Ryan Stevens, Place 1
Tomas Mendoza, Place 2
Steven Teschke, Place 3

James Castle, Place 4
Daniel Dennis, Place 5
Shelby St. Claire, Mayor Pro Tem, Place 6

James Clark, Mayor
CITY OF JUSTIN
CITY COUNCIL AGENDA
AUGUST 12, 2025
415 N. COLLEGE AVE.
5:30 PM

A) CALL TO ORDER

Convene into Session:
Invocation and Pledge of Allegiance
American Flag

Texas Flag: ***"Honor the Texas Flag; I pledge allegiance to thee, Texas, one state, under God, one and indivisible"***

B) PUBLIC COMMENT

In order to expedite the flow of business and to provide all citizens with the opportunity to speak, the mayor may impose a three-minute time limitation for each citizen to speak with a seasonal limitation on speakers on one topic or item with a maximum of fifteen total minutes on the same topic. The Texas Open Meetings Act prohibits the City Council from discussing issues which the public have not been given a seventy-two (72) hour notice. Issues raised may be referred to City staff for research and/or placed on a future agenda.

C) PUBLIC HEARING(S)

1. Conduct a Public Hearing on the FY 2025-2026 Budget.

D) ADJOURN

I, the undersigned authority, do hereby certify that the above notice of the meeting of the City Council of the City of Justin, Texas, is a true and correct copy of the said notice that I posted on the official bulletin board at Justin Municipal Complex, 415 North College Street, Justin, Texas, a place of convenience and readily accessible to the general public at all times, and said notice posted this 8/7/25 by 4 p.m., at least 72 hours preceding the scheduled meeting time.

Amy Piukana
Amy Piukana, TRMC, City Secretary

City Council Coversheet
August 12, 2025
415 N. COLLEGE AVE.

Agenda Item: 1. (PUBLIC HEARING(S))

Title: Conduct a Public Hearing on the FY 2025-2026 Budget.

Department: Administration

Contact: Jarrod Greenwood, City Manager

Recommendation:

Background:

The proposed budget was available the week of July 7th on the City website and in the City Secretary's office. Additionally, the proposed budget was presented to Council at the Budget Workshop on July 10, 2025. The purpose of the public hearing is to allow the public an opportunity to comment on the proposed budget that will be put forward for the Council's consideration. The proposed budget is built on a tax rate of $0.700000/ $100 valuation.

City Attorney Review: Yes

Attachments:

1. FY 26 Proposed Budget

Fiscal Year 2025-2026 Proposed Budget

Justin

TABLE OF CONTENTS

City of Justin

Fiscal Year 2025-2026 Proposed Budget

Property Tax Comparison

This budget will raise more total property taxes than last year's budget by $1,804,033, or 26.6%, and of that amount $990,053, or 14.6%, is tax revenue to be raised from new property added to the tax roll this year.

Leadership

Mayor - James Clark

Councilmembers

- Ryan Stevens
- Tomas Mendoza
- Steven Teschke
- James Castle
- Daniel Dennis
- Shelby St. Claire

Staff

City Manager - Jarrod Greenwood

Assistant City Manager - Abbey Reece

Chief Financial Officer - Michael Coon

City Secretary - Amy Piukana

Reader's Guide

This Budget Book serves as a comprehensive financial and operational plan for the City of Justin. It outlines how the city allocates resources to meet the needs of residents, deliver public services, and plan for future growth. The guide below explains each major section of the document, helping readers understand the budget's purpose, structure, and how decisions are made.

Introduction

The introduction provides an overview of the city's mission, financial goals, and budgeting philosophy. It sets the tone for the rest of the document and explains how the budget aligns with the city's strategic priorities and service commitments to the public.

Property Tax Comparison

This section compares Justin's property tax rates to those of neighboring cities or regional benchmarks. It helps residents understand how the city's tax burden compares and how property tax contributes to overall city revenue.

Basis of Budgeting

Here, readers learn how the city prepares its budget—whether it uses cash, modified accrual, or accrual accounting methods. It also explains the differences between how budgets are adopted and how actual financial reporting may occur.

Budgeting Process

This section explains the step-by-step process for creating the budget, from departmental requests to public hearings and council approval. It may include roles, deadlines, and how the city incorporates resident feedback.

Financial Policies

This section outlines key rules and guidelines that govern how the city manages its finances. These policies provide stability, transparency, and consistency in decision-making.

Significant Accounting Policies

Here, the budget book discloses major accounting practices used by the city, such as revenue recognition and capital asset treatment. These are important for understanding how the city tracks and reports its financial performance.

Budget Control

This part describes how the city ensures that departments stay within their approved budgets. It covers internal controls, monitoring, and what happens if departments overspend or underspend.

Audit Policy

This section explains the city’s policy on external audits. It assures the public that financial statements are reviewed annually by an independent third party to ensure accuracy and accountability.

Accounting System

The budget outlines the system used to record and manage the city’s financial transactions, ensuring data integrity and compliance with accounting standards.

Fund Balance Policy

This section describes how the city manages its fund balances—essentially its savings and reserves. It sets targets for how much should be kept in reserve to prepare for emergencies or unexpected changes.

Standard Fund Balance Strategy – General Fund

This subsection provides specific targets or thresholds for the General Fund’s reserve levels, such as keeping a certain percentage of annual expenditures in reserve.

Debt Service Fund Balance Strategy

Here, the city explains how it ensures enough money is available to make regular payments on existing debt. It may describe how fund balances are maintained in anticipation of principal and interest payments.

Component Units of Government Policy

This section identifies legally separate entities—like economic development corporations—that are tied to the city’s finances. It explains how they are governed and reported.

Reporting Policy

Outlines how the city communicates its financial status to the public, including regular reports, audits, and budget updates. Transparency and accessibility are emphasized.

Fund Transfer Policy

Describes how and why money may be transferred between different funds, such as moving General Fund dollars to support capital improvements or utilities.

Debt Management Policy

This section outlines how the city issues, repays, and manages debt responsibly. It includes limits on borrowing and goals for maintaining creditworthiness.

Demographics

Provides population data, age distribution, income levels, and other statistics about the city's residents. This helps contextualize the budget within the community's needs and growth patterns.

Organization Structure

Displays the structure of city government, including departments, leadership roles, and lines of reporting. A visual chart often accompanies this section.

History of the City

Gives a brief narrative about the city's founding, development, and key milestones. It provides historical context for the city's current goals and challenges.

Executive Summary

Summarizes the entire budget at a high level. It highlights major changes in revenue and spending, new initiatives, and financial outlooks. This is a good section for residents who want the big picture without reading every page.

Strategic Plan

Outlines the city's long-term goals and how the budget supports those priorities. It links funding decisions to specific outcomes or community needs.

Budget Timeline

Displays the calendar of key budget events, including planning, adoption, and implementation stages. This helps readers understand when and how decisions are made.

Priorities and Issues

Identifies the major challenges and goals facing the city in the coming year, such as infrastructure needs, staffing changes, or shifts in revenue. It sets the stage for understanding why certain funds or departments receive more focus.

Personnel Changes

Explains any additions, reductions, or realignments in staffing. It may include new positions, department restructuring, or salary adjustments.

Long-Range Operating Plan

This section looks beyond the current fiscal year to forecast future revenues, expenses, and policy needs over a multi-year horizon. It helps identify trends and prepare for future challenges.

Short-Term Organization Factors

Details specific organizational or operational changes that will affect the city in the coming year, such as software upgrades, facility moves, or new regulatory requirements.

Funds Summary Overview

Provides a high-level summary of each of the city’s major funds, including the General Fund, utility funds, and special-purpose funds. It shows beginning balances, revenue, expenditures, and ending balances.s.

Departments Overview

Each of the following departmental sections explains what the department does and its major expenses:

- General Administration
- Municipal Court
- Wastewater
- Water
- Street Maintenance
- Utility Billing
- Police
- Fire
- Parks & Municipal Maintenance
- Planning & Development
- Economic Development
- Community Development
- Debt Service
- Nondepartmental Expenditures
- Public Improvement District

Each section typically includes a mission statement, key performance indicators, and a summary of funding and expenditures.

Funding Sources Overview

Explains where the city’s money comes from. This section is broken down into subcategories:

Taxes

Covers property and sales tax revenue.

Fines and Fees

Includes specific fees tied to city services and enforcement:

- Franchise Fees
- Development Permits & Fees
- Police Fees
- Municipal Court Fines & Fees
- Library Fees
- Parks Fees

Fund Revenue

Explains recurring revenue streams within each fund.

Other Financing Sources

Includes transfers from other funds, debt proceeds, and one-time sources.

Miscellaneous Revenue

Covers all other income such as interest earnings.

Debt Services Overview

Summarizes the city’s outstanding debt, repayment schedules, and planned issuances. It shows how debt is managed and how payments are budgeted.

Appendix

The appendix includes supporting materials, such as:

- Glossary of terms
- Acronyms used throughout the budget

Introduction

To help understand the environment in which this budget was created, this section provides a summary of the following:

- Financial Policies
- Demographics
- Organizational Structure

What are City Funds?

Some residents may seek clarification on what we mean by "fund". Below is a short explanation for those seeking more information on the topic.

In city government, the term “fund” refers to a way of organizing money for different purposes. Just like households might separate their income into different budgets, such as groceries, rent, and savings, a city separates its finances into distinct funds to make sure money is spent on the correct activities. Each fund acts like a separate bank account, with its own sources of revenue and rules for how that money can be spent. This structure helps the city stay transparent and accountable, ensuring that money collected from water bills, taxes, or grants goes toward the services and programs residents expect.

Each fund has a specific purpose and must be managed separately. This is required by law and accounting standards so that, for example, money collected through utility fees isn't accidentally used to build roads, and tax dollars for general services aren’t used to pay for sewer upgrades. By keeping these funds distinct, city leaders can plan more effectively, track spending clearly, and report back to the public on how their money is being used. In short, funds help organize city finances in a way that promotes both efficiency and trust.

These include the general fund, the water/sewer fund, the economic development corporation fund, the community development corporation fund, the street maintenance fund, and the public improvement district fund.

Financial Policies

Annual Financial Performance Goals

Below are some of Justin's basic annual financial performance goals:

1. The City shall adopt a structurally balanced budget each year pursuant to state and local laws.
2. The City shall be conservative rather than aggressive in its budgeting of revenue and expenditures.
3. The City budget will be prepared in format consistent with the Government Finance Officers Associate (GFOA) distinguished budget award presentation criteria.
4. The City shall maintain an appropriate fund balance for each fund as defined by the city's fund balance policy.
5. The City will employ an active investment program in compliance with the city's investment policy that prioritizes safety and security ahead of yield and return.
6. The City's financial statements shall be audited on an annual basis, by an independent auditor, and will comply with all relevant state laws and Government Accounting Standards Board (GASB).
7. The City's monthly, quarterly, and annual financial documents shall be presented on the city's website.

Depository Policy

A depository policy is a formal set of guidelines adopted by a city to manage how and where public funds are held. It outlines the procedures for selecting banks or financial institutions to serve as official depositories, ensures compliance with state laws on collateral and security of public funds, and establishes rules for safeguarding, transferring, and investing city money. The policy is designed to protect public assets, promote transparency, and ensure that funds are accessible for city operations while also earning a reasonable return when possible. Our depository policy is as follows:

All moneys received by any person, department or agency of the City for, or in connection with, the affairs of the City shall be deposited promptly in the City depository or depositories.

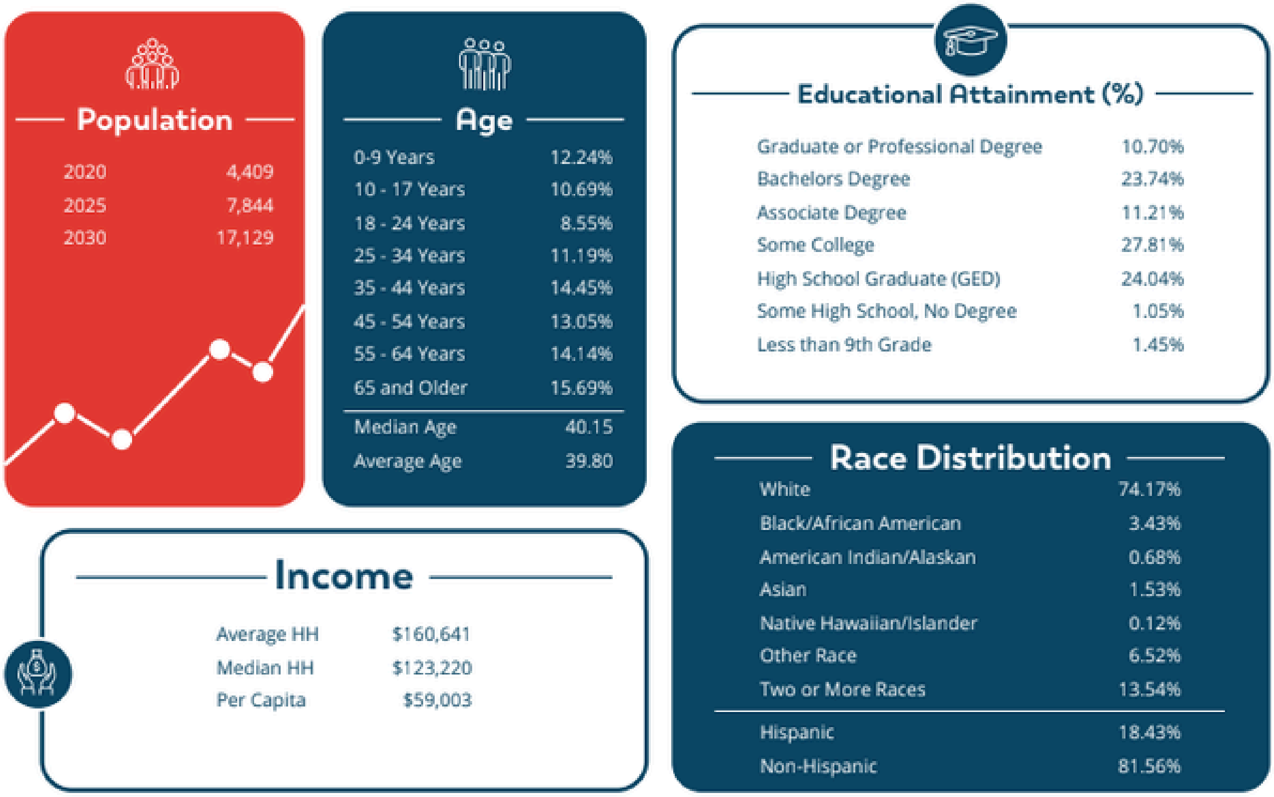
The City shall use a single depository, better known as the City Bank, for all primary/pooled checking accounts, all cash reserve bank accounts including any savings and money market accounts. The depository must comply with all relevant state laws including the Public Funds Investment Act, Public Funds Collateral Act and Federal Depository Insurance Corporation (FDIC) requirements for public funds. The City's official depository must maintain a physical branch within Denton County, with consideration
given to banks with a physical presence in Justin.

The City shall select its official depository through a Request for Proposals (RFP) for depository and banking services. As a measure to encourage competitive pricing for City business, the City shall release a depository RFP at least once every five years. The City is not under an obligation to change banks every five years, but merely to receive competitive offers for banking services to ensure the City is getting the best value for its business.

Demographics

Based on Census data, Justin has a current population of 6,197. However, there is often a considerable lag in Census data for small, growing cities.

Due to Justin's continued growth, the city partnered with the Retail Coach to produce the updated demographic estimates that are found below.



Organizational Chart

The organizational structure depicted below outlines how The City of Justin's government operates and how services are delivered to residents through a coordinated system of leadership, departments, and community boards. At the top of the structure are the residents of Justin, who elect the City Council. The Council appoints a City Manager, who serves as the chief executive responsible for overseeing the day-to-day administration of all city departments and services. Supporting the City Manager is the Assistant City Manager, who helps manage interdepartmental coordination and special projects.

Several key officials report directly to the City Council or operate independently to provide checks and balances within the system. These include the City Attorney and City Prosecutor, who provide legal advice and handle municipal court cases. The Municipal Judge presides over the city's court, ensuring due process for violations of city ordinances.

Justin's government also includes a number of appointed boards and commissions that guide policy and development decisions. These include the Library Board, Parks and Recreation Board, Planning and Zoning Commission, Economic Development Corporation (4A), Community Development Corporation (4B), the Board of Ethics, and the Keep Justin Beautiful Committee. These groups help ensure that the city's growth and community services align with residents' values and long-term goals.

Administrative functions are handled by a variety of staff under general government operations. This includes roles in human resources, communications, accounting, customer service, the library, and the municipal court. These employees provide essential internal support, help manage public engagement, and ensure regulatory compliance. The city's financial activities are further supported through contracted services with ZacTax, which assists with high-level financial planning and budget oversight.

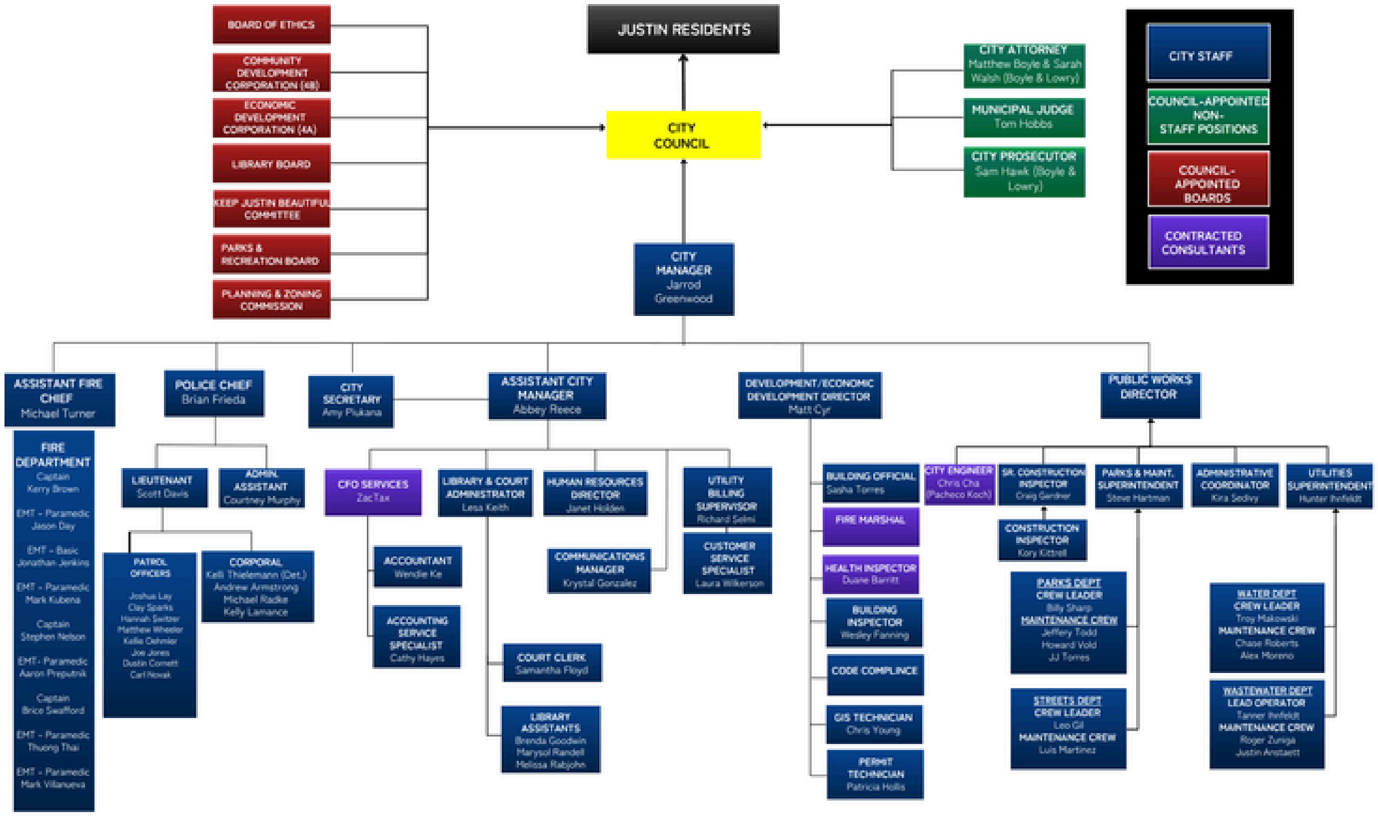
Public safety is managed by the Justin Police Department and the Justin Fire Department. The Police Department is led by the Chief of Police and includes patrol officers, detectives, a lieutenant, and a corporal. They are responsible for law enforcement, traffic control, crime prevention, and community engagement. The Fire Department, which is transitioning from a volunteer-based system to a fully integrated municipal department, is staffed by captains, paramedics, EMTs, and support personnel, all overseen by the Assistant Fire Chief and Fire Marshal. These departments work together to provide emergency response and public protection throughout the city.

Public infrastructure and utility services fall under the Public Works Department. This department includes divisions responsible for water, wastewater, street maintenance, and parks. Each division is managed by a superintendent or crew leader, with maintenance crews assigned to carry out daily operations, repairs, and capital improvements. The department is led by the Public Works Director, who ensures that the city's infrastructure remains functional and well-maintained.

Planning, development, and inspections are handled by the Development and Economic Development Department. This office manages land use planning, building permitting, zoning compliance, code enforcement, and business attraction. Staff within this area include a building official, inspectors, permit technicians, a fire marshal, a health inspector, and a GIS technician, all coordinated by the Development and Economic Development Director.

Finally, the city's Utility Billing Department oversees water and sewer billing, account management, and customer service for utility users. The department includes a utility billing supervisor and customer service staff, who ensure timely and accurate billing and respond to resident inquiries.

Together, these departments and roles form a comprehensive municipal organization that supports the daily needs of Justin's residents while planning for the city's continued growth and development.

