

Notice of Workshop

July 30, 2025, 5:00 p.m.

City Council Chamber, 3947 Lincoln Ave., Groves, TX



City Council

Notice is given that the Groves City Council will hold a workshop in person on the date, time, and location listed above. Live streaming of the meeting is available for viewing at <https://us02web.zoom.us/j/86827709527> or by scanning the QR code to the right. The City Council welcomes citizen participation at all City Council meetings on any agenda items within the limitations of law and decorum. City Council may adjourn into Executive Session to deliberate any agenda item listed if the matter for discussion meets an exception for Executive Session under Texas Government Code Chapter 551. The City Council may also deliberate in public on any item that is listed on the agenda for Executive Session.



Opening Agenda

1. Call meeting to order.
2. Prayer.
3. Pledge of Allegiance
4. Roll Call
5. Welcome and recognition of guests and news media.

Regular Agenda

6. Hear and deliberate on the presentation of the FY2025-2026 Budget.

Closing Agenda

7. Hear and deliberate on Council Member comments.
8. Adjourn.

Special Accommodations

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services are requested to contact City Clerk Clarissa Thibodeaux at (409) 960-5773 or cthibodeaux.cigrovestx.com at least three days before the meeting.

Certification

I certify that the above notice of meeting was posted on the bulletin board and front door of City Hall, 3947 Lincoln Avenue, on July 25, 2025, at 9:50 AM/PM.



City of Groves

City Council FY 2025-2026 Budget Workshop

July 30, 2025



Agenda

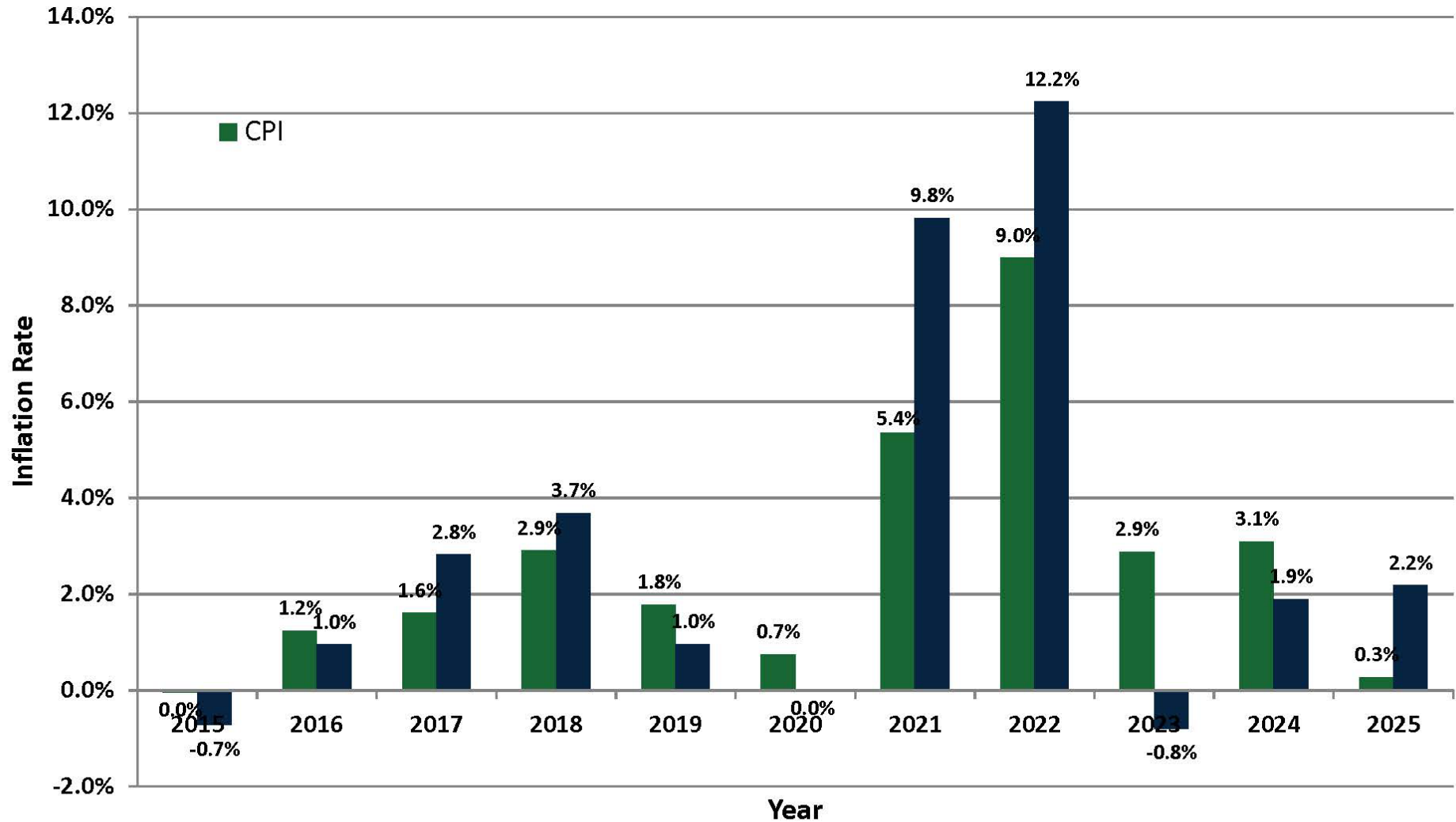
- Opening Remarks
- Economic Overview
- Financial Condition
- Budget Calendar
- Revenue
- Expenditures
- What is Not Included
- Questions/Ideas

