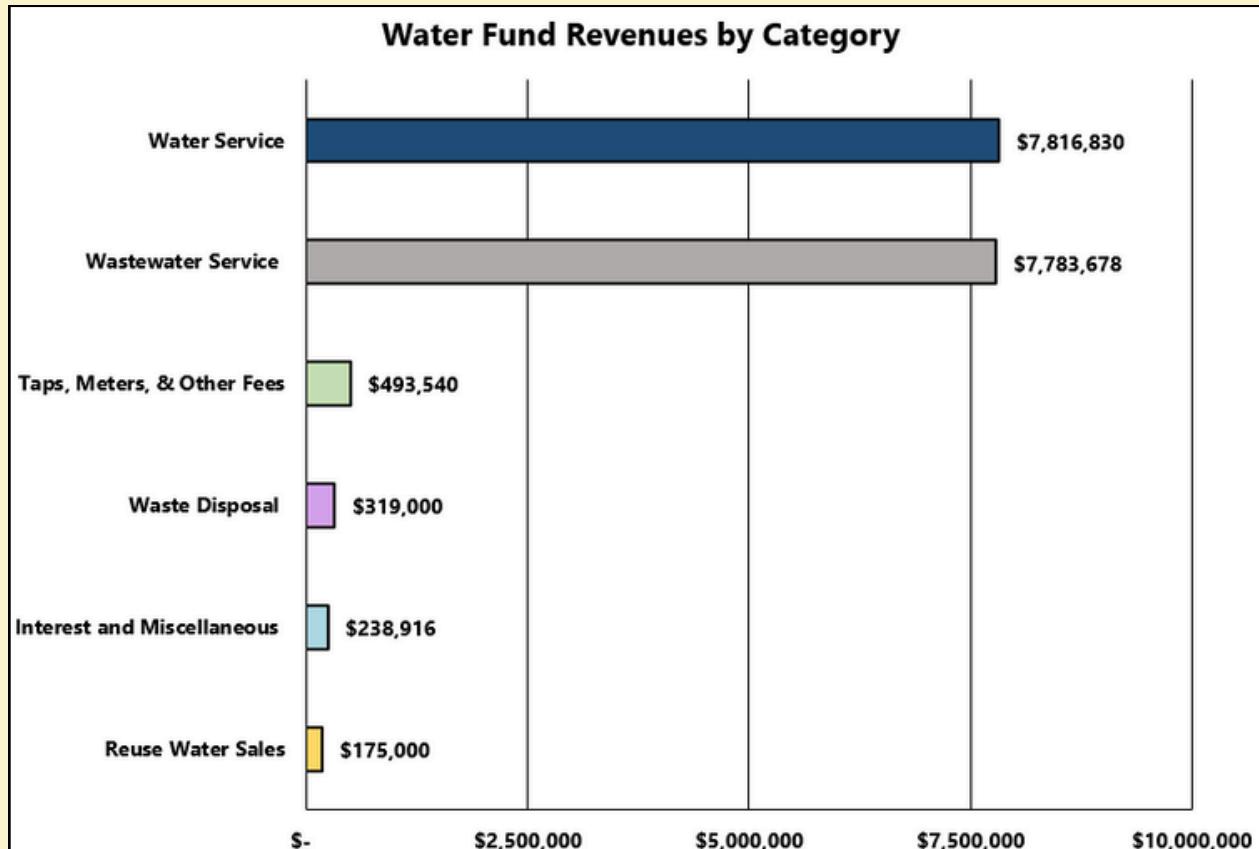
Water Fund Revenues

Scan the QR code to learn more about the Water Fund



The Water Fund is an enterprise business fund which means it operates as a business. Operating expenses are covered using revenues generated by the fund. No property tax dollars are allocated to this fund. The Water Fund accounts for the provision of water and wastewater services to the residents of the City and certain areas outside the City limits. All activities and maintenance necessary to provide these services are accounted for in this fund. The FY2025 Water Fund budget is balanced with \$16,826,964 in revenues and expenditures.

Approximately 97% of revenue generated in the Water Fund comes from consumption-based services (water sales, sewer service sales, and reuse water sales). The chart below shows a breakdown of the FY2025 Water Fund Revenues by Category.



The FY2025 Budget includes an increase to both water and wastewater rates with emphasis on the base rates, to provide more reliable revenue to the fund. The rates of higher consumption users were also increased to encourage conservation. The increase to the average consumption user (5,000 gallons per month) will be approximately \$10.97 a month or \$131.64 a year. It is important to note that the rate-setting process in FY2025 was based on a conservative consumption model with a 30% reduction in irrigation. As the City continues to focus on ensuring a sustainable water system for current and future residents conservation efforts are extremely important.