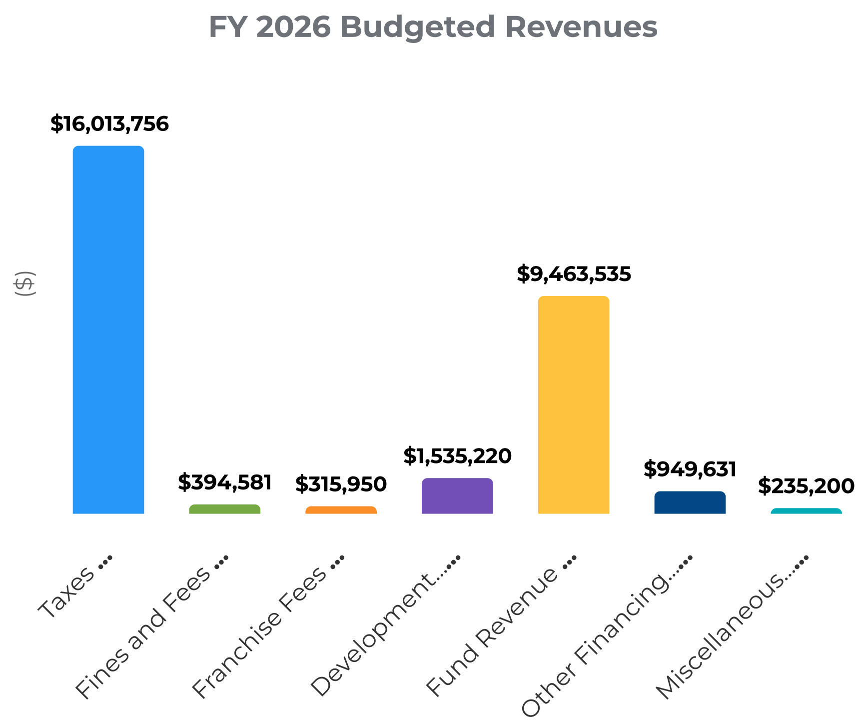


BOARD OF ETHICS
COMMUNITY DEVELOPMENT CORPORATION (4B)
ECONOMIC DEVELOPMENT CORPORATION (4A)
LIBRARY BOARD
KEEP JUSTIN BEAUTIFUL COMMITTEE
PARKS & RECREATION BOARD
PLANNING & ZONING COMMISSION
JUSTIN RESIDENTS
CITY COUNCIL
CITY ATTORNEY Matthew Boyle & Sarah Walsh (Boyle & Lowry)
MUNICIPAL JUDGE Tom Hobbs
CITY PROSECUTOR Sam Hawk (Boyle & Lowry)
CITY STAFF
COUNCIL-APPOINTED NON-STAFF POSITIONS
COUNCIL-APPOINTED BOARDS
CONTRACTED CONSULTANTS
CITY MANAGER Jarrod Greenwood
ASSISTANT FIRE CHIEF Michael Turner
FIRE DEPARTMENT
Captain Kerry Brown
EMT - Paramedic Jason Day
EMT - Basic Jonathan Jenkins
EMT - Paramedic Mark Kubena
Captain Stephen Nelson
EMT- Paramedic Aaron Preputnik
Captain Brice Swafford
EMT - Paramedic Thuong Thai
EMT - Paramedic Mark Villanueva
POLICE CHIEF Brian Frieda
LIEUTENANT Scott Davis
ADMIN. ASSISTANT Courtney Murphy
PATROL OFFICERS Joshua Lay, Clay Sparks, Hannah Switzer, Matthew Wheeler, Kellie Oehmler, Joe Jones, Dustin Cornett, Carl Nowak
CORPORAL Kelli Thielemann (Det.), Andrew Armstrong, Michael Radke, Kelly Lamance
CITY SECRETARY Amy Piukana
ASSISTANT CITY MANAGER Abbey Reece
CFO SERVICES ZacTax
ACCOUNTANT Wendie Ke
ACCOUNTING SERVICE SPECIALIST Cathy Hayes
LIBRARY & COURT ADMINISTRATOR Lesa Keith
COURT CLERK Samantha Floyd
LIBRARY ASSISTANTS Brenda Goodwin, Marysol Randell, Melissa Rabjohn
HUMAN RESOURCES DIRECTOR Janet Holden
COMMUNICATIONS MANAGER Krystal Gonzalez
UTILITY BILLING SUPERVISOR Richard Selmi
CUSTOMER SERVICE SPECIALIST Laura Wilkerson
DEVELOPMENT/ECONOMIC DEVELOPMENT DIRECTOR Matt Cyr
BUILDING OFFICIAL Sasha Torres
FIRE MARSHAL
HEALTH INSPECTOR Duane Barritt
BUILDING INSPECTOR Wesley Fanning
CODE COMPLINCE
GIS TECHNICIAN Chris Young
PERMIT TECHNICIAN Patricia Hollis
PUBLIC WORKS DIRECTOR
CITY ENGINEER Chris Cha (Pacheco Koch)
SR. CONSTRUCTION INSPECTOR Craig Gardner
CONSTRUCTION INSPECTOR Kory Kittrell
PARKS & MAINT. SUPERINTENDENT Steve Hartman
PARKS DEPT CREW LEADER Billy Sharp MAINTENANCE CREW Jeffery Todd, Howard Vold, JJ Torres
STREETS DEPT CREW LEADER Leo Gil MAINTENANCE CREW Luis Martinez
ADMINISTRATIVE COORDINATOR Kira Sedivy
UTILITIES SUPERINTENDENT Hunter Ihnfeldt
WATER DEPT CREW LEADER Troy Makowski MAINTENANCE CREW Chase Roberts, Alex Moreno
WASTEWATER DEPT LEAD OPERATOR Tanner Ihnfeldt MAINTENANCE CREW Roger Zuniga, Justin Anstaett

Executive Summary

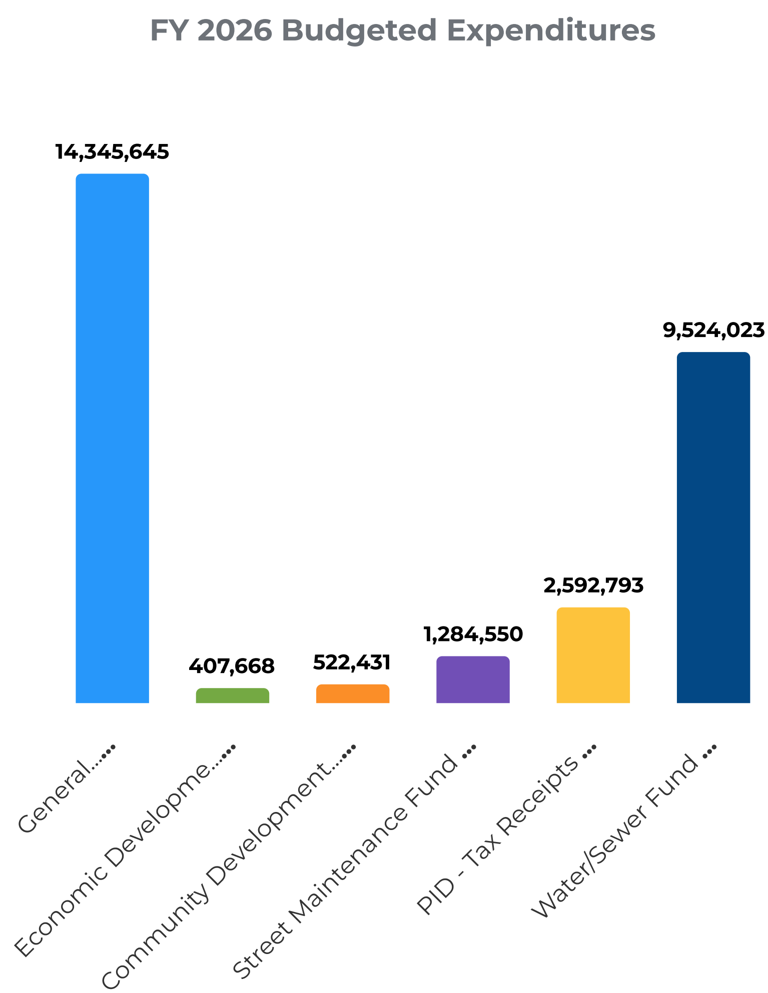
Revenues

The City's budget is supported by several main sources of revenue. Taxes, which include property and sales tax, provide the largest share of funding for core services like public safety, streets, and parks. Fines and fees come from activities such as municipal court citations, library fees, and permits for special services. Development permits and fees are collected from builders and developers to cover the cost of reviewing plans, issuing permits, and inspecting new construction. Fund revenue includes money that comes from city-owned utilities and other dedicated funds that help maintain specific services without relying solely on tax dollars.



Expenditures

The City's expenditures are divided into several funds, each supporting different services and community needs. The General Fund covers day-to-day operations such as police, fire protection, parks, streets, and general administration. The Economic Development and Community Development Corporations fund projects and programs that attract businesses, support local jobs, and revitalize neighborhoods. The Street Maintenance Fund is used to repair and maintain roadways and sidewalks. The Public Improvement District (PID) Tax Receipts pay for improvements and services in designated areas that benefit from additional maintenance or enhancements. The Water and Sewer Fund covers the costs of providing clean drinking water, wastewater treatment, and maintaining the utility system that serves residents and businesses.



Budget Timeline

The City of Justin began its FY 2025–26 budget process in March 2025 with a kickoff meeting among staff, followed by budget preparation meetings with department heads in early April. These early sessions focused on setting priorities, estimating revenues, and identifying operational needs for the coming year. By late May, each department submitted finalized budget revisions, including funding requests for new staff positions, infrastructure improvements, and equipment upgrades. Then, during the month of June, all these inputs were compiled into the proposed budget document.

On July 10, the city will hold its first public workshop for the FY 2025-26 Budget. The workshop will be publicly noticed and accompanied by presentation materials outlining the city's strategic alignment and projected financial outlook.

By late July, Denton County will issue certified property tax rolls, allowing city staff to calculate the effective and proposed tax rates. An updated budget will then be published online in early August alongside legal notices in accordance with the Truth-in-Taxation Act. These notices included the proposed tax rate and invited residents to participate in upcoming hearings.

A budget workshop and formal public hearing are anticipated to be held on August 12, giving City Council an opportunity to receive public feedback and make final adjustments. On August 14, the Council will consider the adoption of the budget and tax rate for the fiscal year, meeting all legal deadlines. Throughout this process, the city is emphasizing transparency and strategic planning, linking each major initiative to long-term goals around operational excellence, growth, quality of life, and community engagement.

Budget Calendar

- **March 26, 2025**
  Budget Kickoff
- **April 7, 2025**
  Finance Start meeting with Department Heads
- **April 23, 2025**
  Initial review of Budget Requests
- **May 15, 2025**
  Finalize Revenue Projections
- **May 28, 2025**
  Final Budget Balancing
- **July 3, 2025**
  Draft budget published/posted on website
- **July 10, 2025**
  Budget Workshop
- **July 14, 2025**
  Deadline to File Proposed Budget.
- **July 25, 2025**
  Certified Tax Roll Received
- **August 2, 2025**
  Deadline to Publish Notice of Budget hearing in Newspaper.
- **August 7, 2025**
  Deadline Proposed Tax Rate Approval by City Council,
- **August 7, 2025**
  Deadline Internet & TV Notice of Tax Rate Public Hearing
- **August 9, 2025**
  Deadline to Publish Notice of Tax Rate Hearing in Newspaper
- **August 12, 2025**
  Last Day for Public Hearing on Budget
- **August 14, 2025**
  Last day to Pass Budget, Hold Tax Rate Public Hearing, & Adopt Tax Rate

Strategic Plan

Justin, Texas is laying the groundwork for long-term success through a focused and forward-looking strategic plan. Guided by four central pillars: Excellence in Operations, Sustainable Growth & Economic Development, Quality of Life, and Community Relations. The City is taking a deliberate approach to addressing both current needs and future opportunities, using these as our guide. From improving communication and financial transparency to planning for emergency response and fire services, the City is strengthening its internal operations. At the same time, initiatives centered on business retention, development zones, mobility planning, and youth engagement reflect a broader commitment to sustainable growth and meaningful community involvement. Each effort is rooted in a desire to serve residents well, prepare for future challenges, and uphold the values that make Justin a place people are proud to call home.

This budget is a comprehensive financial plan that reflects our strategic vision for the City and our commitment to fostering a thriving, sustainable, and high-quality community for all of its residents. Our approach in developing this budget is centered around four Strategic Pillars and eleven strategic initiatives, which can be seen below.

Pillar 1: Excellence in Operations

- **Strategic Initiative 1: Develop a Strategic Communication Plan**
- **Strategic Initiative 2: Financial Transparency**
- **Strategic Initiative 3: Strategic Partnerships**
- **Strategic Initiative 4: Municipal Space**
- **Strategic Initiative 5: Rebranding**
- **Strategic Initiative 6: Emergency Response Plan**
- **Strategic Initiative 7: Fire Transition Plan**

Pillar 2: Sustainable Growth & Economic Development

- **Strategic Initiative 8: Business Retention**
- **Strategic Initiative 9: Opportunity Districts**

Pillar 3: Quality of Life

- **Strategic Initiative 10: Mobility Plan/Golf Carts**

Pillar 4: Community Relations

- **Strategic Initiative 11: Youth Advisory Committee**

Service Level Enhancements

Service level enhancements refer to improvements the city makes to the services it provides, like adding new programs, increasing staffing, extending hours, or upgrading equipment and technology. These enhancements are typically included in the city's annual budget and are aimed at making city services faster, more accessible, more effective, and more responsive to community needs.

On a practical level, this involves:

- Hiring personnel to improve professionalism and response times
- Adding new parks staff to keep green spaces cleaner and better maintained
- Upgrading or replacing equipment to prevent service outages or delays
- Expanding public safety personnel to improve response times
- Introducing new programs like youth activities, community events, or code enforcement

The employees of Justin aim to serve the community with these enhancements, improving the quality, reliability, and responsiveness of a wide variety of services.

Service Level Enhancements Total

Below is a table containing all the planned service level enhancements that the City of Justin has budgeted for FY 2026. Note that some of these service-level enhancements are one-time expenditures that will only be paid for this year, while others are recurring expenses. The tables below organize service-level enhancements by fund and whether the items within are one-time or ongoing expenses.

Requested Funding Source	Department	Number of Requests	Total Funding Requested	Total Packages Approved	Total Funding Approved
CDC Fund	Community Development Corporation	1	$200,000	1	$200,000
General Fund	Fire	1	734,977	2	370,962
General Fund	General Administration	6	(20,698)	4	(34,698)
General Fund	Parks & Municipal Maintenance	20	1,509,787	13	653,753
General Fund	Police	9	931,299	3	205,302
General Fund	Nondepartmental	2	14,000,000	-	-
General Fund	Planning & Development	2	163,456	2	163,456
Street Fund	Street Maintenance	4	2,472,700	3	472,700
Utility Fund	Utility Billing	2	43,109	2	43,109
Utility Fund	Wastewater	10	1,013,801	8	661,491
Utility Fund	Water	18	7,186,762	12	547,002
Total		75	$28,235,193	50	$3,283,077

One-Time Service Level Enhancements - General Fund

Requested Funding Source	Service Level Description	Department	FY26 Net Impact
General Fund	Rental Tool Program	Planning & Development	$13,456
General Fund	Downtown Plan and FM 156	Planning & Development	150,000
General Fund	Tally Park Walking Trail & Bridge Project	Parks & Municipal Maintenance	129,000
General Fund	Timberbrook Dog Park Shade Structures	Parks & Municipal Maintenance	77,893
General Fund	Reatta Park Basketball Court Fencing	Parks & Municipal Maintenance	13,000
General Fund	Street Division ROW Maintenance Tractor with Boom Mower	Parks & Municipal Maintenance	209,776
General Fund	Parks Division Infield Groomer	Parks & Municipal Maintenance	18,442
General Fund	Breaching Tools	Police	19,600
General Fund	Stalker Radar and Message Trailer	Police	16,000
General Fund	Parks Division New Mower Request	Parks & Municipal Maintenance	22,392
General Fund	Parks Crew Large Area Mower	Parks & Municipal Maintenance	70,395
General Fund	Parks Crew Landscaping Trailer	Parks & Municipal Maintenance	5,583
General Fund	Street Sand Spreader	Parks & Municipal Maintenance	5,391
General Fund	Parks Division UTV	Parks & Municipal Maintenance	16,061
General Fund	8th Street Drain Improvements Project Engineering Services	Parks & Municipal Maintenance	35,000
General Fund	Electrical Service for Parks Crew Equipment Building	Parks & Municipal Maintenance	13,850
Total			$815,839

Ongoing Service Level Enhancements - General Fund

Requested Funding Source	Service Level Description	Department	FY26 Other Costs	FY26 Personnel Costs	FY26 Net Impact
General Fund	Leadership Development	General Administration	$30,000	$0	$30,000
General Fund	Efficiency within the Finance Department	General Administration	$10,000	($100,677)	($90,677)
General Fund	Creation of Motors Unit (Traffic Division) (x1)	Police	$60,035	$109,667	$169,702
General Fund	Firefighter Paramedic	Fire	$3,648	$367,314	$370,962
General Fund	Building Maintenance - Janitorial Services	General Administration	($55,238)	$66,217	$10,979
General Fund	City URL change	General Administration	$15,000	$0	$15,000
General Fund	Parks Division Maintenance II Position (x1)	Parks & Municipal Maintenance	($41,756)	$78,725	$36,969
Total			**$21,689**	**$521,246**	**$542,935**

One-Time Service Level Enhancements - Utility Fund

Requested Funding Source	Service Level Description	Department	FY26 Net Impact
Utility Fund	Compact Excavator	Water	$106,000
Utility Fund	John Deere Pickup broom Attachment	Wastewater	10,400
Utility Fund	Arezen Blower Replacement	Wastewater	18,376
Utility Fund	Infiltration & Inflow Study - Old Town & Adams Additions	Wastewater	120,000
Utility Fund	Water Site Security Cameras & Access Controls	Water	75,580
Utility Fund	Atchison Lift Station Abandonment Project	Wastewater	94,000
Utility Fund	CLX Chlorine Analyzers for Old Town & Reatta Ridge EST	Water	17,040
Utility Fund	Lift Station Ph.2 Rehab Project	Wastewater	330,000
Utility Fund	Kasco Mixer for PW GST	Water	29,800
Utility Fund	Kasco Mixer for Old Town EST Site	Water	29,800
Utility Fund	Kasco Mixer for Reatta EST Site	Water	29,800
Utility Fund	Old Town EST Backup Generator	Water	72,000
Utility Fund	Reatta Ridge EST Backup Generator	Water	60,000
Utility Fund	SCADA Programming for all EST Site Upgrades	Water	4,900
Utility Fund	Reatta Ridge EST Fencing Replacement	Water	40,290
Total			**$1,037,986**

Ongoing Service Level Enhancements - Utility Fund

Requested Funding Source	Service Level Description	Department	FY26 Other Costs	FY26 Personnel Costs	FY26 Net Impact
Utility Fund	Customer Service Specialist	Utility Billing	$4,741	$39,724	$44,465
Utility Fund	Arezen Blower Annual Maintenance Contract	Wastewater	7,015	-	7,015
Utility Fund	Outsource Utility Bills	Utility Billing	(1,356)	-	(1,356)
Utility Fund	High Service Pump Station Annual Maintenance Contracts	Water	28,750	-	28,750
Utility Fund	Public Works Water Utility Maintenance II Position	Water	7,554	45,489	53,043
Utility Fund	Equipment Annual Maintenance Contracts	Wastewater	28,657	-	28,657
Utility Fund	Public Works Wastewater Utility Maintenance II Position	Wastewater	7,554	45,489	53,043
Total			**$82,915**	**$130,702**	**$213,617**

Other Service Level Enhancements

Requested Funding Source	Service Level Description	Department	FY26 Net Impact
CDC Fund	CDC Parks Improvement Budget	Community Development	$200,000
Total CDC Fund			**$200,000**
Street Fund	Misc. Concrete Replacement Project	Street Maintenance	$155,000
Street Fund	N. Sealy Ave Reconstruction Project - Engineering Services	Street Maintenance	167,700
Street Fund	N. Snyder Ave Reconstruction Project - Engineering Services	Street Maintenance	150,000
Total Street Fund			**$472,700**

Personnel Changes

The following section outlines proposed personnel changes that support the service level enhancements described above. These additions reflect the City's efforts to align staffing with operational demands, ensure high-quality service delivery, and respond to the needs of a growing population. Each position has been carefully evaluated to address specific functional gaps, improve efficiency, and enhance the overall effectiveness of Justin's city services. The justifications provided highlight how these roles contribute to the City's strategic priorities and long-term organizational sustainability.

Creation of Motors Unit (Traffic Division)

The creation of this division is intended to enhance traffic enforcement, improve motor vehicle crash investigations, and expand community policing through increased face-to-face engagement with residents of all ages. As the city continues to grow and travel distances between response locations increase, this division will also help the patrol unit maintain current response time levels.

Establishing this unit allows for more efficient use of resources while continuing to respond effectively to other service calls. In addition to traffic enforcement, assigned officers will serve as certified crash investigators and participate in regional crash reconstruction teams, providing the city with access to specialized expertise and equipment.

This division will also support community outreach programs such as bicycle rodeos and Operation ID for bicycles, while offering daily opportunities for residents to engage with officers. These interactions often lead to the sharing of valuable community information and help ensure proper enforcement of commercial motor vehicle regulations.

Creating the Motors Unit is expected to have a net impact of $169,702 in FY26.

Firefighter Paramedic Positions

Adding three of the six firefighter paramedic positions that were requested, at a total cost of $370,962. Adding more paramedic positions aligns with the FGMA study and the Fire Department transition plan adopted by the City Council and the JCVFD Board. Full-time staffing is critical to keeping pace with the department's growing call volume, which reached 1,812 responses last year, up by more than 135 calls compared to the year before.

Adding these positions will help the department work towards staffing a second medic unit around the clock to respond to overlapping calls, which now occur multiple times each week. Additional staffing will also support long-term plans for a future ALS-equipped engine company in the southwest part of the service area, improving response times in one of the City's fastest-growing areas. These positions are part of the recommended staffing model to maintain service levels as new developments expand and Fire Station 2 comes online in the coming years.

Building Maintenance - Janitorial Services

Replacing contracted janitorial services with a full time employee will support the City's commitment to Excellence in Operations by ensuring that all municipal facilities are consistently clean, presentable, and properly prepared for daily use, meetings, and public events. Maintaining a higher standard of cleanliness throughout the day enhances both the functionality and appearance of city spaces.

Janitorial services will also contribute to the Quality of Life for employees and visitors alike by providing a more hygienic, welcoming, and professional environment. This investment supports well-maintained facilities that reflect the City's values and promote a positive public image.

Acquiring janitorial services is expected to have a net impact of $10,979 in FY26.

Parks Division Maintenance II Position

The promotion from Parks Maintenance Worker I to Parks Maintenance Worker II is a key component of enhancing Excellence in Operations by increasing the skill level and capabilities of the city's workforce.

By promoting employees to higher roles based on their expertise, the organization ensures a workforce that operates with more efficiency, proficiency, and professionalism, directly supporting excellence in all maintenance operations.

The creation of the Parks Maintenance Worker II role and the promotion process plays a crucial part in fostering Community Relationships by ensuring high-quality, responsive services that directly impact the well-being of the community.

This promotion framework fosters trust, transparency, and accountability with both employees and the community, reinforcing a positive relationship with the public.

The Parks Maintenance Worker II position aligns with Sustainable Growth & Economic Development by contributing to the efficiency and long-term stability of the city's maintenance efforts, ensuring that infrastructure and services can grow and adapt as the city expands.

The Parks Maintenance Worker II role supports sustainable growth by improving the city's ability to maintain and expand infrastructure and by reducing costs associated with repairs and disruptions, directly supporting the city's long-term economic goals.

The promotion to the Parks Maintenance Worker II position contributes to Quality of Life by ensuring that the city's public spaces, parks, utilities, and infrastructure are well-maintained and functional.

By promoting employees to more advanced roles and entrusting them with greater responsibilities, the city enhances the maintenance of public spaces, utilities, and infrastructure, ultimately improving residents' quality of life.

Due to a $50,000 reduction in contract mowing costs, filling this position is expected to have a net impact of $36,969 in FY26.

Public Works Water Utility Maintenance II Position

Public Works is requesting the addition of a Utility Maintenance Worker II position to strengthen the Utilities Maintenance team's capacity to manage the City's growing infrastructure demands. This role allows the City to assign more experienced personnel to increasingly complex tasks, resulting in faster response times, more reliable utility service, and reduced long-term maintenance costs.

Elevating experienced staff to the Maintenance Worker II level improves operational efficiency by leveraging their advanced skills and knowledge. This ensures faster, more professional service delivery and supports the City's commitment to maintaining high standards in infrastructure management. It also strengthens internal capacity while reinforcing transparency and trust through a clear pathway for advancement.

As Justin continues to grow, this position will help ensure long-term stability in utility operations, reduce the risk of service disruptions, and lower maintenance costs through more effective response and prevention. Ultimately, it supports the quality of life for residents by maintaining reliable, well-functioning public infrastructure.

Filling this position as of March 2026 is expected to have a net impact of $53,043 in FY26.

Customer Service Specialist

This position will provide essential support to the City's utility billing and customer service operations. The individual will be responsible for assisting customers in person and over the phone, processing payments, handling applications for new utility service, collecting deposits, and issuing work orders. By expanding front-line service capacity, the City can improve the speed and quality of its interactions with residents.

The addition of this position supports the City's commitment to operational excellence by reducing wait times, streamlining account setup, and ensuring accurate and timely service. It also contributes to stronger community relationships by creating more opportunities for positive, helpful engagement between City staff and residents. As the City grows and demand on administrative staff increases, this position will help maintain service quality and responsiveness, ensuring that residents' needs continue to be met efficiently and professionally.

Filling this position as of March 2026 is expected to have a net impact of $53,043 in FY26.