Economic Overview



U.S. Consumer Price Index/Municipal Cost Index Inflation Rate Comparison

June 2015 - May 2025

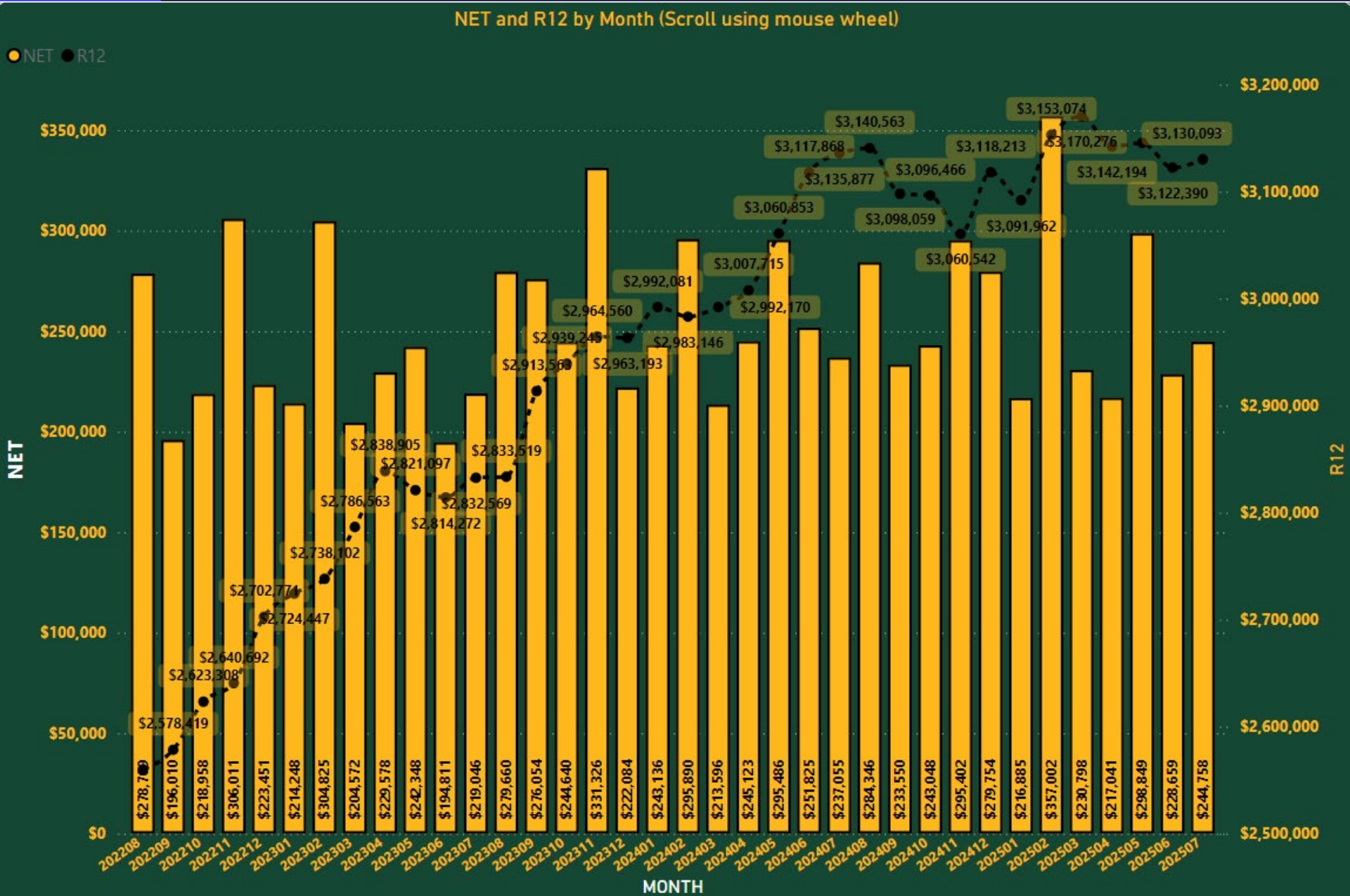


Sources: American City & County Municipal Cost Index; Bureau of Labor Statistics Consumer Price Index