To view more information on the City's Water Fund FY2025 Budget please visit:
<https://kerrvilletx.gov/DocumentCenter/View/44631/FY2025-Proposed-Budget-Book>

Water Fund Expenditures

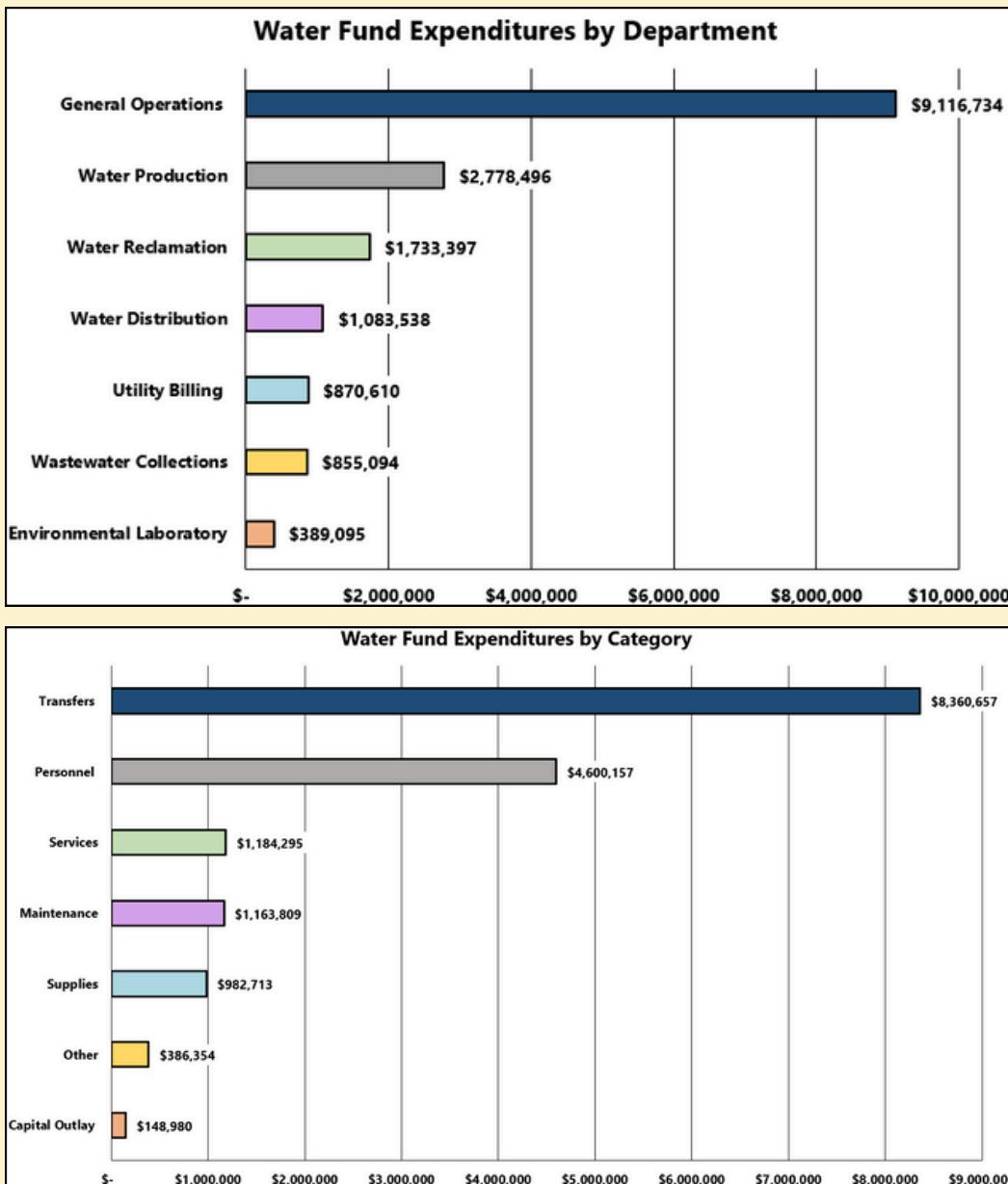
Scan the QR code to learn more about the Water Fund



The Water Fund is home to six departments and General Operations, which contains expenses that are shared by the entire fund. Water Production, the largest department, is responsible for collection, storage, treatment and distribution of water to the City. Other departments include Water Reclamation (treats wastewater) Water Distribution (maintains City water distribution lines and installs new lines), Wastewater Collections (maintains City wastewater lines and installs new lines), Environmental Laboratory (conducts water/wastewater testing) and Utility Billing (metering and billing). The charts below represent FY2025 Water Fund Expenditures by Department and by Category.