Public Works Wastewater Utility Maintenance II Position

Public Works is requesting the addition of a Wastewater Utility Maintenance II position to support the growing demands of the City's utility infrastructure. This role represents an advancement in both skill and responsibility from the Maintenance Worker I level and reflects the evolving needs of the department as the City expands.

Promoting to the Utility Maintenance II level enhances operational efficiency by ensuring that more experienced and technically proficient personnel are available to handle complex maintenance tasks. This contributes directly to service reliability, reduces the risk of disruptions, and supports the City's long-term infrastructure goals. The position also reinforces the City's commitment to professional growth by recognizing and rewarding employee expertise, which fosters accountability and strengthens internal capacity.

By improving the City's ability to maintain wastewater systems and respond to infrastructure needs, this role supports both quality of life for residents and the sustainable development of the community. Well-maintained systems not only prevent costly failures but also ensure that city services continue to meet the expectations of a growing population.

Filling this position as of March 2026 is expected to have a net impact of $53,043 in FY26.

Citywide Funding Sources by Category

This section contains an overview of Justin's funding sources by category. Each page contains an explanation of the funding source category in addition to how much funding is anticipated to be available for that category in each fund. Most of the City's funding sources are from revenues that are collected from taxes, fines, and fees for service. To a lesser extent, funding transfers between funds and transfers from fund balances are also used as funding sources.

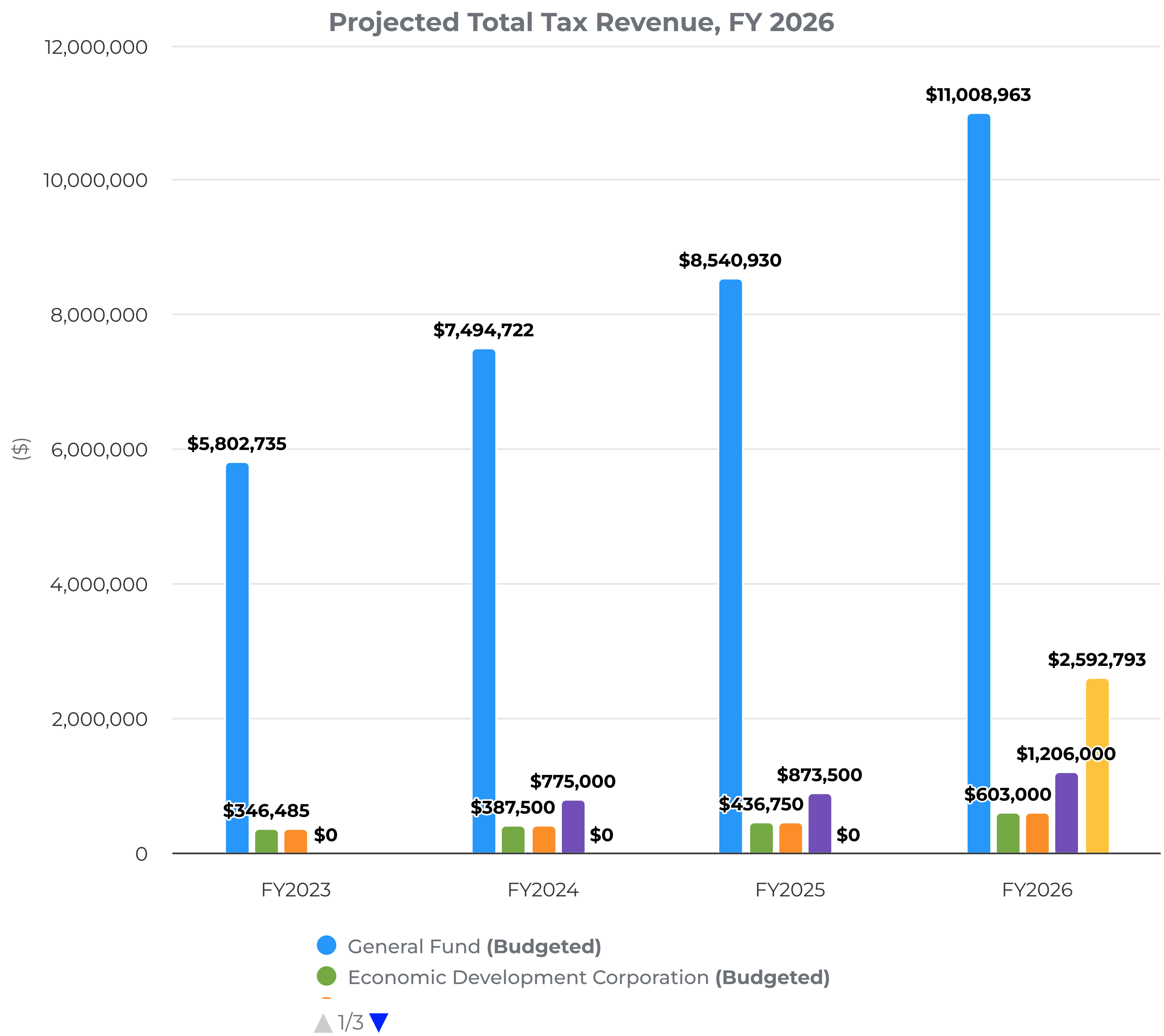
Listed below are the funding categories used by the City and that will be highlighted in this section:

- Taxes
- Fines & Fees
- Fund Revenue
- Other Financing Sources
- Miscellaneous Revenue
- Use of Fund Balance

Taxes Summary

Taxes are the primary way the City of Justin collects revenue to fund essential public services such as police and fire protection, street maintenance, parks, and general city operations. The two main sources of tax revenue for the city are property taxes and sales taxes, which together ensure the city can meet the needs of its growing community while maintaining a high quality of life. Each plays a distinct role in supporting city functions and is governed by state law and local policy.

Justin is projected to collect $16.0 million in taxes for FY 2026, which is projected to be divided among the funds according to the following chart:



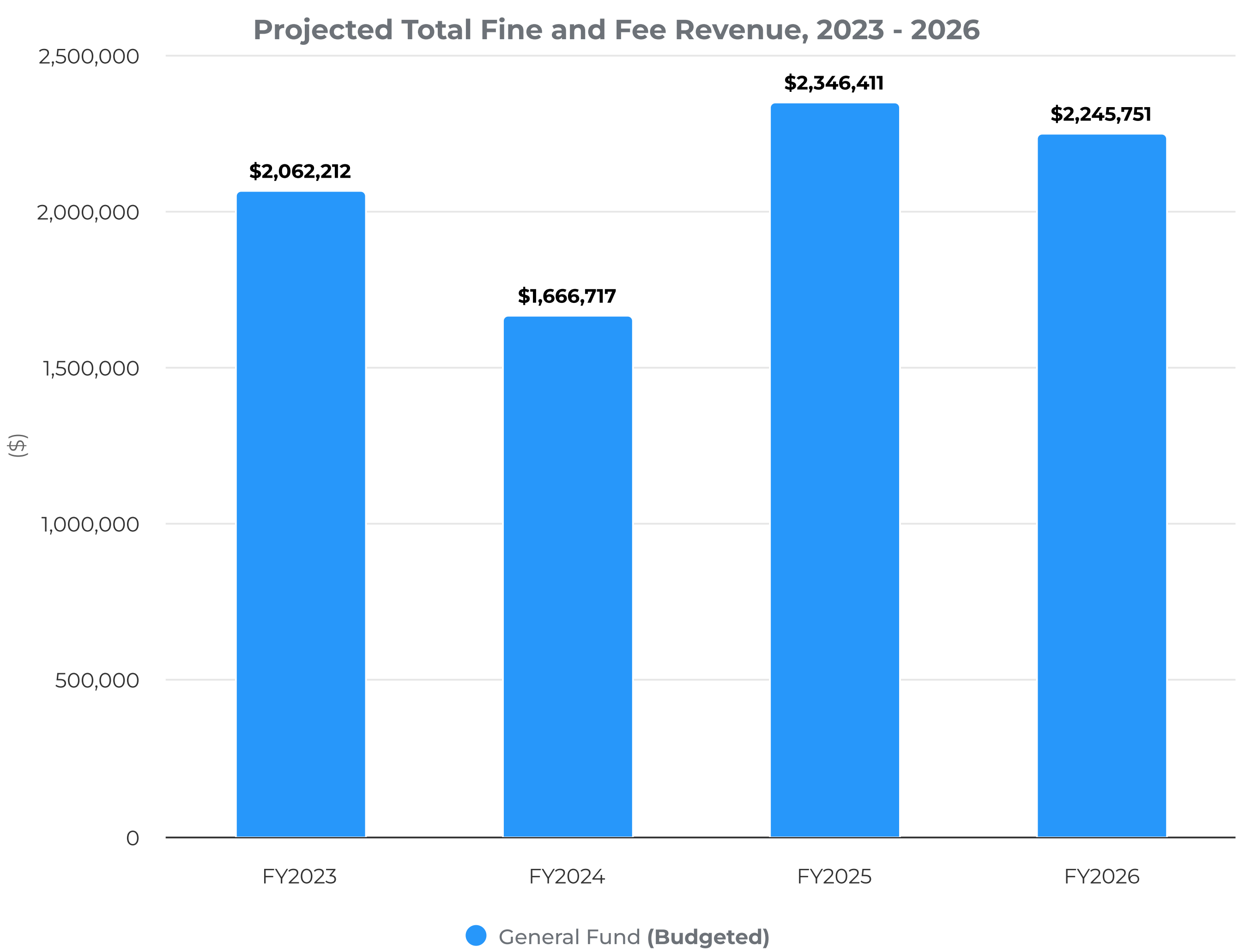
Fines and Fees

In addition to taxes, the City of Justin collects revenue through a variety of fines and fees. These charges are typically tied to specific services, usage of city resources, or penalties for ordinance violations. Unlike taxes, which apply broadly, fines and fees are usually paid only by individuals or businesses that use certain services, request special permits, or are involved in enforcement actions. They help offset the cost of providing city services, reduce the burden on taxpayers, and ensure that those who benefit from or impact city operations help pay for them.

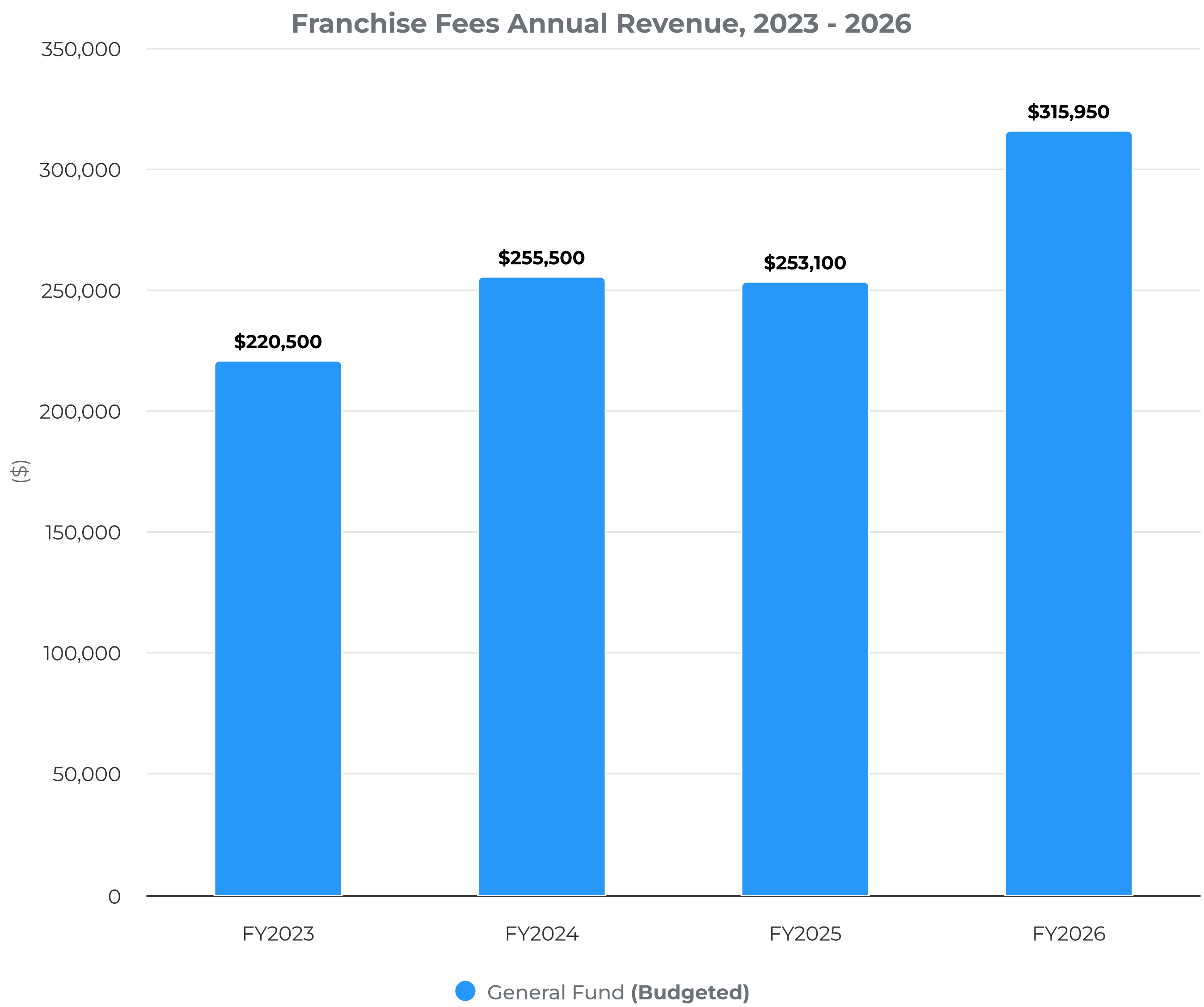
Justin has subdivided the Fines and Fees revenue category into six different subcategories. Those subcategories are listed below and will be covered in more detail on the following pages.

- Franchise Fees
- Development Permits & Fees
- Police Fees
- Municipal Court Fines & Fees
- Libary Fees
- Parks Fees

Below is a chart showing trends in budgeted fine and fee revenue from 2023 to 2026.



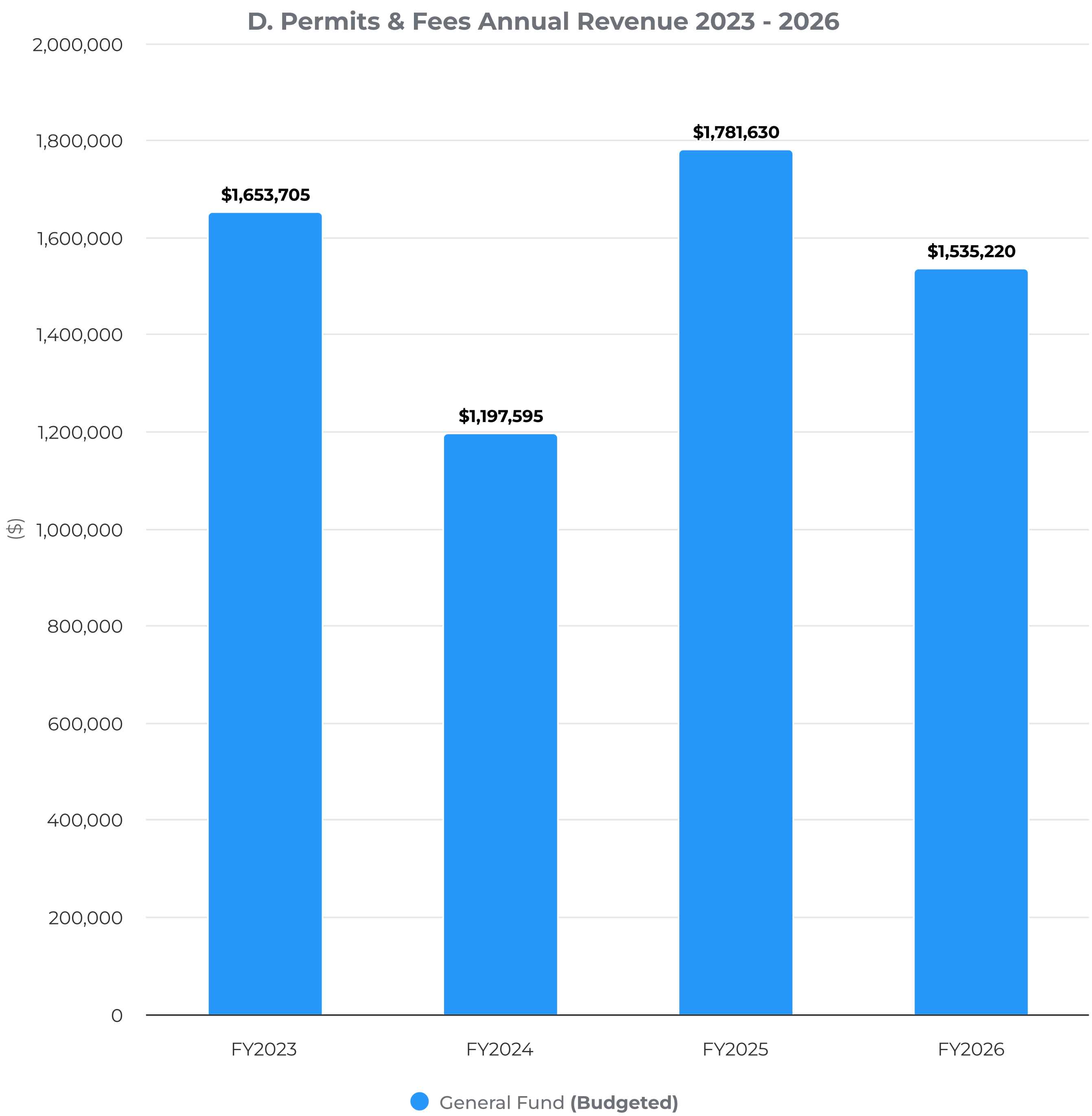
Franchise Fees



What are Franchise Fees?

A franchise fee is a charge that utility companies pay to a city for the right to operate within its boundaries and use public infrastructure such as streets, alleys, and rights-of-way to deliver services. These companies, such as electric, gas, cable, and telecommunications providers, pass the cost of the fee on to their customers, which is why it often appears as a separate line item on residents' utility bills. Franchise fees are not taxes in the traditional sense, but they do function as a source of revenue for the city, similar to rent that companies pay for access to public space. In most cities, including Justin, these fees are deposited into the general fund and help support core services like police, fire protection, parks, and administration. The amount collected can vary by provider, depending on the terms of the franchise agreement, which is typically negotiated between the city and the company and approved by the city council.

Development Permits and Fees



What are Development Permits & Development Fees?

Development Permits

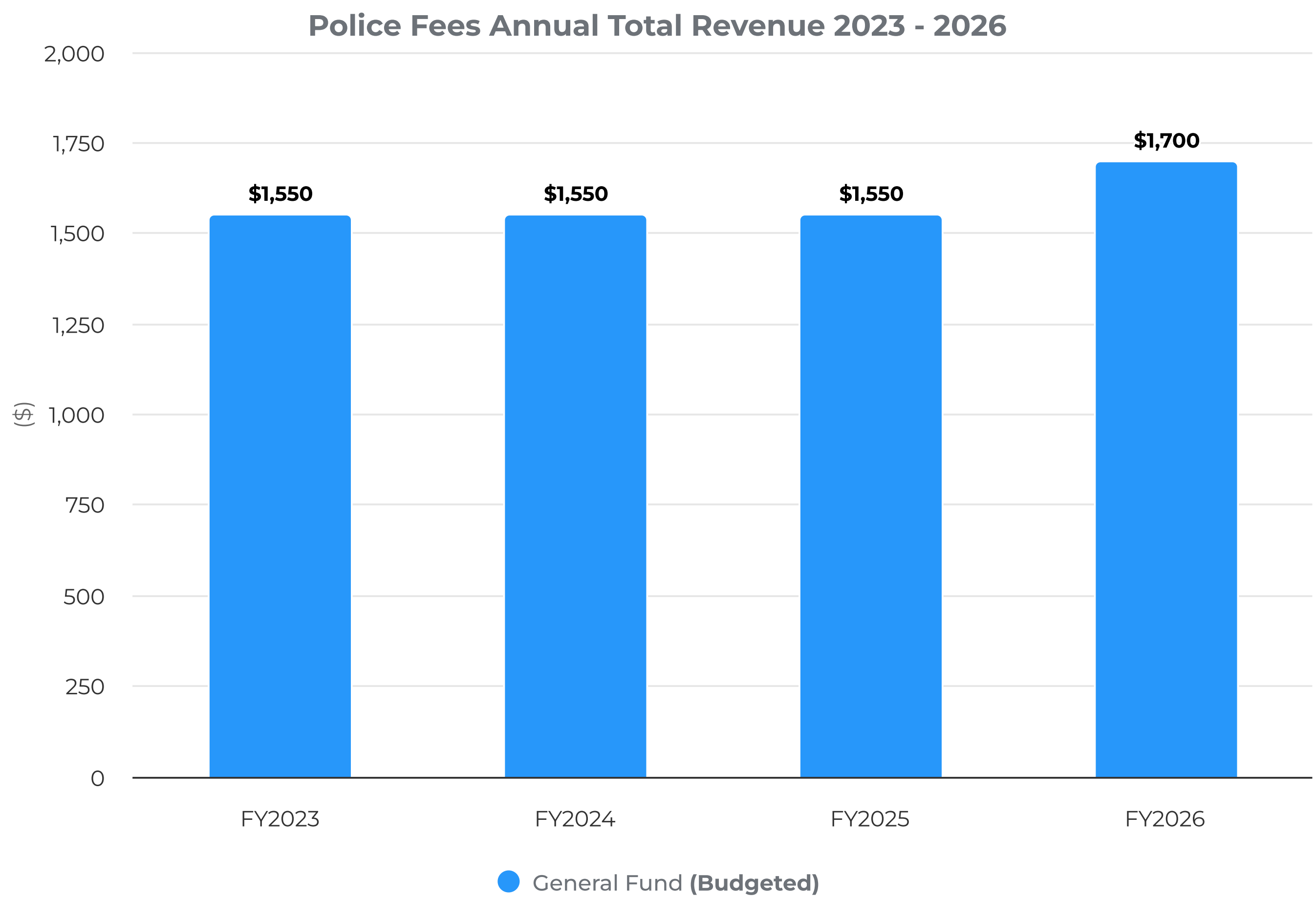
A development permit is a formal approval issued by a city that authorizes a property owner, developer, or contractor to begin construction, renovation, or other land improvements on a specific parcel. The permit ensures that proposed work complies with local regulations, including zoning laws, subdivision rules, building and safety codes, floodplain standards, and stormwater requirements. It also helps the city manage the pace and pattern of growth, protect public infrastructure, and maintain community standards. Development permits are required for a wide range of activities, including the construction of new homes or businesses, major remodeling projects, grading or excavation, installation of utilities, or any significant change in the use of land. Even smaller projects, such as building a shed, erecting a fence, or pouring a new driveway, may require a permit depending on their size, location, and impact. The goal of the permit process is to provide a structured review that helps protect the interests of both the applicant and the community. By requiring plans and inspections, the city can identify potential problems before construction begins and ensure that finished projects meet safety and design expectations. This process also gives the city a chance to coordinate infrastructure improvements, review environmental concerns, and verify that the project aligns with the city's long-term development goals. Although the process can vary depending on the complexity of the project, applicants are typically required to submit detailed site plans, engineering reports, and documentation showing compliance with all applicable codes.

Development Fees

Development fees are charges imposed by the city on new construction or major property improvements to help offset the cost of public services and infrastructure needed to support growth. These fees are usually paid by developers or builders and can vary widely depending on the size, type, and location of the project. Commonly funded items include roads, water and sewer lines, storm drainage systems, parks, and sometimes schools or emergency services. Development fees are not negotiable in most cases, but cities may reduce or waive them for affordable housing, nonprofit projects, or developments in targeted reinvestment zones. Because these fees are added to the cost of building new homes or commercial spaces, they can indirectly affect housing prices or rental rates. The fees are often higher in areas where infrastructure needs are greater or where development is expected to place a significant burden on city services. In many cases, cities try to ensure that the money collected is spent in or near the area where the development takes place, so the improvements benefit the surrounding community.