Highlights of the FY2025 Water Fund Budget are:

- 52 Full Time Employees
- Transfers Out include:
 - Water Asset Replacement: \$750,000
 - Development Services: \$76,568
 - Water Debt Service: \$4,676,963
 - Water Capital Projects: \$425,000
 - General Fund Street Use Fee: \$673,079
 - General Fund Admin Fee: \$1,759,047
- 3.8% increase in Personnel
- 7.8% increase in Supplies
- 2.8% decrease in Maintenance
- 8% increase in Services
- 14.2% increase in Other
 - \$60,000 increase in Contingency
- 2.8% increase in Capital Outlay



Asset Replacement Funds

The Asset Replacement Funds are key resources used to address the replacement needs of fleet vehicles, equipment, and other assets. Revenues for these funds are generated from budgeted transfers-in from other funds, transfers of surplus funds approved by City Council, and the sale of assets being replaced. These funds help ensure that departments have the essential tools needed to perform their jobs efficiently and to the highest standards. The FY2025 budget includes both purchases and leases. Leases include current commitments from prior years.

General Asset Replacement Fund

General Asset Replacement FY2025
Budgeted Revenues: \$1,114,898

General Asset Replacement FY2025
Budgeted Expenditures: \$1,719,171

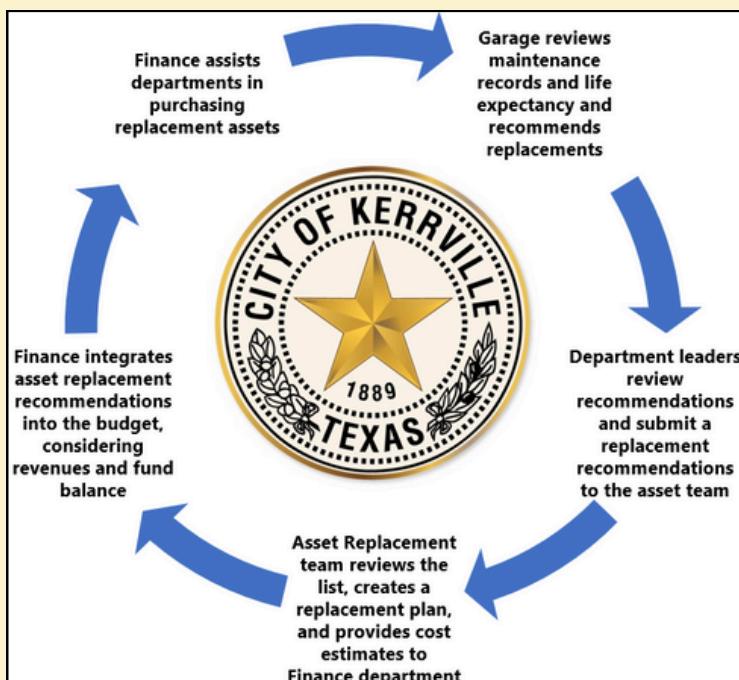
General Asset Replacement FY2025
Estimated Ending Fund Balance: \$986,508

Water Asset Replacement Fund

Water Asset Replacement FY2025
Budgeted Revenues: \$824,031

Water Asset Replacement FY2025
Budgeted Expenditures: \$801,777

Water Asset Replacement FY2025
Estimated Ending Fund Balance: \$970,614



BEYOND TOMORROW

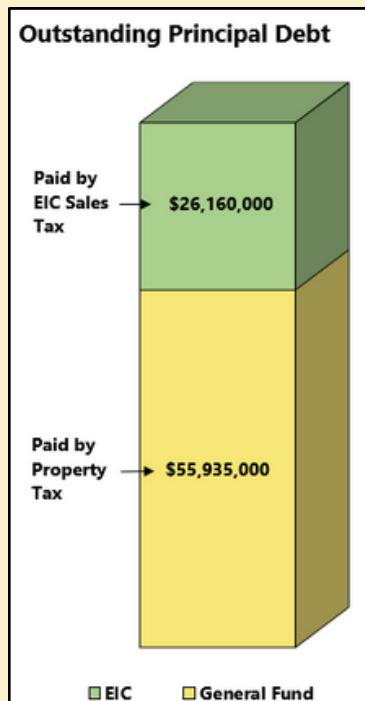
General Fund Debt Service

The City uses separate funds to budget for annual principal and interest payments on outstanding debt. General Debt Service is funded from Property Tax Revenue and 4B Sales Tax Revenue. 4B Sales Tax Revenue is contributed by the Economic Improvement Corporation (EIC) to pay for economic incentive and quality of life related debt. The City earned a AA rating from Standard & Poor's rating service for its general obligation debt. This rating indicates a high credit quality and investment grade status.

FY2025 General Debt Service		Total Debt Payments
*CO 2015 - Sports Complex		\$ 602,600
Refunding Series 2017 - CO 2007, GO 2007 & CO 2009		\$ 509,625
CO 2019 - Streets and Drainage		\$ 640,275
*Refunding Series 2019 - CO 2011A (River Trail)		\$ 256,700
*Refunding Series 2020 - CO 2012 (River Trail)		\$ 230,250
GO 2022 - Public Safety Facility		\$ 2,547,494
Tax Note 2024 - Fire Trucks		\$ 335,695
Banking Fees		\$ 2,350
Total FY2025 General Debt Service Payments	\$	5,124,989

***Funded using 4B Sales Tax Revenue that is contributed by the Economic Improvement Corporation (EIC)**

The State law limits the debt service portion of the levy to no more than \$1.50 per \$100 of assessed value. The City's Financial Management Policy directs that debt service obligations for the General Fund should not cause the debt portion of the tax rate to exceed 25% of the total tax rate.



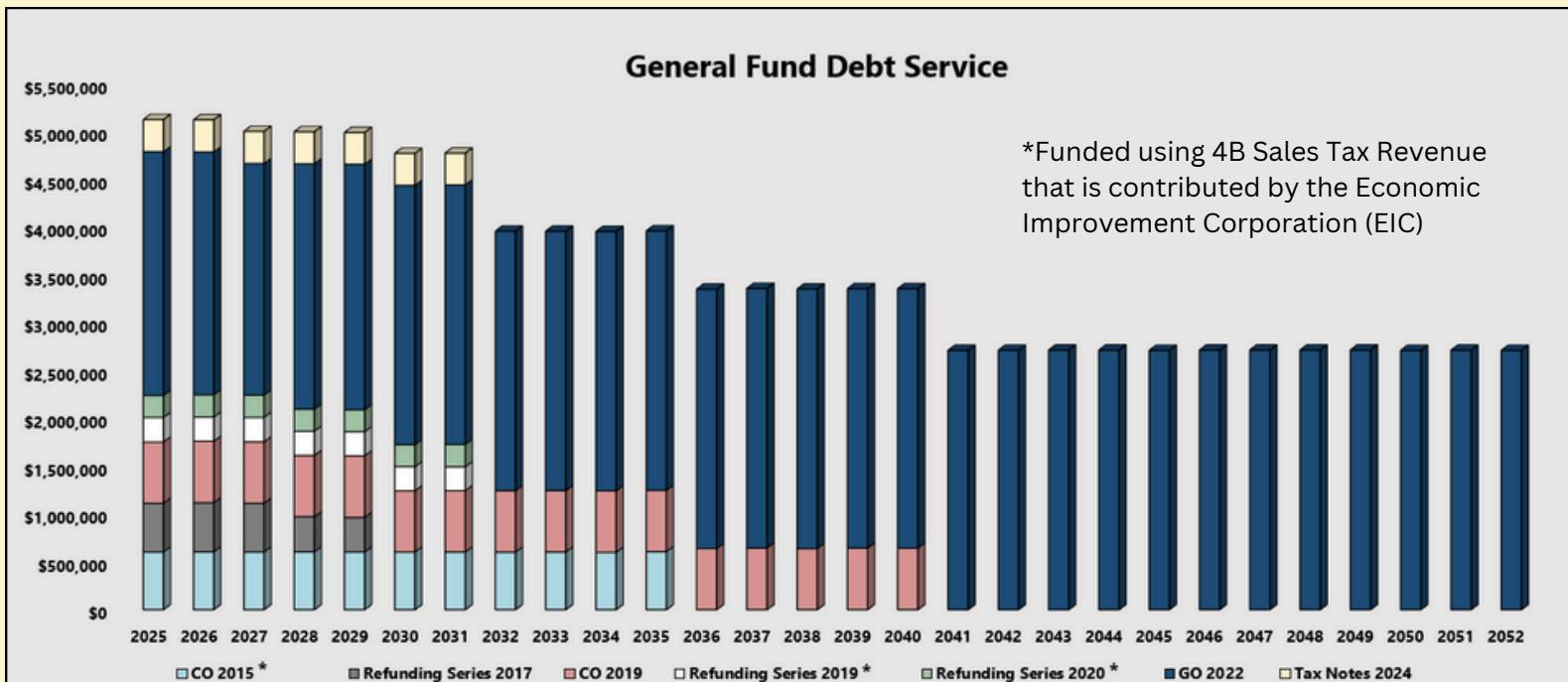
Year	Tax Rate	M&O	I&S	% of Tax Rate is I&S
FY2010	\$ 0.5625	\$ 0.4851	\$ 0.0774	14%
FY2011	\$ 0.5625	\$ 0.4890	\$ 0.0735	13%
FY2012	\$ 0.5625	\$ 0.4890	\$ 0.0735	13%
FY2013	\$ 0.5625	\$ 0.4890	\$ 0.0735	13%
FY2014	\$ 0.5625	\$ 0.4890	\$ 0.0735	13%
FY2015	\$ 0.5625	\$ 0.4890	\$ 0.0735	13%
FY2016	\$ 0.5625	\$ 0.4890	\$ 0.0735	13%
FY2017	\$ 0.5625	\$ 0.4890	\$ 0.0735	13%
FY2018	\$ 0.5514	\$ 0.4779	\$ 0.0735	13%
FY2019	\$ 0.5514	\$ 0.4779	\$ 0.0735	13%
FY2020	\$ 0.5400	\$ 0.4665	\$ 0.0735	14%
FY2021	\$ 0.5116	\$ 0.4381	\$ 0.0735	14%
FY2022	\$ 0.5093	\$ 0.4358	\$ 0.0735	14%
FY2023	\$ 0.5752	\$ 0.4341	\$ 0.1411	25%
FY2024	\$ 0.5595	\$ 0.4185	\$ 0.1410	25%
FY2025	\$ 0.5595	\$ 0.4189	\$ 0.1406	25%

The increase in the I&S rate in FY2023 is due to the issuance of a voter-approved \$45,000,000 in general obligation bonds for the new public safety facility.