Although development permits and development fees are two different components of the construction process, they are closely connected and often addressed together. A permit is the official authorization to build, while the fees represent the financial contribution a developer must make to support the city's infrastructure. In practice, the permit cannot be issued until the associated fees are paid. This means that anyone seeking to begin a construction project must navigate both the regulatory and financial requirements at the same time. Including them on the same page helps residents and developers understand the full scope of what’s required to build in the community—from gaining legal approval to contributing to the services that make development sustainable.

Police Fees

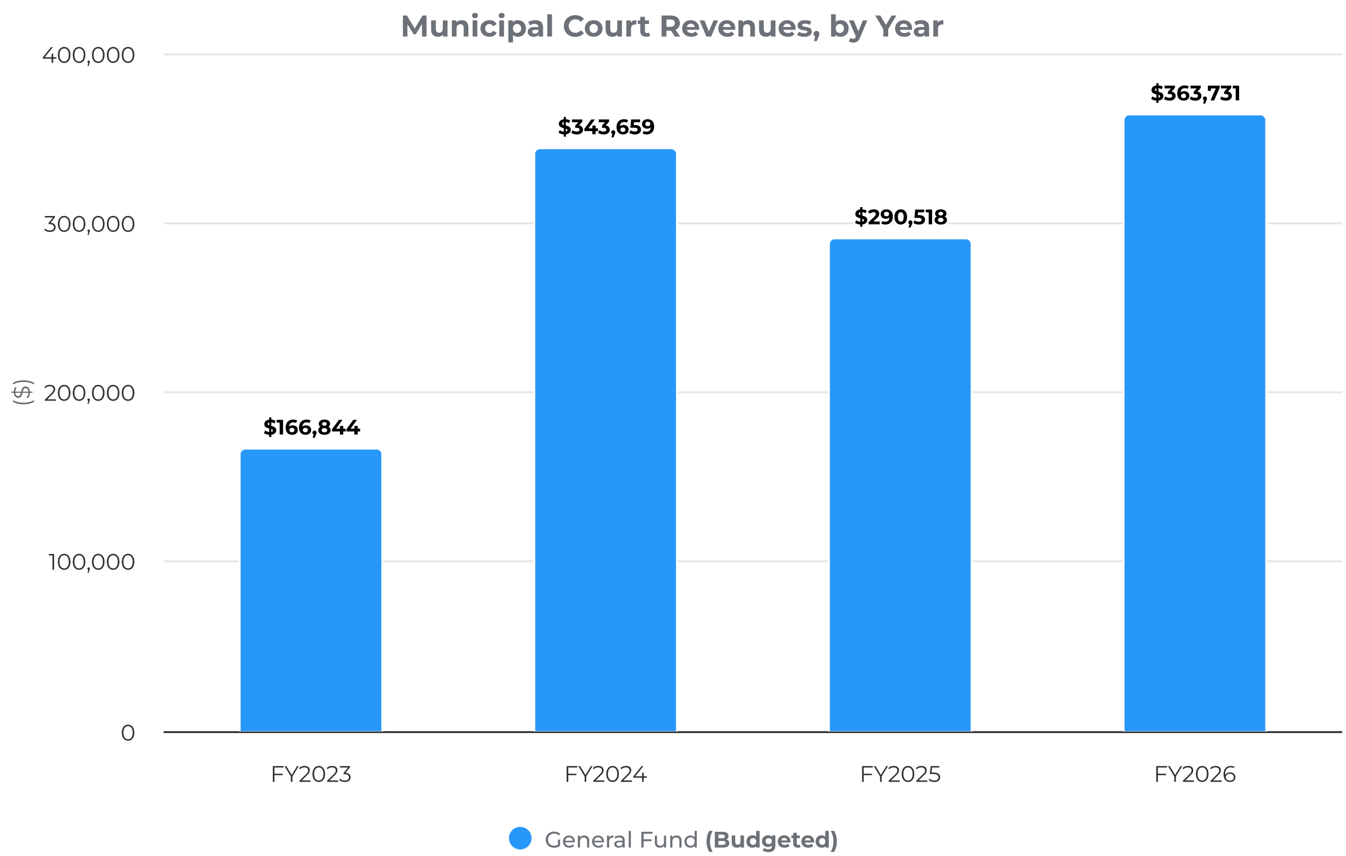


What are Police Fees?

Police fees are charges imposed by a city for specific law enforcement services that go beyond general patrol and emergency response. These fees are not taxes and are not charged for calling 911 or requesting help in an emergency. Instead, they apply to services that are often administrative or event-based, such as obtaining accident reports, background checks, fingerprinting, releasing impounded vehicles, or hiring off-duty officers for private security at special events. The purpose of these fees is to recover the cost of providing services that benefit individual users rather than the public at large. Rates are set by the city council and may be adjusted periodically to reflect the cost of staffing, equipment, and administrative overhead.

Justin charges fees for certain kinds of police reports, alarms, fingerprinting, and training.

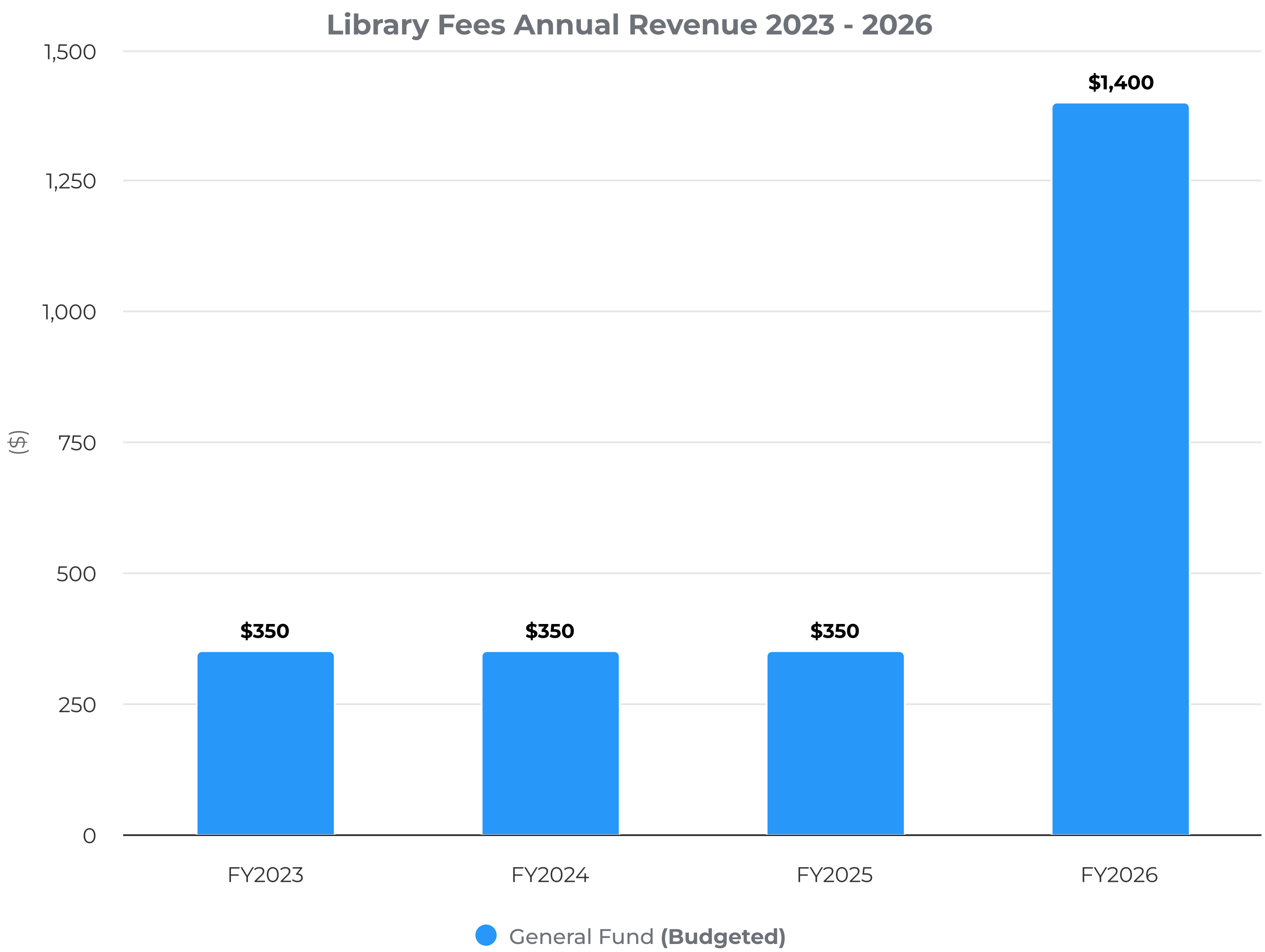
Municipal Court Fines & Fees



What are Court Fines & Fees?

Municipal court fines and fees are monetary charges imposed by the municipal court as part of the legal process for handling violations of local laws, such as traffic tickets, code enforcement issues, or certain misdemeanor offenses. Fines are typically punitive and are assessed as a consequence of being found guilty or pleading no contest to an offense. Fees, by contrast, are administrative charges intended to cover the cost of court operations, such as case processing, recordkeeping, technology use, or the issuance of warrants. These charges are set by state law or local ordinance and are usually itemized separately on court documents. While many residents assume fines and fees are the same, fines are intended to punish unlawful behavior, whereas fees help fund the infrastructure that supports the judicial system. Revenue from court fines and fees may be distributed among different government entities, including the city's general fund, the police department, and state-level judicial support programs. Although often modest in individual cases, these charges can add up and may raise concerns about fairness, especially when imposed on low-income individuals. Some courts have hardship or payment plans to assist those unable to pay the full amount immediately.

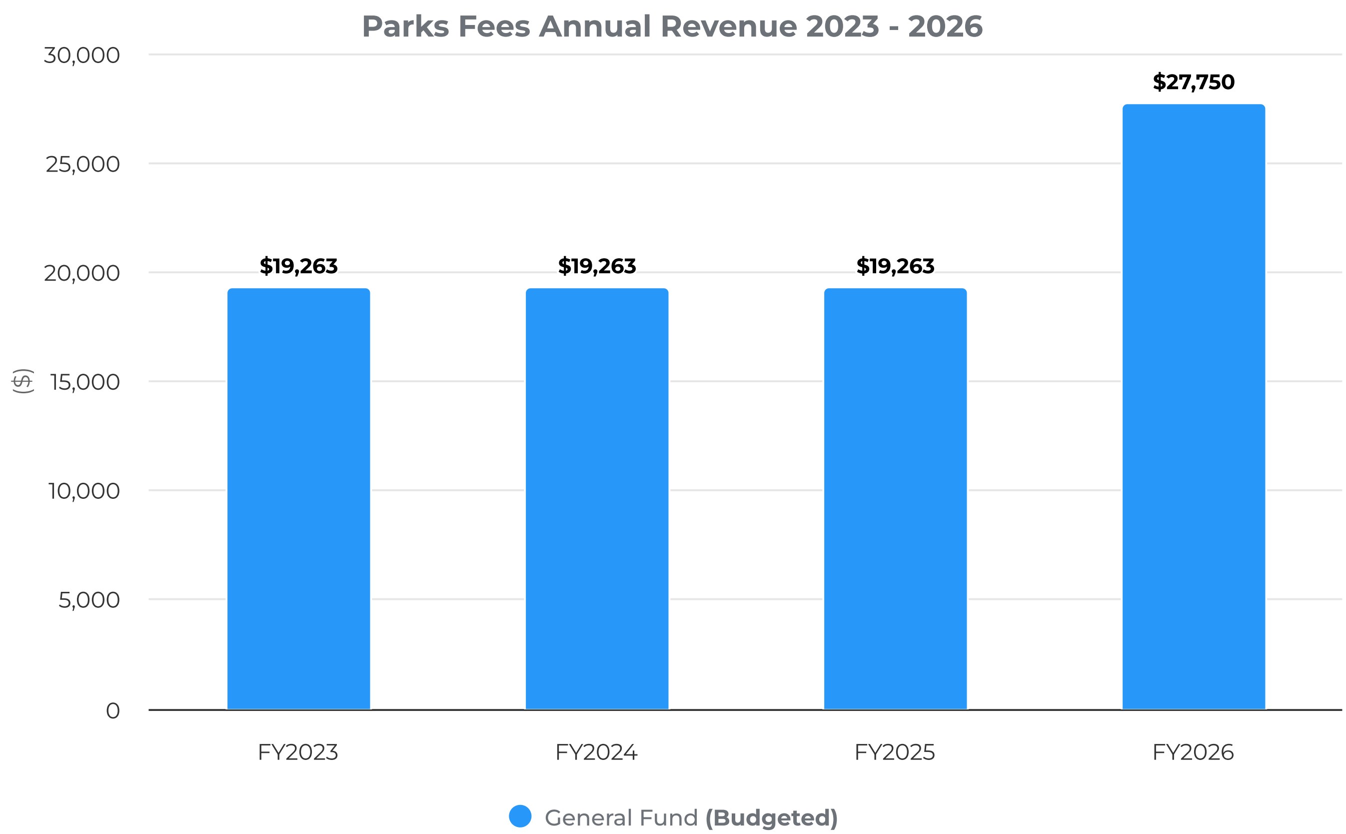
Library Fees



What are Library Fees?

Library fees are charges assessed by a city or its library system to recover the cost of specific services or to encourage the responsible use of public resources. While general library access is typically free and funded through the city's general fund, fees may be applied in certain situations, such as overdue fines, lost or damaged materials, printing and copying services, room rentals, or nonresident library cards. These fees are not meant to generate profit but to offset operating costs and promote accountability among users. Fee amounts are usually set by the library board or city council and may vary depending on the service or item involved. In some communities, overdue fines have been reduced or eliminated to increase access, particularly for children and low-income families, though replacement fees for lost or damaged items are still common. Revenue collected through library fees generally supports the library's operational budget, helping to maintain collections, equipment, and public programs. For most residents, these fees are occasional and modest, but they play a role in preserving shared resources and sustaining public access to books, technology, and educational services.

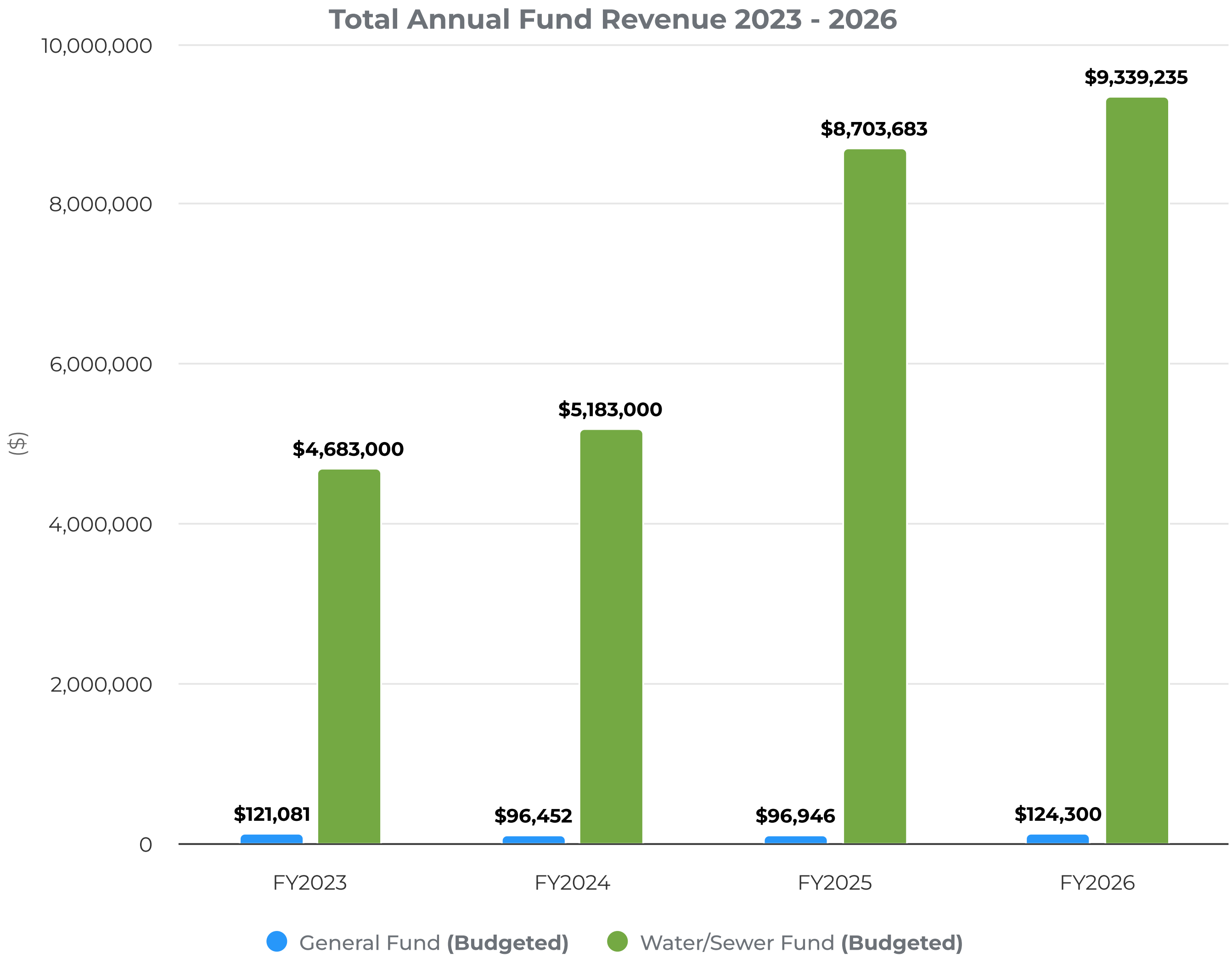
Parks Fees



What are Parks Fees?

Parks fees are charges the city collects to help fund and manage the operation, maintenance, and programming of public parks and recreational facilities. While many park spaces, such as trails and open fields, remain free to use, certain services and amenities like facility rentals, youth sports leagues, fitness classes, pool admissions, and organized events often require a fee to participate. These charges are intended to help offset the costs associated with running those programs, staffing facilities, maintaining equipment, and keeping spaces safe and clean. Revenue generated from parks fees is typically reinvested into the parks and recreation department's budget, supporting ongoing operations as well as future improvements. Rather than relying entirely on general tax revenue, these fees ensure that the people who use specific services contribute to their upkeep, helping sustain a broad range of offerings for the entire community.

Fund Revenue Summary



What are Fund Revenues?

Fund revenue is largely directed towards the water and sewer fund, as the other funds receive resources from tax revenues and other sources.

Water and Sewer Fund

Water and sewer fund revenue comes from the monthly utility bills paid by residents and businesses and is used exclusively to support the city's water and wastewater systems. These funds cover the full cost of providing service, including system operations, water treatment, sewer line maintenance, regulatory compliance, and long-term infrastructure upgrades. The city does not make a profit from these services; instead, rates are set to ensure that the utility can operate safely, reliably, and in compliance with state and federal standards. A typical bill includes separate charges for water and sewer, with water charges based on how much is used, and sewer charges often tied to average winter water usage or other local formulas. This usage-based model helps promote conservation and allows larger users to pay more in proportion to the strain they place on the system. Revenue from these charges is reinvested into the system, funding both ongoing maintenance and capital improvements such as replacing aging pipes or expanding capacity. Water and sewer funds are kept entirely separate from other city revenues and cannot be used for unrelated expenses, ensuring transparency and accountability in how utility payments are managed.

As Justin continues to grow, the City continues to collect more revenue from monthly service charges and from water and sewer impact fees.

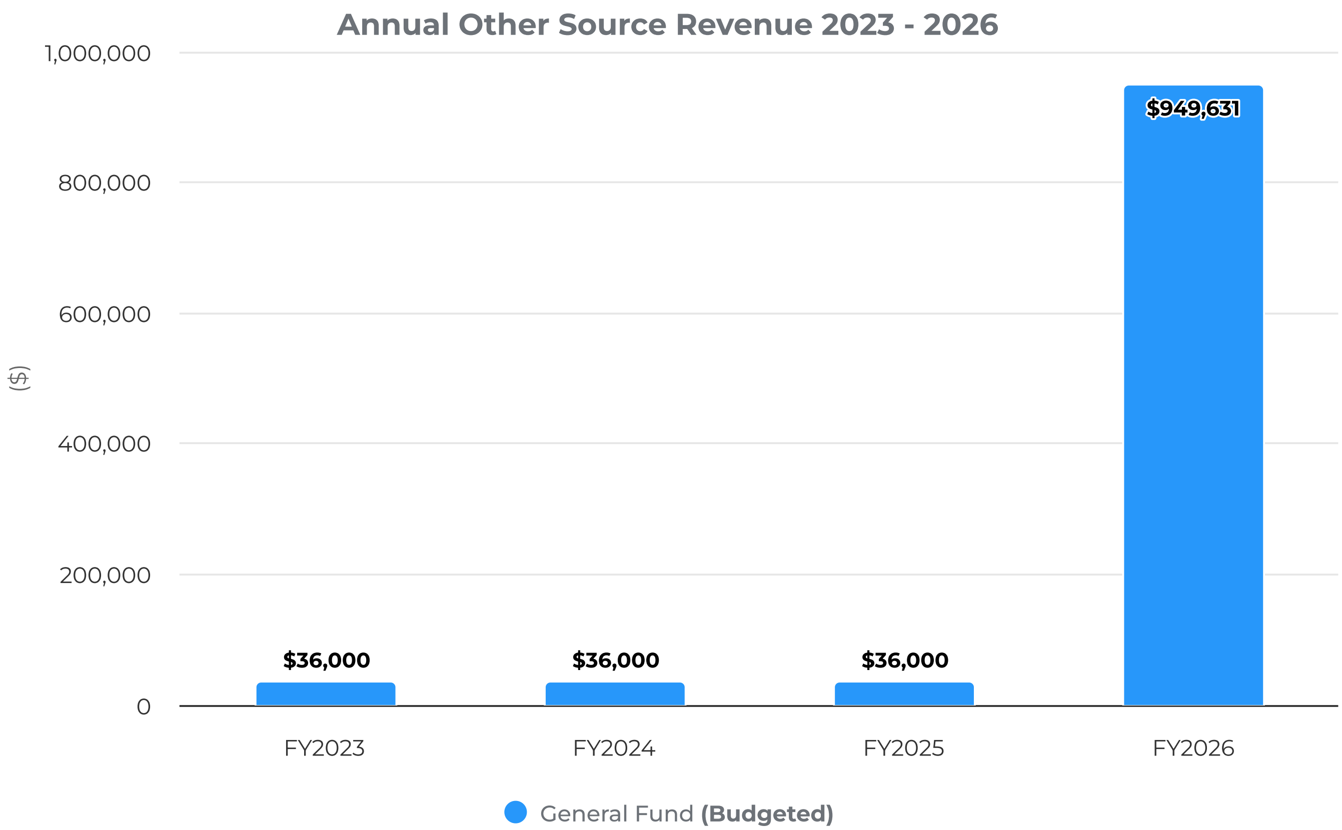
General Fund

The primary sources of fund revenues within the General Fund are donations to the Library and to Community Events.