General Fund Debt Service

The Chart below shows General Debt Service payments schedule through FY2052



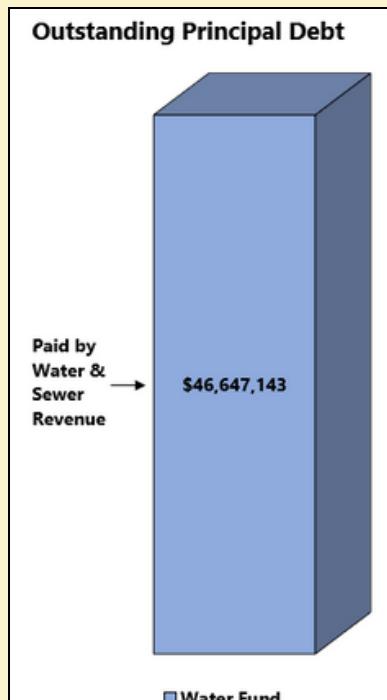
BEYOND TOMORROW

Water Fund Debt Service

The City uses separate funds to budget for annual principal and interest payments on outstanding debt. The City uses municipal bond funds and loans to finance significant public infrastructure projects such as wells, lift stations, pump stations, transmission lines, and water lines. Revenue in this fund is transferred in from the Water Fund for budgetary purposes. Budgeted expenditures include principal and interest payments for debt service and related banking fees. The City's Water Fund earned a A+ rating from Standard & Poor's rating service. This rating indicates a high credit quality and investment grade status.

Year	Water Fund Budgeted Revenue	Water Debt Service	% of Debt Service to Budget
FY2015	\$ 9,866,972	\$ 3,237,731	33%
FY2016	\$ 11,742,161	\$ 3,241,194	28%
FY2017	\$ 12,092,347	\$ 4,048,999	33%
FY2018	\$ 12,265,455	\$ 3,986,897	33%
FY2019	\$ 12,530,732	\$ 3,902,583	31%
FY2020	\$ 13,035,594	\$ 4,231,693	32%
FY2021	\$ 13,062,669	\$ 4,099,552	31%
FY2022	\$ 13,705,761	\$ 4,315,722	31%
FY2023	\$ 14,682,944	\$ 4,177,643	28%
FY2024	\$ 15,543,926	\$ 4,265,229	27%
FY2025	\$ 16,826,964	\$ 4,780,503	28%

Water Fund Debt Service is limited by the City's Financial Management Policy. Annual Water Fund Debt Service shall not exceed 35% of the Water Fund annual revenue. For the FY2025 budget, this limit means that debt service must be less than \$5.9 million. The Water Fund Debt Service is \$4.8 million which is 28% of Water Fund revenue.