Other Financing Sources Summary

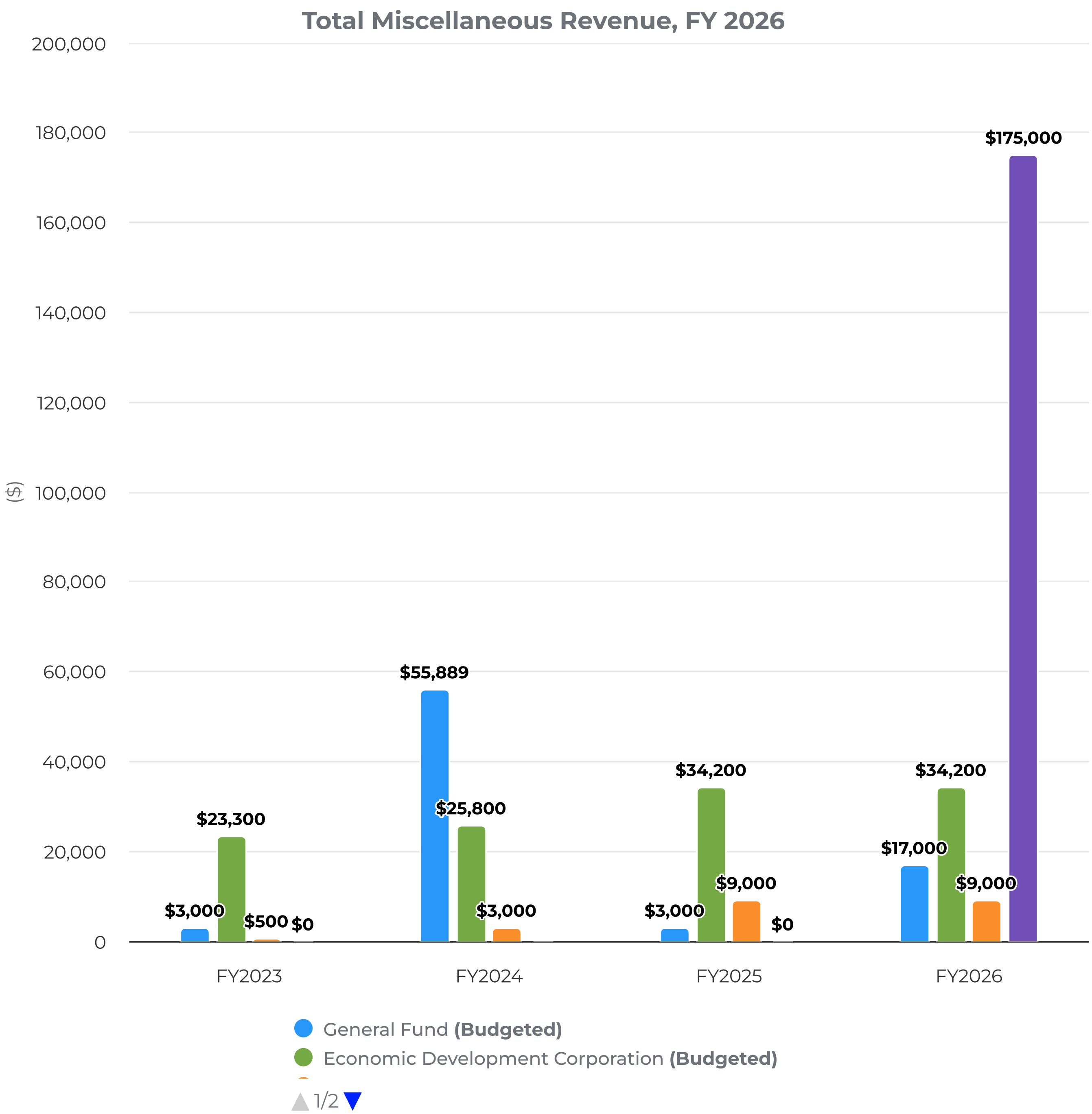
Other financing sources include transfers between funds and between governments, as well as other sources of revenue that don't fall into the other categories. These revenues are largely internal movements of finances between sources, largely transfers from fund balance for one-time projects budgeted for fiscal year 2026. For example, the FY 2026 General Fund budget includes $807,545 in transfers from fund balance. The remaining balance in the General Fund is transferred from the Economic Development Corporation and the Community Development Corporation as a form of reimbursement for the cost of a new position that was added mid-year and for the partial costs related to the Development Director and Assistant City Manager positions.

The use of $807,545 in fund balance from the General Fund is to provide the monies required for the General Fund one-time service level enhancements discussed previously in the Service Level Enhancments section of this budget document.



Miscellaneous Revenue Summary

Miscellaneous revenue is primarily comprised of income on investments, leases, and interest from the various funds. Most of this revenue is interest revenue from investments in the Water/Sewer fund, which for the FY 2026 budget was included for the first time since at least FY 2022. Other revenue includes lease revenue and interest revenue in the other funds.



Funding Source Overview by Fund

This section contains an overview of Justin City's funding sources by fund. Each page contains a brief introduction to the fund and an explanation of the funding sources used by that fund.

Listed below are the funds that will be covered in this section:

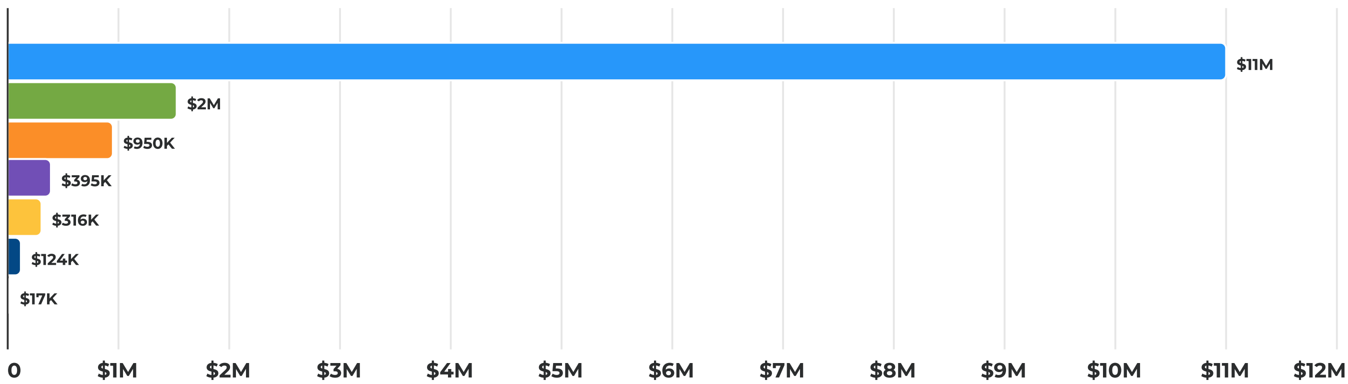
- General Fund
- Water/Sewer (Utility) Fund
- Economic Development Corporation (EDC) Fund
- Community Development Corporation (CDC) Fund
- Street Maintenance Fund
- Public Improvement District (PID) Fund

General Fund Revenues

The general fund is the primary operating fund for Justin. It is used to support basic public services that are not tied to a specific funding source. These services often include police and fire protection, street maintenance, parks and recreation, and general government operations. Revenue for the general fund typically comes from a combination of property taxes and sales taxes. Unlike special-purpose funds, which are legally restricted to specific uses, the general fund is flexible. Local officials can allocate money from the general fund based on community needs and changing priorities. Because it covers many of the services residents interact with most frequently, the general fund is often the most closely watched portion of a local government's budget.

The vast majority of the general fund's yearly revenue is composed of taxes. Justin is expected to collect $8.5 million in property taxes and $2.4 million in sales taxes throughout FY 2026. The city also expects to collect a significant part of its revenue from development permits and fees.

FY26 Revenues by Category



Taxes	**$11,008,963**	76.74%
Development Permits & Fees	**$1,535,220**	10.70%
Other Financing Sources	**$949,631**	6.62%
Fines and Fees	**$394,581**	2.75%
Franchise Fees	**$315,950**	2.20%
Fund Revenue	**$124,300**	0.87%
Miscellaneous Revenue	**$17,000**	0.12%

Historical Revenues by Category

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 7.3.25 Proposed Budget
Taxes	$7,722,383	$8,540,930	$8,712,822	$11,008,963
Fines and Fees	$386,134	$311,681	$384,105	$394,581
Franchise Fees	$391,480	$253,100	$305,958	$315,950
Development Permits & Fees	$3,451,676	$1,781,630	$3,286,829	$1,535,220
Fund Revenue	$124,980	$96,946	$117,943	$124,300
Other Financing Sources	$27,000	$36,000	$36,000	$949,631
Miscellaneous Revenue	$111,921	$3,000	$908,668	$17,000
Total Revenues	**$12,215,574**	**$11,023,287**	**$13,752,325**	**$14,345,645**

Water/Sewer Fund Revenues

The water and sewer fund is an enterprise fund used to manage the finances of a city's water distribution and wastewater collection systems. It operates like a self-supporting business, with revenue generated primarily through user fees charged to residents, businesses, and other customers based on their water consumption and wastewater output. These fees are used to cover the full cost of providing service, including daily operations, routine maintenance, infrastructure repair, and long-term system upgrades.

Because it is a dedicated fund, money collected in the water and sewer fund cannot be used for unrelated services. It must be spent on the continued operation, reliability, and regulatory compliance of the utility systems. This includes costs such as water treatment, sewer line maintenance, meter reading, billing services, and capital improvements like the replacement of aging water mains or expansion of sewer capacity. The water and sewer fund ensures that essential public utilities are financially sustainable and that rates reflect the actual cost of providing safe, reliable service to the community.

Justin is expected to collect $9.5 million in fees and other miscellaneous sources to pay for the services it provides. 42.4% of this revenue will be raised from monthly water service charges while 21.1% will be raised from monthly sewer charges.

FY26 Revenues by Category

Fund Revenue	$9,339,235	98.16%
Miscellaneous Revenue	$175,000	1.84%

Above you will find the budgeted revenues for this fund divided by category.

Historical Revenues by Category

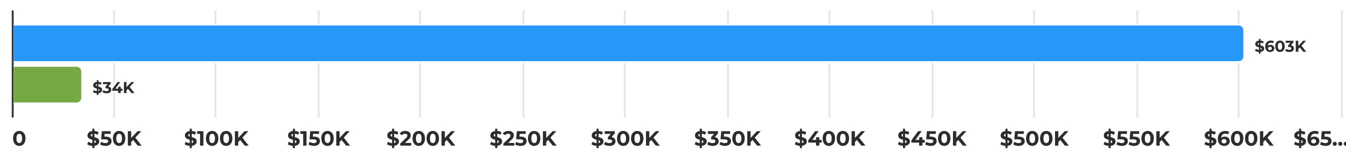
Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 7.3.25 Proposed Budget
Fund Revenue	$8,675,590	$8,703,683	$10,854,784	$9,339,235
Miscellaneous Revenue	$345,127	$2,503,500	$253,345	$175,000
Total Revenues	**$9,020,717**	**$11,207,183**	**$11,108,129**	**$9,514,235**

Economic Development Corporation Revenue Sources

Justin's Economic Development Corporation (EDC) is a separate legal entity created to promote and support economic growth within the city. It operates under the guidelines of the Texas Development Corporation Act and is typically funded through a portion of local sales tax revenue specifically approved by voters for this purpose. The EDC focuses on attracting new businesses, supporting existing employers, and encouraging private investment in the community. It may provide financial incentives, infrastructure support, or site development assistance to help expand the local tax base and create jobs. Although the EDC works closely with city leadership, it has its own board of directors and operates with a degree of independence, allowing it to act more flexibly and strategically in pursuit of economic development goals. Expenditures must align with state law, which defines eligible projects such as business parks, public infrastructure, job training, and certain types of community development. The EDC plays a key role in shaping Justin's long-term economic vitality and competitiveness.

The economic development fund derives the vast majority of its funding from sales taxes, which comprise 94.63% of all funds. The fund will receive a total of $637,200 in FY 2026.

FY26 Revenues by Category



Taxes	**$603,000**	94.63%
Miscellaneous Revenue	**$34,200**	5.37%

Above you will find the budgeted revenues for this fund divided by category.

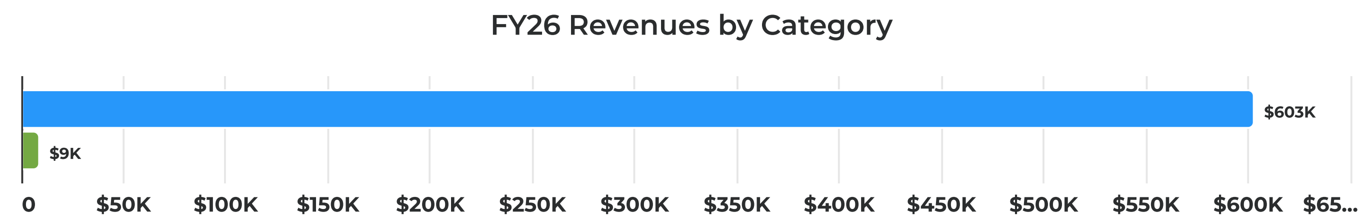
Historical Revenues by Category

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 7.3.25 Proposed Budget
Taxes	$414,724	$436,750	$573,946	$603,000
Miscellaneous Revenue	$30,228	$34,200	$23,614	$34,200
Total Revenues	**$444,951**	**$470,950**	**$597,560**	**$637,200**

Community Development Corporation Expenses

The Community Development Fund supports neighborhood-level improvements and social programs that enhance the quality of life for residents. This may include housing rehabilitation, sidewalk improvements, public facility upgrades, or programs that serve low-to-moderate income households. In many cities, this fund is tied to state or federal grant programs like Community Development Block Grants (CDBG). Funds like these are critical for ensuring that public investment reaches all parts of the community, especially areas in need of revitalization or improved access to services. Projects supported by this fund are often guided by community input and designed to promote fairness, livability, and inclusive growth.

The community development fund also derives the vast majority of its funding from sales taxes, which comprise 98.53% of all funds. The fund will receive a total of $612,000 in FY 2026.



Taxes	**$603,000**	98.53%
Miscellaneous Revenue	**$9,000**	1.47%

Above you will find the budgeted revenues for this fund divided by category.

Historical Revenues by Category

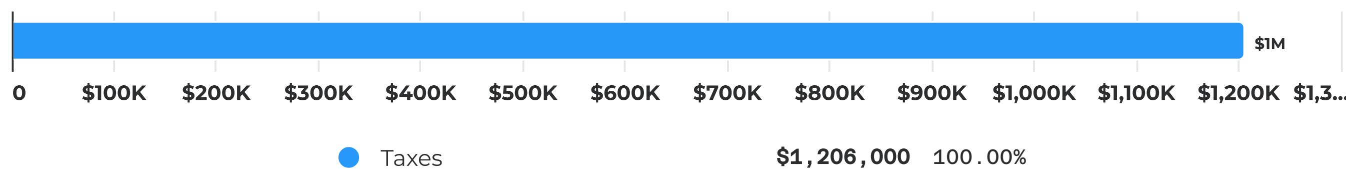
Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 7.3.25 Proposed Budget
Taxes	$415,264	$436,750	$573,946	$603,000
Miscellaneous Revenue	$15,543	$9,000	$14,183	$9,000
Total Revenues	**$430,807**	**$445,750**	**$588,129**	**$612,000**

Street Maintenance Fund Revenues

The street maintenance fund is a dedicated account used to pay for the upkeep and repair of public streets, roads, and related infrastructure. This fund ensures that road surfaces remain safe and functional through activities such as pothole repairs, asphalt overlays, crack sealing, street sweeping, and minor curb or sidewalk repairs. Revenue for the street maintenance fund often comes from sources such as local sales taxes, motor fuel taxes, or transfers from the general fund. In some cities, it may also include state or federal grants. Because the condition of a city's roads directly affects public safety, transportation efficiency, and overall quality of life, the street maintenance fund plays a critical role in long-term infrastructure management. Unlike capital improvement funds, which are used for major street reconstruction or expansion projects, the street maintenance fund focuses on preserving existing assets through regular, ongoing work.

The street maintenance fund is supported entirely by sales tax revenue and is budgeted to receive $1,206,000 this year.

FY26 Revenues by Category



Above you will find the budgeted revenues for this fund. As stated earlier, only taxes contribute to the Street Maintenance Fund.

Historical Revenues by Category

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 7.3.25 Proposed Budget
Taxes	$829,447	$873,500	$1,147,892	$1,206,000
Total Revenues	**$829,447**	**$873,500**	**$1,147,892**	**$1,206,000**

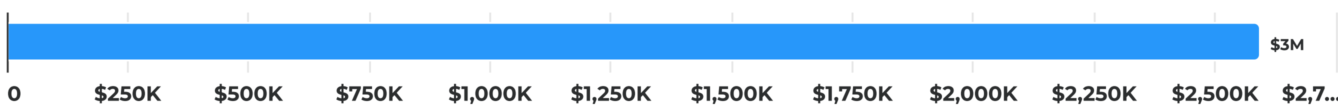
Public Improvement District Revenues

Justin's Public Improvement District, or PID, is a special district created by a city to finance specific public improvements within a defined area. In our city, as in other Texas cities, a PID allows the city to levy and collect special assessments on properties within the district to pay for improvements that directly benefit those properties. These assessments are separate from property taxes and are based on the cost of the improvements allocated proportionally among the benefiting parcels.

Funds collected through a PID are typically used for infrastructure such as roads, sidewalks, landscaping, lighting, water and sewer lines, or enhanced maintenance of public spaces. Unlike general taxes, PID revenues must be used solely for the purposes outlined in the district’s service and assessment plan. From a budget perspective, PID assessments are tracked separately from the general fund and are often accounted for in a dedicated PID fund. This ensures transparency and compliance with the terms agreed upon when the district was established. PIDs are commonly used to support new residential or commercial developments and provide a mechanism for developers and future property owners to fund needed infrastructure without placing the burden on the broader tax base.

Justin's PID is supported entirely by property tax revenue and is budgeted to receive $2,592,793 this year.

FY26 Revenues by Category



Taxes **$2,592,793** 100.00%

Above you will find the budgeted revenues for this fund. This fund derives all of its revenue from PID tax receipts.

Historical Revenues by Category

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 7.3.25 Proposed Budget
Taxes	$2,350,327	-	$2,789,087	$2,592,793
Total Revenues	**$2,350,327**	**-**	**$2,789,087**	**$2,592,793**

This fund's historical expenditures by category are shown above, including both the FY 2025 budget and the FY 2025 projected expenses. Historically, PID revenues have not been accounted for in the budget, but starting in FY 2026 they will be included in budgets, projections, and actuals.

Departments Overview

The following pages detail Justin's various departments and a breakdown of each category of expenses within each department. For changes in personnel by department, please see the Personnel Changes and Service Level Enhancements pages within the Executive Summary.

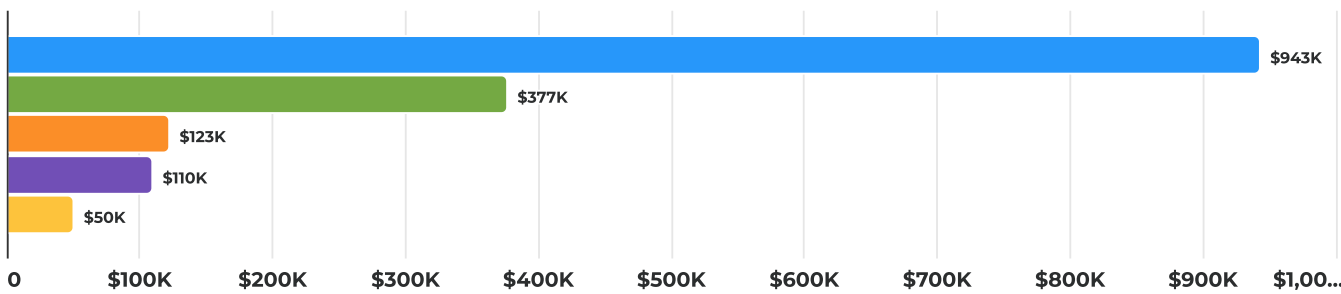
General Administration

In the City of Justin, the General Administration Department serves as the executive and organizational backbone of the city government, overseeing the day-to-day management of city operations and ensuring that all departments function in alignment with the policies and goals established by the City Council. Led by the City Manager and supported by the Assistant City Manager, this department is responsible for implementing the strategic vision of elected officials, managing interdepartmental coordination, and providing high-level oversight of municipal services. The General Administration Department also serves as a direct liaison between the City Council, city staff, and the public, facilitating transparent governance and responsive leadership.

This department encompasses several critical administrative functions, including human resources, communications, and organizational management. It oversees employee recruitment, retention, and compliance with employment laws, ensuring that the city maintains a qualified and professional workforce. In addition, the General Administration team manages public communications and community outreach, handling press releases, social media updates, public notices, and intergovernmental relations. This helps keep residents informed and engaged while promoting transparency and accountability across all city operations.

The department is also responsible for preparing the annual budget in collaboration with the Finance Department, coordinating special projects, and ensuring compliance with state and federal regulations. Whether facilitating council meetings, executing policy initiatives, managing performance evaluations, or responding to resident concerns, the General Administration Department plays a central role in maintaining effective and efficient municipal governance. Through its leadership and coordination, the department helps ensure that the City of Justin continues to operate with integrity, professionalism, and a focus on service to its residents.

FY26 Expenditures by Category



Salaries & Wages	$942,863	58.83%
Personnel & Benefits	$377,032	23.53%
Purchased/Contracted services	$122,588	7.65%
Operations & Maintenance	$110,075	6.87%
Other Costs	$50,000	3.12%

Historical Expenditures by Category

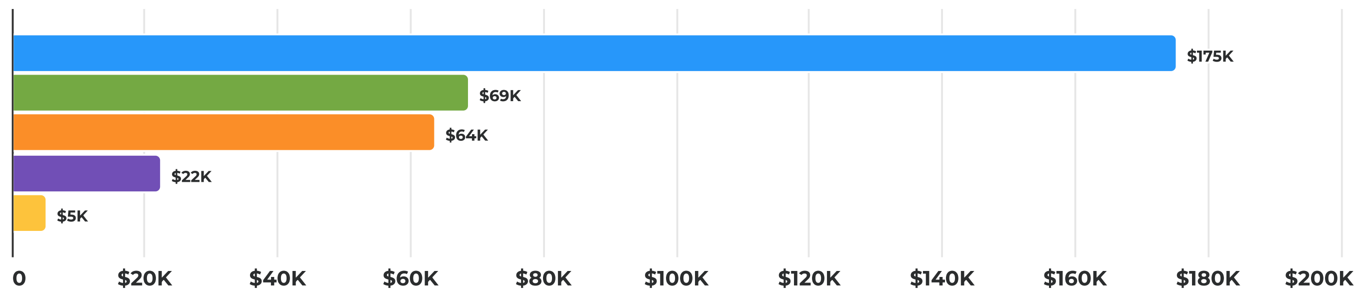
Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Budgeted
Salaries & Wages	$798,664	$1,112,544	$682,700	$942,863
Personnel & Benefits	$193,931	$264,599	$91,819	$377,032
Other Costs	$93,282	$100,000	$100,000	$50,000
Purchased/Contracted services	$327,788	$143,294	$480,204	$122,588
Operations & Maintenance	$59,431	$58,375	$66,618	$110,075
Vehicle & Equipment	$14,804	-	$9	-

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Budgeted
Capital Outlays	$24,990	$22,000	-	-
Total Expenditures	**$1,512,889**	**$1,700,812**	**$1,421,350**	**$1,602,558**

Library

The Mary Emma Tate Community Library serves the citizens of Justin and the surrounding area. It encompasses a variety of functions, including acquisition, cataloging, circulation, reference and preservation of materials. Essentially, the department's role is to facilitate learning, research and community engagement by connecting users with the information they need.l website.