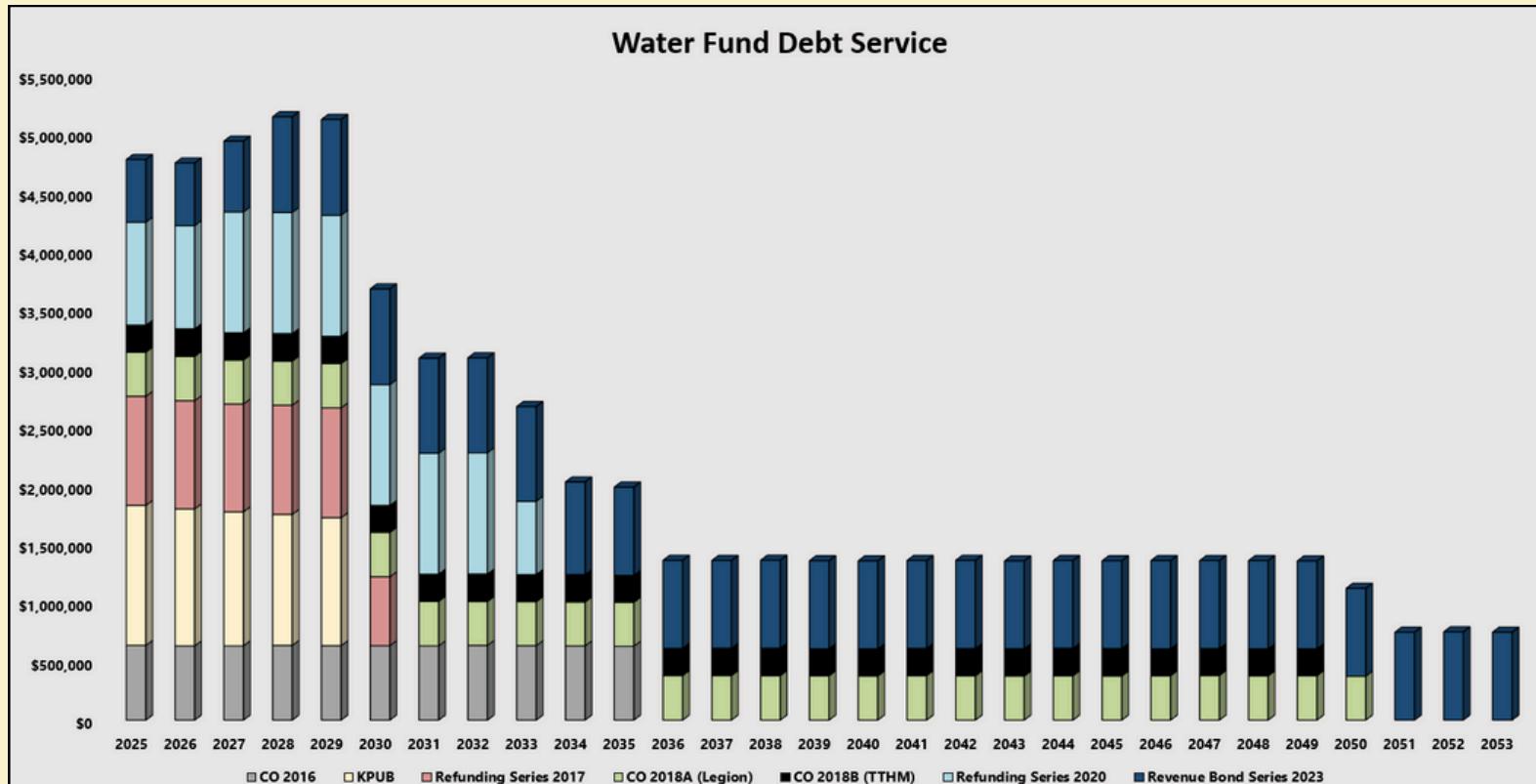
FY2025 Water Debt Service	
	Total Debt Payments
CO 2016 - Water/Wastewater System (Reuse & Others)	\$ 635,950
Kerrville Public Utility Board - Reuse Infrastructure	\$ 1,193,571
Refunding Series 2017 - GO 2007, CO 2009, CO 2010, CO 2011	\$ 929,050
CO 2018A - Legion Lift Station	\$ 375,454
CO 2018B - Trihalomethanes (TTHM) Filtration	\$ 231,178
Refunding 2020 - CO 2012 & CO 2013	\$ 877,000
Revenue Bond 2023 - Water & Sewer System Improvements	\$ 534,150
Banking Fees	\$ 4,150
Total FY2025 Water Debt Service Payments	\$ 4,780,503



Legion Lift Station

Water Fund Debt Service

The Chart below shows Water Debt Service payments through 2053



Clarifier #3 Rehabilitation



Water Production Facility

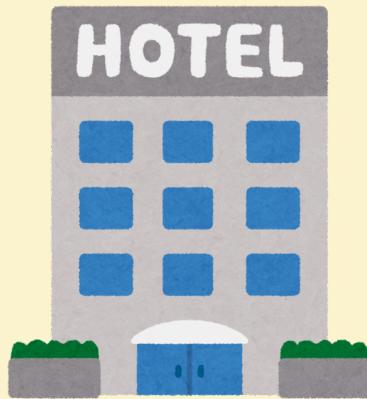
BEYOND TOMORROW

Hotel Occupancy Tax Fund

Scan the QR code to learn more about the Hotel Occupancy Tax Fund



The Hotel Occupancy Tax Fund (HOT) is a special revenue fund that accounts for revenues and expenditures related to the hotel/motel occupancy tax received by the City. The primary revenue source for the HOT fund is a 7% occupancy tax collected by hoteliers (including short-term rentals). Use of occupancy tax funds is heavily restricted in accordance with Texas Tax Code Chapter 351 and can only be used to promote tourism, arts and culture, and convention type programs or events.