FY26 Expenditures by Category



Salaries & Wages	**$175,241**	52.28%
Personnel & Benefits	**$68,817**	20.53%
Other Costs	**$63,700**	19.00%
Operations & Maintenance	**$22,330**	6.66%
Purchased/Contracted services	**$5,113**	1.53%

Expenditures by Category

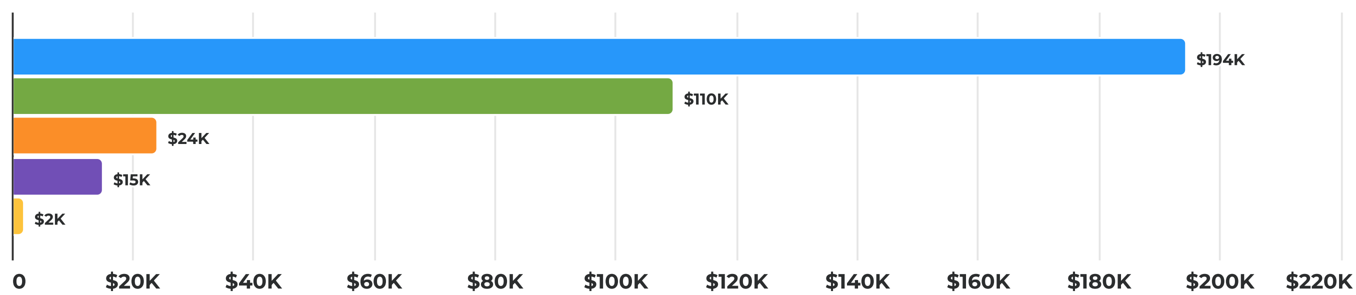
Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Budgeted
Salaries & Wages	$137,601	$124,959	$140,701	$175,241
Personnel & Benefits	$46,280	$56,791	$53,738	$68,817
Other Costs	$40,480	$38,000	$38,516	$63,700
Purchased/Contracted services	$697	$950	$1,028	$5,113
Operations & Maintenance	$14,857	$19,226	$24,299	$22,330
Total Expenditures	**$239,915**	**$239,926**	**$258,282**	**$335,201**

Municipal Court

The Municipal Court of Justin serves as the judicial branch of the city government, handling cases involving violations of city ordinances and certain state laws within its jurisdiction. This includes adjudicating Class C misdemeanors, such as traffic violations, public intoxication, and minor assaults, as well as city code violations related to zoning, animal control, and public health. The court operates under the authority granted by the Texas Code of Criminal Procedure and the city's ordinances, ensuring that justice is administered fairly and efficiently.

The court's responsibilities encompass a range of judicial and administrative functions. It conducts arraignments, pre-trial hearings, bench and jury trials, and sentencing hearings. Additionally, the court processes pleas, motions, and requests for deferred disposition or driving safety courses. The Municipal Court also manages the issuance of warrants, summonses, and subpoenas, and maintains accurate records of all proceedings. To facilitate compliance and accessibility, the court provides options for online citation payments and offers information on court appearances, dockets, and plea options through its official website.

FY26 Expenditures by Category



Purchased/Contracted services	**$194,471**	56.31%
Salaries & Wages	**$109,649**	31.75%
Personnel & Benefits	**$24,235**	7.02%
Operations & Maintenance	**$15,000**	4.34%
Capital Outlays	**$2,000**	0.58%

Expenditures by Category

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Budgeted
Salaries & Wages	$86,855	$100,994	$97,997	$109,649
Personnel & Benefits	$19,604	$29,900	$29,015	$24,235
Other Costs	$1,261	$2,900	$3,045	-
Purchased/Contracted services	$160,663	$183,108	$183,880	$194,471
Operations & Maintenance	$5,143	$9,500	$14,185	$15,000
Capital Outlays	-	$3,000	$3,045	$2,000
Total Expenditures	**$273,526**	**$329,402**	**$331,166**	**$345,355**

Police Department

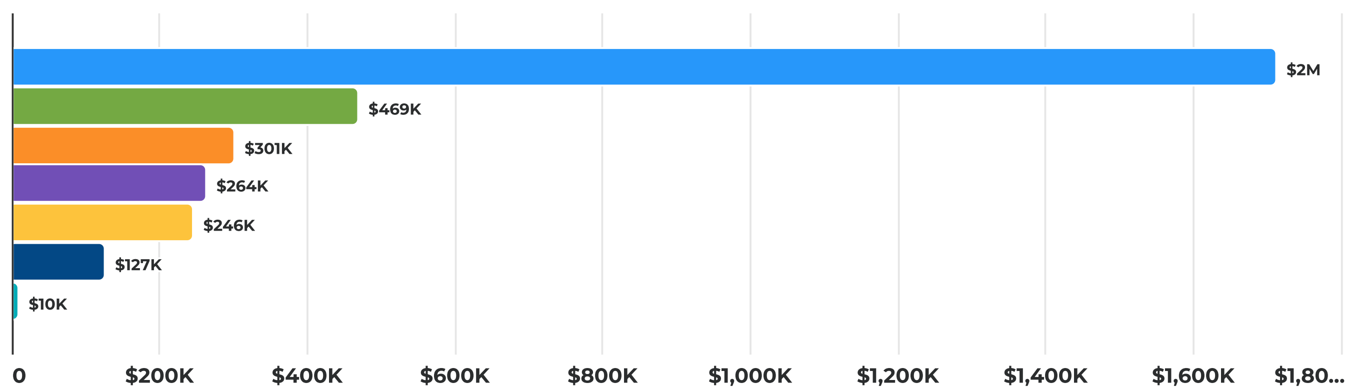
The Justin Police Department is dedicated to enhancing the quality of life for residents by fostering a safe and secure environment through community collaboration and professional law enforcement services. Operating under the leadership of Chief of Police Brian Frieda, the department emphasizes integrity, accountability, and a commitment to public service. Their mission is to work cooperatively with citizens and visitors to ensure a safe place to work, live, and visit, striving to overcome crime, fear, and disorder to provide an environment in which citizens feel comfortable and proud.

The department's responsibilities encompass a broad range of law enforcement activities, including patrolling neighborhoods, responding to emergency and non-emergency calls, conducting criminal investigations, enforcing traffic laws, and engaging in crime prevention initiatives. Officers are trained to handle various situations with professionalism and are committed to building trust within the community. The department also offers programs like the Vacation Watch Program, providing residents with peace of mind by checking on their homes while they are away.

Community engagement is a cornerstone of the Justin Police Department's approach. By maintaining open lines of communication and fostering partnerships with residents, the department aims to address concerns proactively and collaboratively. Their value statement, "To protect and serve," reflects a deep-seated commitment to exercising integrity in the use of the power and authority entrusted to them by the people.

Through its comprehensive services and community-focused approach, the Justin Police Department plays a vital role in maintaining public safety and fostering a sense of security among the city's residents.

FY26 Expenditures by Category



Salaries & Wages	$1,713,306	54.75%
Personnel & Benefits	$469,041	14.99%
Purchased/Contracted services	$300,905	9.62%
Capital Outlays	$263,500	8.42%
Operations & Maintenance	$246,074	7.86%
Vehicle & Equipment	$126,970	4.06%
Other Costs	$9,500	0.30%

Historical Expenditures by Category

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Budgeted
Salaries & Wages	$1,042,015	$1,233,706	$1,184,342	$1,713,306
Personnel & Benefits	$302,222	$335,014	$329,630	$469,041
Other Costs	$2,671	$8,000	$3,615	$9,500
Purchased/Contracted services	$301,925	$132,699	$231,131	$300,905

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Budgeted
Operations & Maintenance	$47,606	$188,621	$158,297	$246,074
Vehicle & Equipment	$178,031	$91,800	$112,581	$126,970
Capital Outlays	$298,512	$317,300	$242,826	$263,500
Total Expenditures	**$2,172,982**	**$2,307,140**	**$2,262,422**	**$3,129,296**

Fire Department

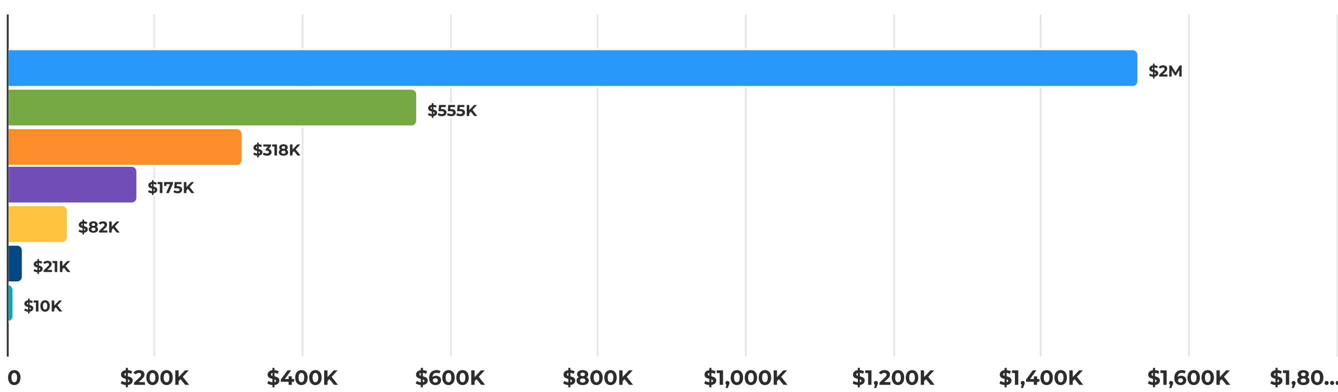
The Justin Fire Department, along with neighboring communities such as Dish, New Fairview, and unincorporated areas of Denton County, is committed to providing comprehensive fire protection, emergency medical services, and rescue operations across a service area of approximately 75 square miles, encompassing a population of about 17,500 residents. Operating from Station 1, located at 310 N. Sealy Avenue in Old Town Justin, the department is equipped with a diverse fleet, including two MICU ALS ambulances, three engines, a pumper tanker, an aerial apparatus, two tenders, four brush trucks, a utility vehicle, and two command vehicles. A second station, Station 2, is planned for 11042 FM 407, funded through a citizen-approved bond, to further enhance the department's capacity and response times.

Staffing the department are nine full-time firefighter/EMT/paramedics, 45 part-time firefighter/EMT/paramedics, and multiple dedicated volunteers. Daily operations are maintained with a team comprising one full-time captain, two full-time firefighter/EMT/paramedics, and four part-time firefighter/EMT/paramedics, ensuring 24/7 coverage throughout the year. Leadership is provided by Fire Chief Matthew Mitchell and Assistant Fire Chief/Fire Marshal Michael Turner, who oversee the department's strategic initiatives and daily functions. All personnel are certified by the Texas Commission on Fire Protection (TCFP) and the Texas Department of State Health Services (DSHS), reflecting the department's commitment to maintaining high professional standards.

The department actively participates in state-level emergency response initiatives, being involved with the Texas Intrastate Fire Mutual Aid System (TIFMAS) and Emergency Medical Task Force 2 (EMTF 2). Through these programs, qualified members are deployed to assist in managing various hazards, including natural disasters like tornadoes and hurricanes, extreme weather events, and wildland fires, extending their service beyond the immediate community.

In response to the city's growth and evolving needs, the Justin Fire Department is transitioning from a volunteer-based model to a fully integrated city department. This significant shift aims to enhance the department's operational efficiency and service delivery, ensuring that the increasing demands of the community are met with professionalism and dedication. The transition has been accompanied by community engagement efforts, including town hall meetings, to address public inquiries and gather feedback, underscoring the department's commitment to transparency and community involvement.

FY26 Expenditures by Category



Salaries & Wages	$1,532,604	56.89%
Interlocal Services	$554,743	20.59%
Personnel & Benefits	$318,296	11.82%
Capital Outlays	$175,444	6.51%
Purchased/Contracted services	$82,184	3.05%
Operations & Maintenance	$20,685	0.77%
Vehicle & Equipment	$10,000	0.37%

Historical Expenditures by Category

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Budgeted
Salaries & Wages	$1,072,560	$1,178,397	$996,989	$1,532,604
Personnel & Benefits	$250,092	$272,097	$286,750	$318,296
Purchased/Contracted services	$158,648	$44,010	$62,878	$82,184
Interlocal Services	$429,500	$554,743	$554,743	$554,743
Operations & Maintenance	$7,575	$7,870	$7,870	$20,685
Vehicle & Equipment	$6,221	-	$453	$10,000
Capital Outlays	$74,689	$88,405	$309,175	$175,444
Total Expenditures	**$1,999,284**	**$2,145,522**	**$2,218,858**	**$2,693,956**

The largest funding increase for the Fire Department in the FY 2026 budget is the addition of three new firefighter paramedic positions at an estimated cost of about $371k.

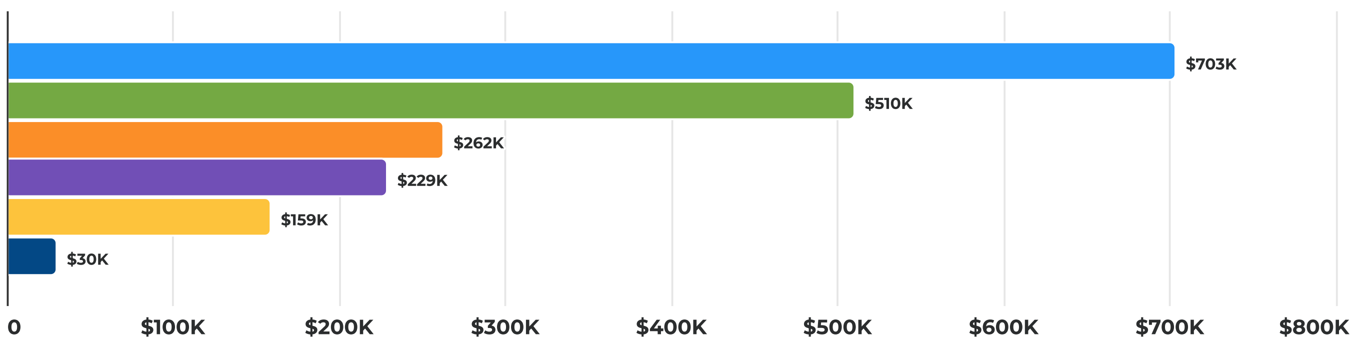
Parks & Municipal Maintenance

The Parks and Municipal Maintenance Department plays a vital role in enhancing the community's quality of life by maintaining and improving public spaces and infrastructure. This department is responsible for the upkeep of city parks, roadsides, and public grounds, ensuring that these areas are safe, clean, and aesthetically pleasing for residents and visitors alike. Their duties extend to the maintenance of city streets, buildings, signage, and streetlights, reflecting a commitment to the city's overall functionality and appearance.

The department's mission is centered on the improvement, maintenance, and beautification of Justin, striving to create an environment that residents can take pride in. Recognizing that it can be challenging for residents to distinguish between city, county, state, or private property, the department encourages citizens to report any maintenance issues they observe. If an issue falls outside the city's jurisdiction, the department endeavors to contact the appropriate property owner or authority to address the concern.

Through its dedicated efforts, the Parks and Municipal Maintenance Department ensures that Justin remains a welcoming and well-maintained community, reflecting the city's commitment to service and excellence.

FY26 Expenditures by Category



Capital Outlays	**$703,385**	37.16%
Salaries & Wages	**$510,294**	26.96%
Purchased/Contracted services	**$262,454**	13.86%
Operations & Maintenance	**$228,750**	12.08%
Personnel & Benefits	**$158,715**	8.38%
Vehicle & Equipment	**$29,500**	1.56%

Historical Expenditures by Category

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Budgeted
Salaries & Wages	$347,750	$375,191	$374,953	$510,294
Personnel & Benefits	$127,193	$162,676	$134,742	$158,715
Purchased/Contracted services	$232,020	$224,800	$293,675	$262,454
Operations & Maintenance	$173,287	$221,100	$227,197	$228,750
Vehicle & Equipment	$50,558	$29,500	$34,689	$29,500
Capital Outlays	$102,640	$66,600	$70,849	$703,385
Total Expenditures	**$1,033,449**	**$1,079,867**	**$1,136,105**	**$1,893,098**

The Parks & Municipal Maintenance budget for FY 2026 contains about $654k for new service level requests. Most of that funding ($617k) is for one-time costs related to park improvement projects and equipment purchases. For more details please see the Personnel Changes and Service Level Enhancement sections of this document.

Planning & Development

The Planning and Development Services Department in the City of Justin is instrumental in guiding the city's growth and ensuring that development aligns with the community's vision and regulatory standards. This department encompasses several key divisions, including Planning and Zoning, Building Inspections and Permits, Code Compliance, and Geographic Information Systems (GIS), each playing a vital role in the city's development process.

The Planning and Zoning Division is responsible for managing land use within the city. It handles platting, zoning, and variance requests, ensuring that developments comply with the city's zoning codes to safeguard property values and public welfare. This division serves as the starting point for landowners looking to undertake residential or commercial building projects.

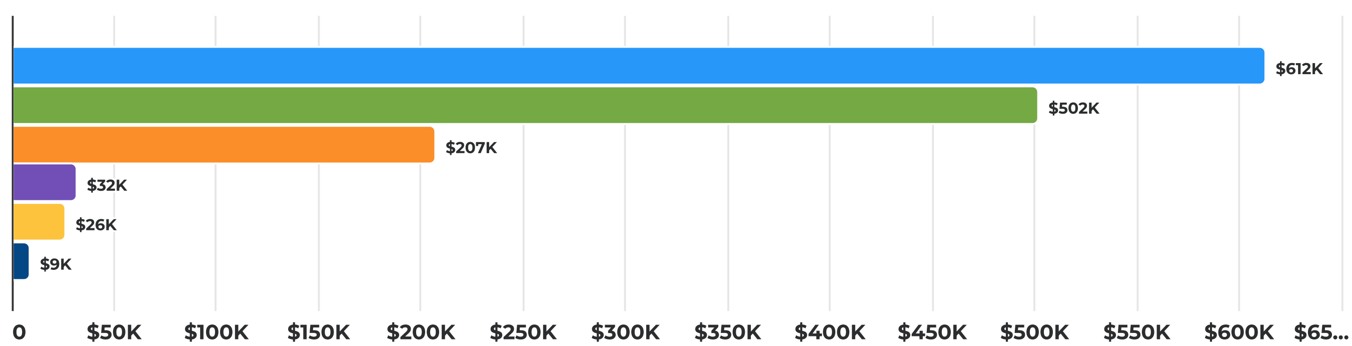
The Building Inspections and Permits Division oversees the construction phase of development. It ensures that all building activities adhere to the city's Code of Ordinances and the International Building Codes. This division handles building permits, inspection requests, and Certificates of Occupancy, aiming to protect the health, safety, and welfare of the general public.

Code Compliance is tasked with enforcing the city's ordinances related to property maintenance and zoning. This division investigates complaints and inspects properties to address nuisances and zoning violations, thereby maintaining the city's standards and quality of life.

The GIS Division provides critical support by creating, managing, and analyzing spatial data. It offers interactive maps that display zoning information, development projects, and other essential data, aiding in informed decision-making for both city officials and residents.

Under the leadership of Matthew Cyr, Director of Development & Economic Development, the department ensures that all development activities are conducted efficiently and in accordance with the city's comprehensive plan. By coordinating these divisions, the Planning and Development Services Department plays a pivotal role in shaping the future of Justin, fostering a well-planned and sustainable community.

FY26 Expenditures by Category



Salaries & Wages	**$612,424**	44.10%
Purchased/Contracted services	**$502,106**	36.16%
Personnel & Benefits	**$207,239**	14.92%
Capital Outlays	**$32,000**	2.30%
Operations & Maintenance	**$25,850**	1.86%
Vehicle & Equipment	**$9,000**	0.65%

Historical Expenditures by Category

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Budgeted
Salaries & Wages	$526,596	$608,239	$498,403	$612,424
Personnel & Benefits	$154,232	$220,850	$157,491	$207,239
Other Costs	$302	-	$5,055	-
Purchased/Contracted services	$472,550	$307,097	$536,876	$502,106
Operations & Maintenance	$33,723	$30,800	$31,028	$25,850
Vehicle & Equipment	$12,506	$9,000	$15,366	$9,000
Capital Outlays	$20,222	$32,000	$32,000	$32,000
Total Expenditures	**$1,220,131**	**$1,207,986**	**$1,276,219**	**$1,388,619**

Debt Service

Justin manages its long-term financial obligations through a dedicated Debt Service Fund, which is crucial for maintaining the city's fiscal health and supporting infrastructure development. This fund is specifically allocated to repay the principal and interest on the city's outstanding general obligation bonds and other tax-supported debt instruments. These financial obligations typically arise from capital improvement projects such as constructing public facilities, upgrading infrastructure, or acquiring essential equipment.

To ensure timely and reliable debt repayment, the city levies a portion of its property tax rate—known as the Interest & Sinking (I&S) rate—exclusively for debt service purposes. For the fiscal year 2024–2025, Justin's I&S rate was set at $0.077255 per $100 of assessed property value. For the upcoming fiscal year (FY 2025-2026), the I&S rate is currently estimated to be about $0.153 per $100 of assessed property value. This rate is determined annually based on the city's debt repayment schedule and the total taxable property value, ensuring that sufficient funds are collected to meet debt obligations without exceeding statutory tax limits. The final tax rate will be set in early August after the appraisal district releases their final property valuations.

The city's Finance Department oversees the Debt Service Fund, ensuring that all debt payments are made accurately and on schedule. This department also plays a pivotal role in planning future debt issuances, aligning them with the city's long-term financial strategies and capital improvement plans. By maintaining a strong credit rating and adhering to prudent financial practices, the city can secure favorable interest rates on its debt, ultimately benefiting taxpayers through reduced borrowing costs.

Through careful management of the Debt Service Fund, the City of Justin continues to invest in essential infrastructure and community projects while maintaining a strong financial foundation. This approach supports the city's growth and ensures that it can meet the evolving needs of its residents.

FY26 Expenditures by Category

Debt Service $3,394,702 100.00%

Historical Expenditures by Category

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Budgeted
Debt Service	$1,302,818	$2,070,861	$2,119,933	$3,394,702
Total Expenditures	**$1,302,818**	**$2,070,861**	**$2,119,933**	**$3,394,702**

The increase in debt service costs for FY 2026 is a result of new bond issuances. During the past year, the city $19.5 million in voter-approved debt for a new fire station and another $1.0 million in debt for a new fire engine.

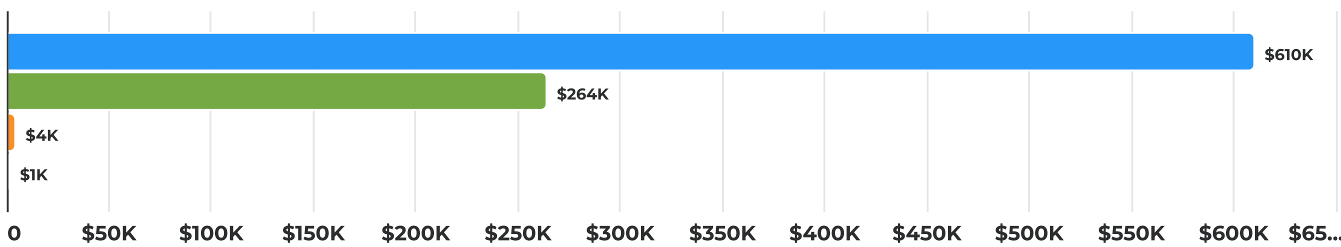
Nondepartmental

Nondepartmental expenditures are budgeted costs that do not belong to any one specific city department but still support overall municipal operations. These expenses are often citywide in nature, affecting multiple departments or functions, and are therefore accounted for separately to maintain clear and accurate departmental budgets.

Common examples of nondepartmental expenditures include citywide contracts for audit services, legal counsel, or software systems that serve multiple departments. They may also include general liability insurance, workers' compensation premiums, and other risk management costs not assigned to a specific unit. Citywide utility bills, dues for municipal associations, and intergovernmental payments (such as shared service agreements or regional partnerships) can also fall into this category.

In some cases, nondepartmental expenditures may include contingency funds, severance payouts, one-time capital transfers, or other unanticipated costs that are not easily assigned during the budget process. By tracking these expenses in a central account, the city improves transparency and avoids distorting the operational budgets of individual departments.