7% Occupancy Tax



City's Hotel
Occupancy Tax Fund

Highlights of the FY2025 Hotel Occupancy Tax Fund are:

- \$1,889,419 in Revenues
- \$2,979,874 in Expenses
 - Year 2 of the Community Arts Program
 - \$1,000,000 - Heart of the Hills Heritage Center project contribution
 - \$1,107,250 - Kerrville Convention and Visitors Bureau
 - \$100,000 - Playhouse 2K
 - \$50,000 - Arcadia Live (Kerrville's 4th on the River)



Community Arts Program Murals
at Louise Hays Park



Kerrville Convention & Visitors
Bureau

General Capital Projects Fund

The City of Kerrville's General Capital Projects Fund is dedicated to financing and managing the City's long-term infrastructure and facility improvements. This fund supports a wide range of projects, including road improvements, facility construction and renovations, park enhancements, and other essential public works projects. Through careful planning and allocation of resources, the City ensures that these projects address current community needs while also preparing for future growth.

The FY2025 General Capital Projects Fund Budget is:

- \$20,478,158 in Revenues
- \$51,309,646 in Expenses

Projects are often funded in one year but incur expenses in the following years, which can result in expenses exceeding revenues, or vice versa.

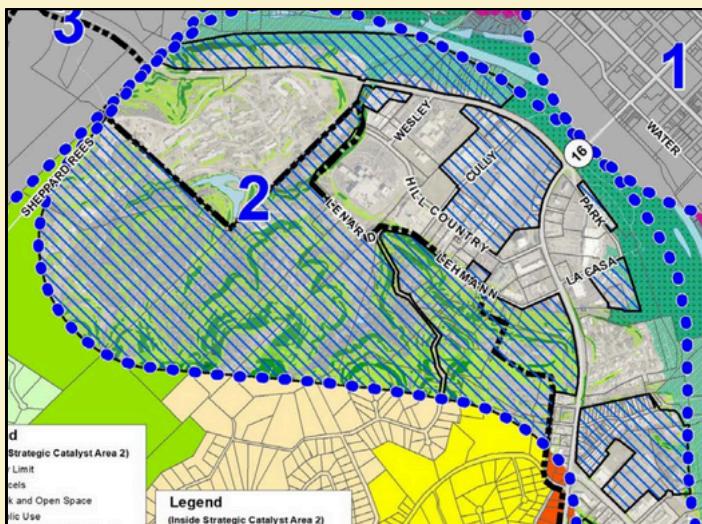
Examples of FY2025 Projects:



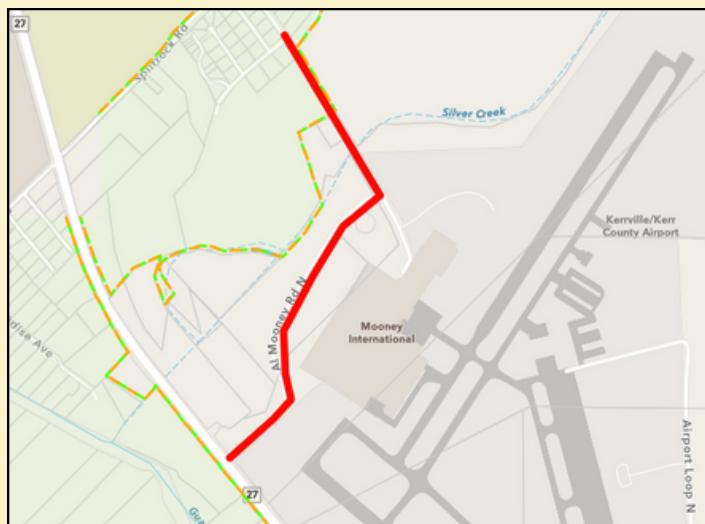
Olympic Pool Improvements



Comprehensive Plan Update



Catalyst Area 2 Pedestrian Improvements



Al Mooney Road Reconstruction

Water Capital Projects Fund

The City of Kerrville's Water Capital Projects Fund is focused on ensuring the long-term reliability and efficiency of the City's water and wastewater infrastructure. This fund supports critical projects such as water treatment facility upgrades, pipeline expansions, system maintenance, and enhancements to water storage capacity. By investing in these essential improvements, the City aims to meet the current and future demands of its growing population while maintaining high standards of water quality and wastewater treatment.

The FY2025 Water Capital Project Fund Budget is:

- \$5,688,379 in Revenues
- \$9,693,947 in Expenditures

In this fund, projects are often funded in one year but incur expenses in the following years, which can result in expenses exceeding revenues, or vice versa.

Examples of FY2025 Projects:



Broadway Lift Station Improvements



1st Street Manhole Replacements



Travis Street Pump Station Improvements



Lois Tank Replacement

Facilities Fund

As part of ongoing efforts to increase the City's sustainability, the FY2025 budget highlights the creation of two new funds. The General Facility Fund and the Water / Wastewater System Facility Fund. Both funds were created to reserve funding for larger facility and system needs in the future. In FY2025, revenues for both funds are generated from better than budget interest revenues in FY2024. These interest revenues are a result of the performance of the City's investment portfolio during the recent periods of higher interest rates and the investment of bond funds received for capital projects. Because the City realizes that rates of return will not continue at the current levels, these revenues are being considered "one-time revenues" and are therefore not being utilized for recurring expenses. Instead, City Council approved the transfer of these funds to be reserved as described above, which will continue the City's efforts to focus on long-term sustainability and reduce reliance on new debt.

The FY2025 Budget includes transfers to the funds above in the amount of \$1.50M in addition to the \$1.75M dedicated to the General and Water Asset Replacement Funds designed for the replacement of rolling stock and other equipment. This brings the total funding dedicated to sustainability of City assets to \$3.25M.



Water Reclamation Facility



Kerrville City Hall

BEYOND TOMORROW

FY2025 Budget Summary

The FY2025 budget for all funds totals \$107,970,439 in revenues and \$142,086,046 in expenditures, including transfers between funds and capital project components. Transfers in and out of all funds total \$13,556,560. Both the General and Water Funds are balanced. The twenty-five other funds show expenses exceeding revenues by \$34,115,607 due to large capital project expenditures for which revenues are received one year and expenditures happen in future years. All projects are funded before contracts are awarded. More detail for each fund is available on the City's website, www.kerrvilletx.gov.

City of Kerrville Consolidated Budget Totals by Fund FY2025						
PROGRAM FUNDS						
#	Fund Name	Estimated Beginning			Change in Net Position	Estimated Ending Fund Balance
		Fund Balance	Revenue	Expenditures		
1	General	\$ 12,864,394	\$ 39,410,753	\$ 39,410,753	-	\$ 12,864,394
2	Water	4,290,806	16,826,964	16,826,964	-	4,290,806
3	Garage	72,882	390,761	384,361	6,400	79,281
5	Employee Benefit Trust	314,715	4,580,279	4,580,279	-	314,715
8	Parkland Dedication	258,851	77,175	45,000	32,175	291,026
13	Public Safety Special Revenue	206,830	25,422	30,800	(5,378)	201,452
15	Library Memorial	2,543,557	2,166,771	1,942,352	224,419	2,767,976
18	General Asset Replacement	1,563,349	1,114,898	1,719,172	(604,274)	959,075
19	Water Asset Replacement	1,099,564	824,031	801,777	22,254	1,121,818
20	Hotel Occupancy Tax	2,077,815	1,889,418	2,979,875	(1,090,457)	987,358
21	P.E.G. Special Revenue	95,761	63,052	80,879	(17,827)	77,934
22	Muni Court Special Revenue	155,402	80,663	82,162	(1,499)	153,904
26	Landfill	908,145	87,364	50,000	37,364	945,509
28	Landfill Post Closure	2,572,715	129,760	-	129,760	2,424,687
29	Development Services	(14,922)	1,140,443	1,140,443	-	(14,921)
50	General Debt Service	1,762,502	5,263,056	5,124,989	138,068	1,900,570
51	TIRZ #1	670,605	365,044	-	365,044	1,035,649
53	Water Debt Service	1,544,085	4,780,503	4,780,503	-	1,544,085
68	History Center	218,439	27,122	22,892	4,230	222,669
70	General Capital Projects	38,822,498	20,478,158	51,309,646	(30,831,488)	7,991,010
71	Water Capital Projects	10,348,157	5,688,379	9,693,947	(4,005,568)	6,342,588
72	General Facility	-	1,000,000	200,000	800,000	800,000
73	Water/Wastewater System/Facility	-	500,000	-	500,000	500,000
83	Library Endowment	1,347,082	152,227	7,000	145,226	1,492,309
84	Cailloux Theater Endowment	607,217	54,972	25,000	29,972	637,189
85	Grant	66,125	728,752	728,752	-	66,125
90	Insurance Reserve	260,258	124,472	118,500	5,972	266,230
TOTAL		\$ 84,656,833	\$ 107,970,439	\$ 142,086,046	\$ (34,115,607)	\$ 50,263,438
COMPONENT UNIT FUND						
40	Economic Improvement Corp	\$ 31,368,974	\$ 6,005,856	\$ 20,490,311	\$ (14,484,455)	\$ 16,884,519

Thank You

Thank you for taking the time to review the City of Kerrville's FY2025 Budget in Brief. The Finance department values the input of our citizens as we strive to build a stronger, more vibrant community. To learn more about the FY2025 budget and explore how City funds are being allocated, please visit Kerrvilletx.gov and try our new interactive budgeting tool, Balancing Act. Your participation helps shape Kerrville's future.

City of Kerrville Finance Transparency

The City of Kerrville Finance Department is committed to increasing transparency each year to better serve its citizens. Recently, the department was honored with the Government Finance Officers Association (GFOA) Triple Crown Award. This prestigious recognition encompasses three key awards: the Certificate of Achievement for Excellence in Financial Reporting, the Distinguished Budget Presentation Award, and the Popular Annual Financial Report. We encourage citizens to engage by asking questions and sharing feedback. Citizen input is an essential part of the City's ability to enhance services and continually improve process.



BEYOND TOMORROW