FY26 Expenditures by Category



Purchased/Contracted services	**$610,000**	69.38%
Operations & Maintenance	**$264,200**	30.05%
Vehicle & Equipment	**$4,000**	0.45%
Other Costs	**$1,000**	0.11%

Historical Expenditures by Category

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Budgeted
Personnel & Benefits	$55	-	-	-
Other Costs	-	-	$975	$1,000
Purchased/Contracted services	$532,477	$519,424	$552,920	$610,000
Operations & Maintenance	$184,874	$216,500	$278,623	$264,200
Vehicle & Equipment	$3,867	-	$3,936	$4,000
Capital Outlays	$1,495,944	$500,000	$727,786	-
Debt Service	$7,000	$3,500	$3,500	-
Interfund Transfers	-	$244,452	-	-
Total Expenditures	**$2,224,218**	**$1,483,876**	**$1,567,740**	**$879,200**

Wastewater

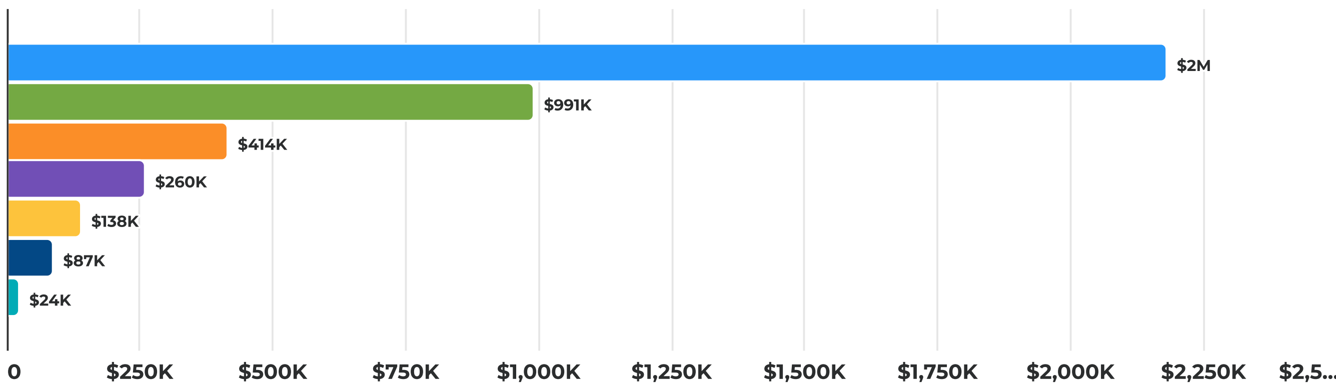
The City of Justin's wastewater services are managed by the Public Works Department's Wastewater Division, which is tasked with collecting, transporting, and treating wastewater in a manner that is safe, reliable, efficient, cost-effective, and environmentally responsible. The division's mission emphasizes protecting public health and the environment while delivering excellent service to customers.

Justin operates its own wastewater treatment plant, located on Trail Creek Drive, which specializes in processing and treating wastewater to ensure environmental sustainability and public health. The plant's operations are crucial for maintaining water quality standards, as it manages and treats wastewater efficiently and responsibly.

In addition to its own facilities, Justin is served by the Denton Creek Regional Wastewater System, an 11.5 million-gallon-per-day facility that provides regional wastewater transportation and treatment services to an area of approximately 170 square miles. This system employs advanced activated sludge processes with nitrification and denitrification for phosphorus removal, followed by tertiary filtration and ultraviolet disinfection.

The city's wastewater services are integral to Justin's infrastructure, ensuring that wastewater is managed in a way that safeguards public health and the environment. The combination of local and regional facilities allows Justin to effectively handle wastewater treatment needs for its residents and businesses.

FY26 Expenditures by Category



Purchased/Contracted services	$2,180,418	53.26%
Capital Outlays	$991,210	24.21%
Salaries & Wages	$414,095	10.11%
Other Costs	$259,876	6.35%
Personnel & Benefits	$137,721	3.36%
Operations & Maintenance	$87,225	2.13%
Vehicle & Equipment	$23,520	0.57%

Historical Expenditures by Category

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Budgeted
Salaries & Wages	$203,171	$220,461	$218,459	$414,095
Personnel & Benefits	$64,154	$82,720	$73,820	$137,721
Other Costs	$5,801,752	$2,710,600	$2,711,759	$259,876
Purchased/Contracted services	$140,001	$135,844	$249,701	$2,180,418
Operations & Maintenance	$58,035	$124,569	$148,502	$87,225

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Budgeted
Vehicle & Equipment	$38,767	$39,000	$41,156	$23,520
Capital Outlays	$1,041,084	$368,113	$416,618	$991,210
Total Expenditures	**$7,346,965**	**$3,681,307**	**$3,860,015**	**$4,094,064**

As part of the Wastewater Division’s expenditures for FY 2026, approximately $570,000 will be invested in infrastructure projects to help maintain the City's existing wastewater system. The two biggest one-time projects funded include rehabilitating lift stations and conducting an infiltration and inflow study for the Old Town and Adams areas. Further details on these projects can be found under the Service Level Enhancements section of this document.

In addition, Other Costs are to the City to decrease in FY 2026 primarily due to the completion of the West Side Sewer Project, which was budgeted at $2.5 million in the prior fiscal year. Purchased/Contracted Services is anticipated to increase primarily due to an estimated $1.98 million payment to the Trinity River Authority for water treatment services.

Water

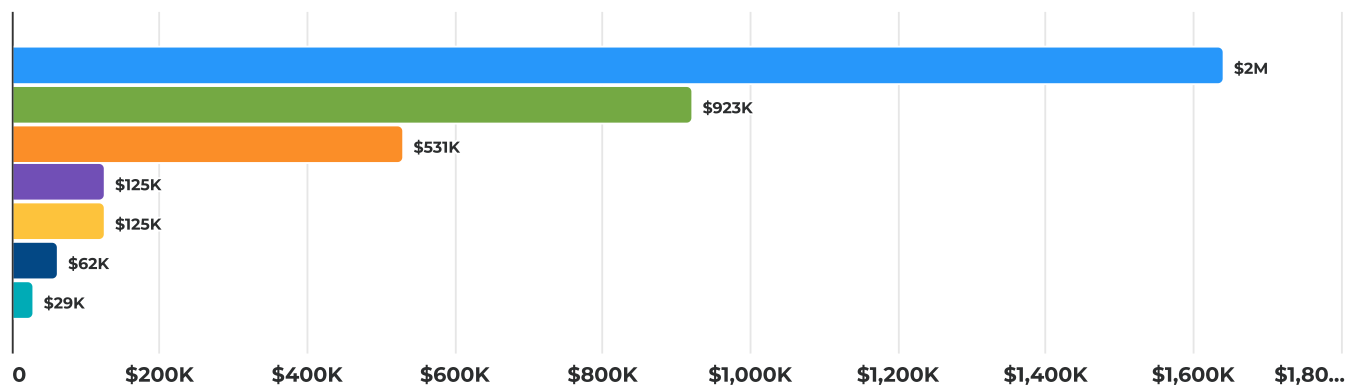
The provision of safe and reliable drinking water is a collaborative effort between the Public Works Department's Water Division and the Utility Billing Department. The Water Division is tasked with maintaining the city's water infrastructure, ensuring that residents have consistent access to high-quality water that meets both federal and state standards. This includes daily inspections, water quality monitoring, maintenance of storage and pumping facilities, and the implementation of programs aimed at minimizing water loss and ensuring system integrity.

The Utility Billing Department manages the administrative aspects of water services, including setting up new accounts, billing for water usage, and providing customer support. They offer various resources for residents, such as the EyeOnWater portal, which allows users to monitor their water consumption and detect potential leaks.

Water conservation is a significant focus for our city, given the region's rapid growth and environmental considerations. Justin has implemented a permanent twice-a-week watering schedule and offers programs like the Irrigation System Check-Up in partnership with the Upper Trinity Regional Water District to promote efficient water use.

Through these combined efforts, the City of Justin ensures that its residents have access to clean, safe, and sustainable water resources, reflecting the city's commitment to public health and environmental stewardship.

FY26 Expenditures by Category



Purchased/Contracted services	$1,641,265	47.78%
Operations & Maintenance	$922,625	26.86%
Salaries & Wages	$530,676	15.45%
Personnel & Benefits	$125,110	3.64%
Capital Outlays	$125,000	3.64%
Other Costs	$61,500	1.79%
Vehicle & Equipment	$29,000	0.84%

Expenditures by Category

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Budgeted
Salaries & Wages	$275,515	$302,599	$316,505	$530,676
Personnel & Benefits	$83,892	$108,502	$79,151	$125,110
Other Costs	$23,497	$62,500	$21,584	$61,500
Purchased/Contracted services	$1,328,900	$1,187,600	$1,523,126	$1,641,265
Operations & Maintenance	$391,107	$553,195	$574,273	$922,625
Vehicle & Equipment	$26,668	$25,000	$103,961	$29,000

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Budgeted
Capital Outlays	$2,177,240	$264,510	$1,044,091	$125,000
Total Expenditures	**$4,306,818**	**$2,503,906**	**$3,662,691**	**$3,435,176**

The Water Division is investing approximately $561,000 in one-time projects to maintain the City's water infrastructure. This includes the purchase of new mixers, generators, and related equipment. Additionally, the City of Justin plans to pay for an estimated $497,000 in additional water supply for the upcoming fiscal year.

Utility Billing

The Utility Billing Department plays a pivotal role in managing the city's utility services, ensuring that residents and businesses receive accurate and timely billing for water, wastewater, and trash services. This department is responsible for setting up new utility accounts, processing payments, handling billing inquiries, and maintaining customer records. By overseeing these functions, the department ensures the city's utility systems operate smoothly and efficiently.

When establishing a new utility account, residents are required to submit specific documentation, including a completed application, valid photo identification, and a deposit. The deposit amount varies, with a standard fee of $150.00, which is reduced to $50.00 for residents aged 65 or older. For rental properties, a Rental Certificate of Occupancy is also necessary, which must be completed by the landlord and approved by the city's Code Enforcement Officer. This process ensures that all utility accounts are properly documented and that services are provided to verified occupants.

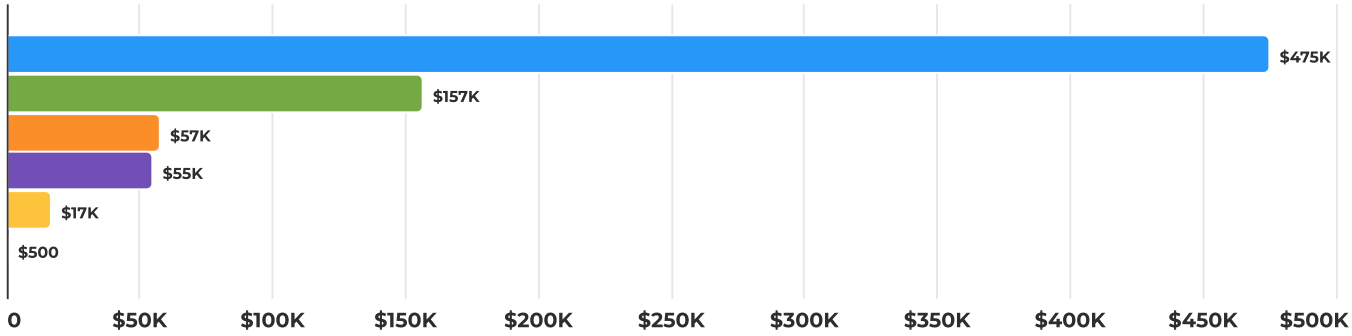
The department offers multiple payment options to accommodate the diverse needs of the community. Residents can pay their utility bills online through the city's payment portal, which provides both quick pay and recurring payment options. Additionally, payments can be made in person at City Hall, by mail, or via a drop box located on the front porch of City Hall. For those who prefer automatic payments, the city offers an Automatic Bank Draft option, which deducts the payment from the customer's bank account on the 10th of each month or the following business day. It's important to note that while cash, check, and money order payments do not incur additional fees, credit and debit card payments are subject to a 3% processing fee.

To promote water conservation and ensure fair billing, the city implements a seasonal sewer averaging period from November through February. During this time, the three lowest months of water usage are averaged (excluding the highest month) to calculate the sewer usage for the entire year. This method helps eliminate sewer consumption charges on water used for summer irrigation, providing a more accurate reflection of a household's typical wastewater output.

The Utility Billing Department also manages specialized accounts, such as fire hydrant meter accounts for construction purposes. Contractors are required to submit a fire hydrant meter application along with a $2,000.00 deposit. The Public Works Department installs the meter, and readings are taken monthly. Once the construction project is complete, the contractor must submit a disconnect form, after which the final bill is calculated, and any remaining deposit is refunded or billed accordingly.

Through these comprehensive services, the Utility Billing Department ensures that the City of Justin's residents and businesses have reliable access to essential utilities, while also promoting efficient usage and providing responsive customer support.

FY26 Expenditures by Category



Other Costs	**$475,000**	62.40%
Salaries & Wages	**$156,707**	20.59%
Purchased/Contracted services	**$57,457**	7.55%
Personnel & Benefits	**$54,745**	7.19%
Operations & Maintenance	**$16,785**	2.21%
Vehicle & Equipment	**$500**	0.07%

Historical Expenditures by Category

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Budgeted
Salaries & Wages	$76,382	$121,750	$131,587	$156,707
Personnel & Benefits	$22,965	$42,634	$48,482	$54,745
Other Costs	$392,773	$405,000	$403,112	$475,000
Purchased/Contracted services	$43,681	$45,350	$33,565	$57,457
Operations & Maintenance	$25,355	$29,300	$30,655	$16,785
Vehicle & Equipment	-	$500	$500	$500
Capital Outlays	$51,451	-	-	-
Total Expenditures	**$612,606**	**$644,534**	**$647,901**	**$761,194**

Street Maintenance

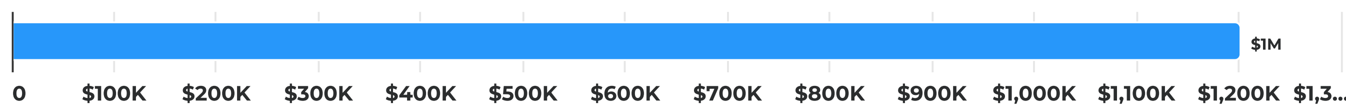
The maintenance and upkeep of streets and related infrastructure fall under the purview of the Public Works Department, specifically managed by the Municipal Maintenance Crew. This team is dedicated to improving, maintaining, and beautifying the city's public spaces, which includes the maintenance of city streets, buildings, signs, and streetlights. Their responsibilities ensure that the city's infrastructure remains safe and functional for all residents.

The Municipal Maintenance Crew addresses various issues that may arise on city property. Residents are encouraged to report maintenance concerns, such as potholes, damaged street signs, or malfunctioning streetlights, directly to the city. If the reported issue is not on city property, the crew endeavors to contact the appropriate property owner or relevant authority to address the problem.

For more detailed information on street maintenance and related services, residents can refer to the Streets & Drainage FAQs provided by the city. This resource offers answers to common questions and guidance on how to report specific issues.

Through the diligent work of the Municipal Maintenance Crew, the City of Justin ensures that its streets and public spaces are well-maintained, contributing to the overall quality of life for its residents.

FY26 Expenditures by Category



Operations & Maintenance **$1,201,800** 100.00%

Historical Expenditures by Category

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Budgeted
Operations & Maintenance	$468,883	$789,100	$789,100	$1,201,800
Total Expenditures	**$468,883**	**$789,100**	**$789,100**	**$1,201,800**

The increase in the FY 2026 budget is primarily associated with the Service Level Enhancements proposed for the Street Maintenance Fund, which include concrete replacement and funds to complete the engineering for N. Sealy Ave. and N. Snyder Ave.

Economic Development

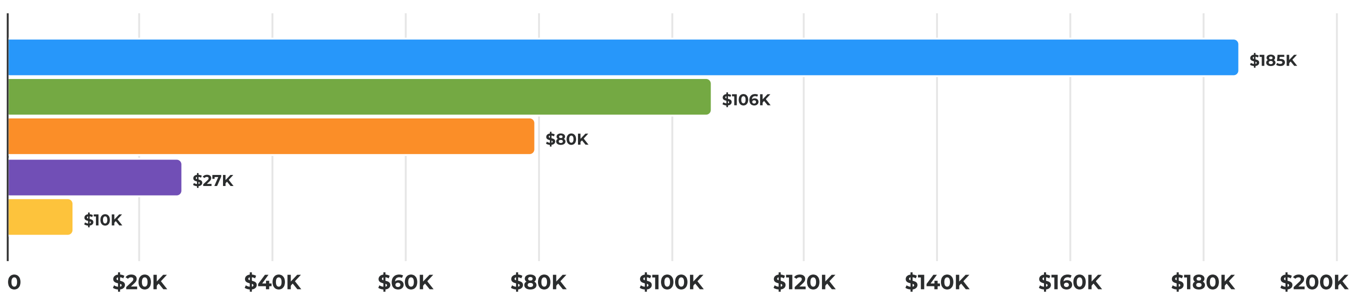
The City of Justin actively promotes economic growth and business development through its Economic Development Corporation (EDC), a Type A non-profit, tax-exempt entity established following voter approval of a one-quarter percent sales and use tax dedicated to economic development. The EDC operates independently from other city boards and commissions, focusing on initiatives that facilitate manufacturing and industrial activity. Its responsibilities include funding the provision of land, buildings, equipment, facilities, and targeted infrastructure improvements aimed at creating or retaining primary jobs. Projects supported by the EDC encompass manufacturing and industrial facilities, research and development centers, recycling facilities, distribution centers, primary job training facilities in collaboration with institutions of higher education, and regional or national corporate headquarters. With public hearing and voter approval, the EDC may also undertake projects typically eligible under a Type B Corporation.

The EDC's mission is to ensure that Justin remains an "Open for Business" community, actively attracting and retaining both new and existing businesses. To support this goal, the EDC offers financial incentives and grants, such as facade enhancement, sign, and advertising grants, to local and new businesses. These programs aim to retain the unique charm of Justin's old town area while expanding commercial spaces throughout the city. The EDC also maintains a directory of available property sites suitable for business relocations or expansions, demonstrating the city's preparedness to accommodate business growth.

The EDC is governed by a Board of Directors comprising local community members who oversee the corporation's activities and strategic direction. The board includes positions such as President, Vice President, Secretary, and other members, each contributing to the organization's governance and decision-making processes. The Assistant City Manager, Abbey Reece, serves as the staff liaison, providing administrative support and facilitating communication between the EDC and city departments.

Through these concerted efforts, the Justin Economic Development Corporation plays a pivotal role in shaping the city's economic landscape, fostering an environment conducive to business success and community prosperity.

FY26 Expenditures by Category



Other Costs	$185,347	45.47%
Purchased/Contracted services	$106,171	26.04%
Salaries & Wages	$79,635	19.53%
Personnel & Benefits	$26,516	6.50%
Operations & Maintenance	$10,000	2.45%

Historical Expenditures by Category

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Budgeted
Salaries & Wages	-	-	-	$79,635
Personnel & Benefits	-	-	-	$26,516
Other Costs	$231,482	$281,989	$281,989	$185,347

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Budgeted
Purchased/Contracted services	$36,750	$34,200	$28,967	$106,171
Operations & Maintenance	$3,750	$4,250	$4,250	$10,000
Total Expenditures	**$271,982**	**$320,439**	**$315,206**	**$407,668**

Community Development

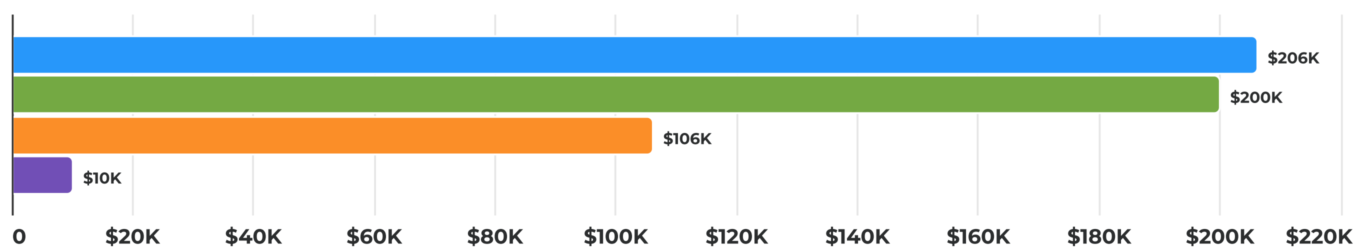
Our city fosters community enhancement and quality of life through the initiatives of the Justin Community Development Corporation (JCDC). Established as a Type B non-profit, tax-exempt Texas Corporation, the JCDC operates independently from other city boards and commissions. Its creation followed the approval of a one-fourth (¼) of one percent sales tax by Justin residents, dedicated specifically to community development efforts.

The JCDC's primary mission is to provide leadership and funding for projects that enhance and preserve Justin's excellent quality of life. The Type B sales tax offers the city a broader scope for utilizing tax revenues, enabling the undertaking of various projects aimed at community development. Authorized expenditures under this tax include the development and improvement of professional and amateur sports facilities, park facilities and events, entertainment venues, convention and tourist facilities, and related infrastructure. Additionally, the tax can fund water supply facilities or water conservation programs, provided such projects receive majority approval from qualified voters in a dedicated election.

Governance of the JCDC is entrusted to a Board of Directors composed of local community members. The board includes positions such as President, Vice President, Secretary, and other members, each contributing to the organization's strategic direction and decision-making processes. The Assistant City Manager, Abbey Reece, serves as the staff liaison, facilitating communication between the JCDC and city departments.

Through its dedicated efforts, the JCDC plays a pivotal role in shaping Justin's community landscape, ensuring that development projects align with the city's vision and meet the evolving needs of its residents. By leveraging the Type B sales tax, the corporation enables the city to undertake initiatives that might otherwise be beyond the scope of traditional funding mechanisms, thereby contributing to the sustained growth and vitality of the community.

FY26 Expenditures by Category



Other Costs	**$206,169**	39.46%
Capital Outlays	**$200,000**	38.28%
Purchased/Contracted services	**$106,262**	20.34%
Operations & Maintenance	**$10,000**	1.91%

Historical Expenditures by Category

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Budgeted
Other Costs	$271,800	$313,359	$313,359	$206,169
Purchased/Contracted services	$19,250	$34,200	$27,665	$106,262
Operations & Maintenance	$3,750	$4,250	$4,250	$10,000
Capital Outlays	-	-	-	$200,000
Total Expenditures	**$294,800**	**$351,809**	**$345,274**	**$522,431**

For FY 2026, the budget includes the addition of $200k in Service Level Enhancements to fund park improvements.

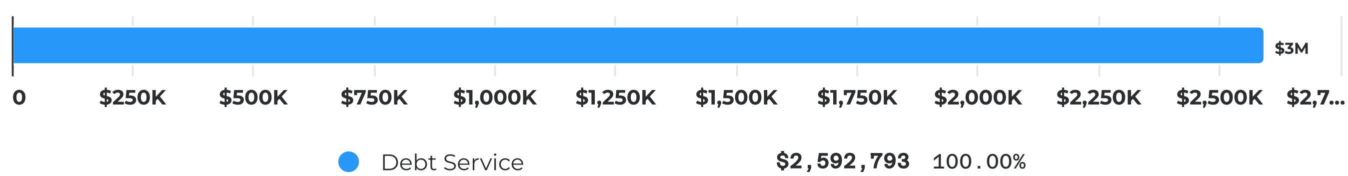
Public Improvement District Expenditures by Category

In the City of Justin, a Public Improvement District (PID) is a designated area where property owners collectively agree to fund specific public improvements and services through special assessments. These assessments are levied in addition to standard property taxes and are used exclusively for projects that benefit the properties within the district. Common improvements funded by PIDs include landscaping, parks, trails, street lighting, and utility infrastructure.

The establishment of a PID typically begins with a petition from property owners within the proposed district. Once the petition meets the requirements set forth by state law, the city council may approve the creation of the PID. The funds collected through the PID assessments are managed to ensure they are used for the intended improvements, thereby enhancing property values and the overall quality of life within the district.

In Justin, PIDs serve as a strategic tool to facilitate community development and infrastructure enhancements without placing the financial burden solely on the city's general fund. By leveraging PIDs, the city can address the specific needs of growing neighborhoods, ensuring that developments are well-equipped with the necessary public amenities and services.

FY26 Expenditures by Object Summary 1



Expenditures by Category

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Budgeted
Debt Service	$2,191,662	-	$2,158,358	$2,592,793
Total Expenditures	**$2,191,662**	**-**	**$2,158,358**	**$2,592,793**

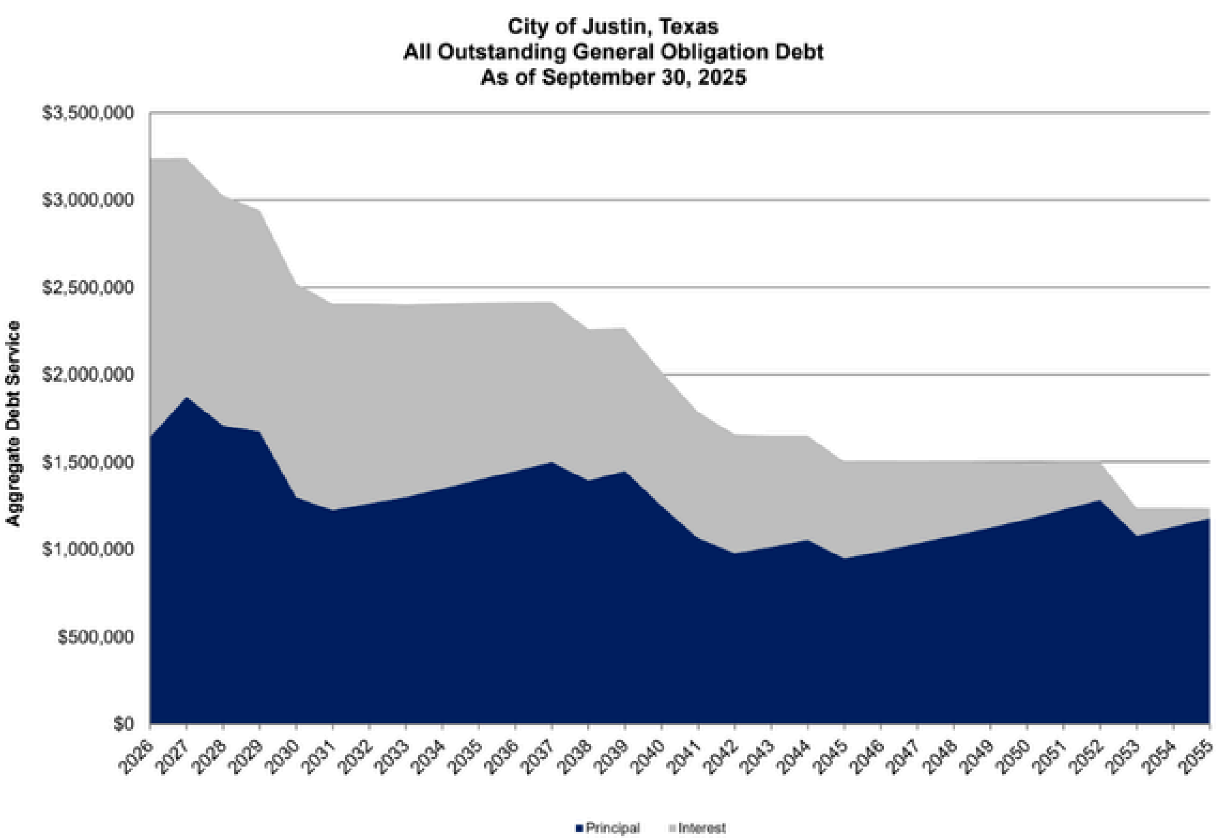
Prior to FY 2026 the fund for the Public Improvement district (PID) was not included in the annual budget.

Debt Services Overview

The Debt Services Overview provides a summary of the City of Justin's outstanding debt obligations and the schedule for repaying them over time. Debt is used by the city to finance large capital investments, such as roads, utility infrastructure, public facilities, and economic development projects, without requiring the full cost to be paid upfront. This section includes detailed tables that outline scheduled payments for each major category of debt, including general obligation bonds, water and sewer system debt, street maintenance debt, and economic and community development obligations. Each table displays the payment period, the amount of principal to be repaid, the interest owed, and the total annual debt service for that year. These tables help residents and decision-makers understand how existing debt is being managed and how it impacts the city's annual budget.

General Obligation Debt Visualized

When our city takes on big projects, such as rebuilding roads, improving parks, or fixing public buildings, we sometimes borrow money to get the work done now, rather than waiting years to save up enough cash. This kind of borrowing is called *general obligation debt*. It simply means the city promises to pay back what it borrows, plus interest, using property taxes and other general revenues. Because this promise is backed by the city's ability to collect taxes, it usually lets us borrow at lower rates, which saves taxpayers money in the long run. To keep everyone informed, we share what's called an *aggregate debt service chart*. This chart shows how much we plan to pay each year to cover both the original loan amounts (the principal) and the interest that comes with them. Our current chart runs from 2026 through 2055, so you can see exactly when different debts will be paid off and how our yearly payments change over time.



General Obligation Debt

This table displays the City's annual debt service payments for general obligation bonds, which are repaid through property tax revenues. These bonds were issued to fund citywide infrastructure and facility improvements. The chart includes both principal and interest payments, with total outstanding principal declining steadily through FY 2026. Payments are structured to maintain consistency and predictability in the General Fund's annual obligations.

Date	Principal	Interest	Debt Service
9/30/2026	$1,645,000	$1,593,955	$3,238,955
9/30/2027	1,875,000	1,365,014	3,240,014
9/30/2028	1,710,000	1,314,264	3,024,264
9/30/2029	1,675,000	1,268,142	2,943,142
9/30/2030	1,300,000	1,221,629	2,521,629
9/30/2031	1,225,000	1,182,056	2,407,056
9/30/2032	1,265,000	1,142,868	2,407,868
9/30/2033	1,300,000	1,101,690	2,401,690
9/30/2034	1,350,000	1,058,388	2,408,388
9/30/2035	1,400,000	1,012,875	2,412,875
9/30/2036	1,450,000	966,116	2,416,116
9/30/2037	1,500,000	916,949	2,416,949
9/30/2038	1,395,000	866,263	2,261,263
9/30/2039	1,450,000	817,698	2,267,698
9/30/2040	1,250,000	766,761	2,016,761
9/30/2041	1,065,000	721,165	1,786,165
9/30/2042	980,000	678,912	1,658,912
9/30/2043	1,015,000	636,070	1,651,070
9/30/2044	1,055,000	595,811	1,650,811
9/30/2045	950,000	552,906	1,502,906
9/30/2046	990,000	511,131	1,501,131
9/30/2047	1,035,000	467,581	1,502,581
9/30/2048	1,080,000	422,056	1,502,056
9/30/2049	1,125,000	373,481	1,498,481
9/30/2050	1,175,000	322,856	1,497,856
9/30/2051	1,230,000	269,981	1,499,981
9/30/2052	1,285,000	214,625	1,499,625
9/30/2053	1,080,000	156,788	1,236,788
9/30/2054	1,130,000	106,838	1,236,838
9/30/2055	1,180,000	54,575	1,234,575
Total:	$38,165,000	$22,679,444	$60,844,444

Water & Sewer System Self-Supported Debt

Some city projects, like maintaining and upgrading our water and sewer systems, are paid for a bit differently than roads or public buildings. When we borrow money to fix water lines, build new pipes, or upgrade treatment plants, we use what's called *self-supported debt*. This means the money to repay these loans doesn't come from general property taxes; instead, it's paid back using the fees people pay on their monthly water and sewer bills.

Date	Principal	Interest	Debt Service
9/30/2026	$915,000	$316,788	$1,231,788
9/30/2027	935,000	299,907	1,234,907
9/30/2028	955,000	282,214	1,237,214
9/30/2029	975,000	265,555	1,240,555
9/30/2030	590,000	247,955	837,955
9/30/2031	595,000	238,143	833,143
9/30/2032	615,000	227,606	842,606
9/30/2033	620,000	216,128	836,128
9/30/2034	635,000	203,976	838,976
9/30/2035	650,000	191,225	841,225
9/30/2036	665,000	177,766	842,766
9/30/2037	680,000	163,449	843,449
9/30/2038	545,000	148,463	693,463
9/30/2039	555,000	136,998	691,998
9/30/2040	570,000	125,161	695,161
9/30/2041	440,000	112,822	552,822
9/30/2042	320,000	101,818	421,818
9/30/2043	325,000	91,976	416,976
9/30/2044	335,000	81,905	416,905
9/30/2045	195,000	71,400	266,400
9/30/2046	200,000	63,600	263,600
9/30/2047	210,000	55,600	265,600
9/30/2048	220,000	47,200	267,200
9/30/2049	225,000	38,400	263,400
9/30/2050	235,000	29,400	264,400
9/30/2051	245,000	20,000	265,000
9/30/2052	255,000	10,200	265,200
	$13,705,000	$3,965,651	$17,670,652

Street Maintenance Self-Supported Debt

Keeping our streets in good shape often means big projects like repaving roads, improving sidewalks, or fixing drainage. Sometimes the city borrows money to get these improvements done all at once, instead of waiting to save up over many years. When we do this, we may use *self-supported debt* for street work.

To help everyone see how this works, we share a chart showing what we owe each year for street maintenance debt. It shows the yearly payments for both the original borrowed amounts (the principal) and the interest. By planning these payments over time, we can keep our streets safer and smoother without putting unexpected pressure on the city's main budget.

All items displayed here have a coupon rate of 3.000%.

Date	Principal	Interest	Debt Service
9/30/2026	$55,000	$27,750	$82,750
9/30/2027	55,000	26,100	81,100
9/30/2028	55,000	24,450	79,450
9/30/2029	60,000	22,800	82,800
9/30/2030	60,000	21,000	81,000
9/30/2031	65,000	19,200	84,200
9/30/2032	65,000	17,250	82,250
9/30/2033	65,000	15,300	80,300
9/30/2034	70,000	13,350	83,350
9/30/2035	70,000	11,250	81,250
9/30/2036	75,000	9,150	84,150
9/30/2037	75,000	6,900	81,900
9/30/2038	75,000	4,650	79,650
9/30/2039	80,000	2,400	82,400
	$980,000	$250,950	$1,230,950

Economic Development Corp. Self-Supported Debt

When our city's Economic Development Corporation (EDC) takes on projects to attract new businesses, support local jobs, or revitalize commercial areas, it sometimes borrows money to help fund those improvements. This borrowing is called *self-supported debt* because it's paid back using dedicated revenue, like sales tax set aside for economic development, instead of general city taxes. By using these targeted funds, the EDC can invest in projects that boost our local economy while ensuring the debt is covered by the very growth and activity those projects help create.

Date	Principal	Interest	Debt Service
9/30/2026	$80,000	$5,147	$85,147
9/30/2027	75,000	3,395	78,395
9/30/2028	80,000	1,752	81,752
	$310,000	$17,082	$327,082

Community Development Corp. Self-Supported Debt

Our Community Development Corporation (CDC) focuses on projects that strengthen neighborhoods, like affordable housing, community centers, or local improvements that benefit residents directly. When the CDC borrows money for this work, the debt is *self-supported,* meaning it's paid off with dedicated income, such as special grants, lease revenues, or funds earmarked for community development, rather than general property taxes. This allows the CDC to tackle important projects for our community while keeping repayment tied to the specific programs and funding sources that make those projects possible.

Date	Principal	Interest	Debt Service
9/30/2026	$95,000	$11,169	$106,169
9/30/2027	100,000	9,089	109,089
9/30/2028	105,000	6,899	111,899
9/30/2029	105,000	4,599	109,599
9/30/2030	105,000	2,300	107,300
	$610,000	$47,414	$657,414

Glossary

Abatement: A reduction or elimination of a real or personal property tax, motor vehicle excise, a fee, charge, or special assessment imposed by a governmental unit. Granted only on application of the person seeking the abatement and only by the committing governmental unit.

Accounting System: The total structure of records and procedures that identify record, classify, and report information on the financial position and operations of a governmental unit or any of its funds, account groups, and organizational components.

Accrued Interest: The amount of interest that has accumulated on the debt since the date of the last interest payment, and on the sale of a bond, the amount accrued up to but not including the date of delivery (settlement date). (See Interest)

ACFR: Annual Comprehensive Financial Report - A detailed report of an organization's financial activities and performance over the fiscal year.

Amortization: The gradual repayment of an obligation over time and in accordance with a predetermined payment schedule.

Appropriation: A legal authorization from the community's legislative body to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended.

Arbitrage: As applied to municipal debt, the investment of tax-exempt bonds or note proceeds in higher yielding, taxable securities. Section 103 of the Internal Revenue Service (IRS) Code restricts this practice and requires (beyond certain limits) that earnings be rebated (paid) to the IRS.

Assessed Valuation: A value assigned to real estate or other property by a government as the basis for levying taxes.

Assets: Items owned by an organization that have economic value, such as cash, investments, property, and equipment.

Audit: An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool in evaluating the fiscal performance of a community.

Audit Report: Prepared by an independent auditor, an audit report includes: (a) a statement of the scope of the audit; (b) explanatory comments as to application of auditing procedures; (c) findings and opinions. It is almost always accompanied by a management letter which contains supplementary comments and recommendations.

Available Funds: Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other one-time costs.

Balance Sheet: A statement that discloses the assets, liabilities, reserves and equities of a fund or governmental unit at a specified date.

Betterments (Special Assessments): Whenever a specific area of a community receives benefit from a public improvement (e.g., water, sewer, sidewalk, etc.), special property taxes may be assessed to reimburse the governmental entity for all or part of the costs it incurred. Each parcel receiving benefit from the improvement is assessed for its proportionate share of the cost of such improvements. The proportionate share may be paid in full or the property owner may request that the assessors apportion the betterment over 20 years. Over the life of the betterment, one year’s apportionment along with one year's committed interest computed from October 1 to October 1 is added to the tax bill until the betterment has been paid.

Bond: A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year. (See Note)

Bond and Interest Record: (Bond Register) – The permanent and complete record maintained by a treasurer for each bond issue. It shows the amount of interest and principal coming due each date and all other pertinent information concerning the bond issue.

Bonds Authorized and Unissued: Balance of a bond authorization not yet sold. Upon completion or abandonment of a project, any remaining balance of authorized and unissued bonds may not be used for other purposes, but must be rescinded by the community's legislative body to be removed from community's books.

Bond Issue: Generally, the sale of a certain number of bonds at one time by a governmental unit.

Bond Rating (Municipal): A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

Budget: A plan for allocating resources to support particular services, purposes and functions over a specified period of time. (See Performance Budget, Program Budget)

Capital Assets: All real and tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful live extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost. (See Fixed Assets)

Capital Budget: An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended. (See Capital Assets, Fixed Assets)

Cash: Currency, coin, checks, postal and express money orders and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

Cash Flow: The movement of money into or out of an organization, showing its liquidity and ability to meet financial obligations.

Cash Management: The process of monitoring the ebb and flow of money in an out of municipal accounts to ensure cash availability to pay bills and to facilitate decisions on the need for short- term borrowing and investment of idle cash.

Certificate of Deposit (CD): A bank deposit evidenced by a negotiable or non-negotiable instrument, which provides on its face that the amount of such deposit plus a specified interest payable to a bearer or to any specified person on a certain specified date, at the expiration of a certain specified time, or upon notice in writing.

Classification of Real Property: Assessors are required to classify all real property according to use into one of four classes: residential, open space, commercial, and industrial. Having classified its real properties, local officials are permitted to determine locally, within limitations established by statute and the Commissioner of Revenue, what percentage of the tax burden is to be borne by each class of real property and by personal property owners.

Collective Bargaining: The process of negotiating workers' wages, hours, benefits, working conditions, etc., between an employer and some or all of its employees, who are represented by a recognized labor union, regarding wages, hours and working conditions.

Compliance: Adherence to relevant laws, regulations, and internal policies governing financial reporting and operations.

Consumer Price Index: The statistical measure of changes, if any, in the overall price level of consumer goods and services. The index is often called the "cost-of-living index."

Cost-Benefit Analysis: A decision-making tool that allows a comparison of options based on the level of benefit derived and the cost to achieve the benefit from different alternatives.

Debt Burden: The amount of debt carried by an issuer usually expressed as a measure of value (i.e., debt as a percentage of assessed value, debt per capita, etc.). Sometimes debt burden refers to debt service costs as a percentage of the total annual budget.

Debt Service: The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

Encumbrance: A reservation of funds to cover obligations arising from purchase orders, contracts, or salary commitments that are chargeable to, but not yet paid from, a specific appropriation account.

Enterprise Funds: An enterprise fund is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery — direct, indirect, and capital costs — are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the "surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.

Equalized Valuations (EQVs): The determination of the full and fair cash value of all property in the community that is subject to local taxation.

Equity: The residual interest in the assets of an organization after deducting liabilities, representing the owners' stake in the business.

Estimated Receipts: A term that typically refers to anticipated local revenues often based on the previous year's receipts and represent funding sources necessary to support a community's annual budget. (See Local Receipts)

Exemptions: A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular categories of property or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and cultural institutions. Persons who may qualify for exemptions include disabled veterans, blind individuals, surviving spouses, and seniors.

Expenditure: An outlay of money made by municipalities to provide the programs and services within their approved budget.

Fiduciary Funds: Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include pension (and other employee benefit) trust funds, investment trust funds, private- purpose trust funds, and agency funds.

Financial Statements: Reports summarizing an organization's financial activities and position, including the balance sheet, income statement, and cash flow statement.

Fiscal Year: The 12-month period for which an organization plans the use of its funds, typically not the same as the calendar year.

Fixed Assets: Long-lived, assets such as buildings, equipment and land obtained or controlled as a result of past transactions or circumstances.

Fixed Costs: Costs that are legally or contractually mandated such as retirement, FICA/Social Security, insurance, debt service costs or interest on loans.

Float: The difference between the bank balance for a local government's account and its book balance at the end of the day. The primary factor creating float is clearing time on checks and deposits. Delays in receiving deposit and withdrawal information also influence float.

Full Faith and Credit: A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.

Fund: An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

Fund Accounting: Organizing financial records into multiple, segregated locations for money. A fund is a distinct entity within the municipal government in which financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently in accordance with specific regulations, restrictions or limitations. Examples of funds include the general fund and enterprise funds. Communities whose accounting records are organized according to the Uniform Municipal Accounting System (UMAS) use multiple funds.

GAAP: Generally Accepted Accounting Principles - Standard accounting principles, standards, and procedures that companies use to compile their financial statements.

GASB 34: A major pronouncement of the Governmental Accounting Standards Board that establishes new criteria on the form and content of governmental financial statements. GASB 34 requires a report on overall financial health, not just on individual funds. It requires more complete information on the cost of delivering value estimates on public infrastructure assets, such as bridges, road, sewers, etc. It also requires the presentation of a narrative statement the government's financial performance, trends and prospects for the future.

GASB 45: This is another Governmental Accounting Standards Board major pronouncement that each public entity account for and report other postemployment benefits in its accounting statements. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of actual service.

General Fund: The fund used to account for most financial resources and activities governed by the normal appropriation process.

General Obligation Bonds: Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority.

Governing Body: A board, committee, commission, or other executive or policymaking body of a municipality or school district.

Indirect Cost: Costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these costs is necessary to analyze the total cost of service delivery. The matter of indirect costs arises most often in the context of enterprise funds.

Internal Controls: Policies and procedures implemented by an organization to ensure the reliability of financial reporting and compliance with laws and regulations, aiming to prevent fraud and errors.

Interest: Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

Interest Rate: The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

Investments: Securities and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in governmental operations.

Liabilities: Debts or obligations owed by an organization, including loans, accounts payable, and accrued expenses.

Line Item Budget: A budget that separates spending into categories, or greater detail, such as supplies, equipment, maintenance, or salaries, as opposed to a program budget.

Local Aid: Revenue allocated by the state or counties to municipalities and school districts.

Maturity Date: The date that the principal of a bond becomes due and payable in full.

Municipal(s): (As used in the bond trade) "Municipal" refers to any state or subordinate governmental unit. "Municipals" (i.e., municipal bonds) include not only the bonds of all political subdivisions, such as cities, towns, school districts, special districts, counties but also bonds of the state and agencies of the state.

Net Income: The difference between an organization's revenues and expenses, representing its profit or loss for a specific period.

Note: A short-term loan, typically with a maturity date of a year or less.

Objects of Expenditures: A classification of expenditures that is used for coding any department disbursement, such as “personal services,” “expenses,” or “capital outlay.”

Official Statement: A document prepared for potential investors that contains information about a prospective bond or note issue and the issuer. The official statement is typically published with the notice of sale. It is sometimes called an offering circular or prospectus.

Operating Budget: A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

Overlapping Debt: A community's proportionate share of the debt incurred by an overlapping government entity, such as a regional school district, regional transit authority, etc.

Performance Budget: A budget that stresses output both in terms of economy and efficiency.

Principal: The face amount of a bond, exclusive of accrued interest.

Program: A combination of activities to accomplish an end.

Program Budget: A budget that relates expenditures to the programs they fund. The emphasis of a program budget is on output.

Proprietary Funds: Funds used to record the financial transactions of governmental entities when they engage in activities that are intended to recover the cost of providing goods or services to the general public on a user-fee basis.

Purchased Services: The cost of services that are provided by a vendor.

Refunding of Debt: Transaction where one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer.

Reserve Fund: An amount set aside annually within the budget of a town to provide a funding source for extraordinary or unforeseen expenditures.

Revaluation: The assessors of each community are responsible for developing a reasonable and realistic program to achieve the fair cash valuation of property in accordance with constitutional and statutory requirements. The nature and extent of that program will depend on the assessors' analysis and consideration of many factors, including, but not limited to, the status of the existing valuation system, the results of an in-depth sales ratio study, and the accuracy of existing property record information.

Revenues: Inflows of resources or other enhancements of assets of an organization, usually from sales of goods or services.

Revenue Anticipation Note (RAN): A short-term loan issued to be paid off by revenues, such as tax collections and state aid. RANs are full faith and credit obligations.

Revenue Bond: A bond payable from and secured solely by specific revenues and thereby not a full faith and credit obligation.

Revolving Fund: Allows a community to raise revenues from a specific service and use those revenues without appropriation to support the service.

Sale of Real Estate Fund: A fund established to account for the proceeds of the sale of municipal real estate other than proceeds acquired through tax title foreclosure.

Stabilization Fund: A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose.

Surplus Revenue: The amount by which cash, accounts receivable, and other assets exceed liabilities and reserves.

Tax Rate: The amount of property tax stated in terms of a unit of the municipal tax base; for example, $14.80 per $1,000 of assessed valuation of taxable real and personal property.

Tax Title Foreclosure: The procedure initiated by a municipality to obtain legal title to real property already in tax title and on which property taxes are overdue.

Trust Fund: In general, a fund for money donated or transferred to a municipality with specific instructions on its use. As custodian of trust funds, the treasurer invests and expends such funds as stipulated by trust agreements, as directed by the commissioners of trust funds or by the community's legislative body. Both principal and interest may be used if the trust is established as an expendable trust. For nonexpendable trust funds, only interest (not principal) may be expended as directed.

Uncollected Funds: Recently deposited checks included in an account's balance but drawn on other banks and not yet credited by the Federal Reserve Bank or local clearinghouse to the bank cashing the checks. (These funds may not be loaned or used as part of the bank's reserves and they are not available for disbursement.)

Undesignated Fund Balance: Monies in the various government funds as of the end of the fiscal year that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash.

Unreserved Fund Balance (Surplus Revenue Account): The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)

Valuation (100 Percent): The legal requirement that a community's assessed value on property must reflect its market, or full and fair cash value.