Revised 7/08/25

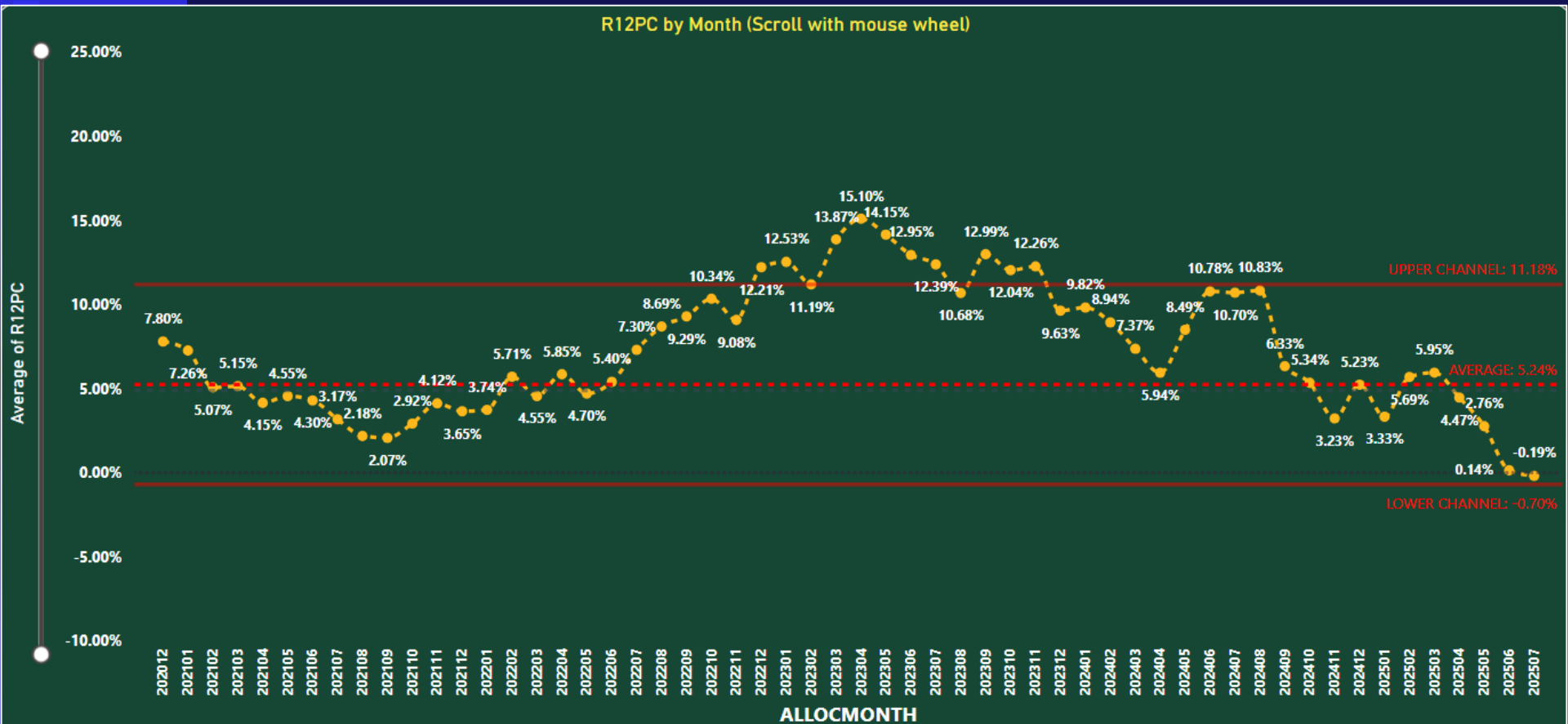
Net Sales Tax Allocation & Rolling 12-Month Total by Month

Last 36 Months



Rolling 12-Month Sales Tax Percentage Change by Month

Last 48 Months

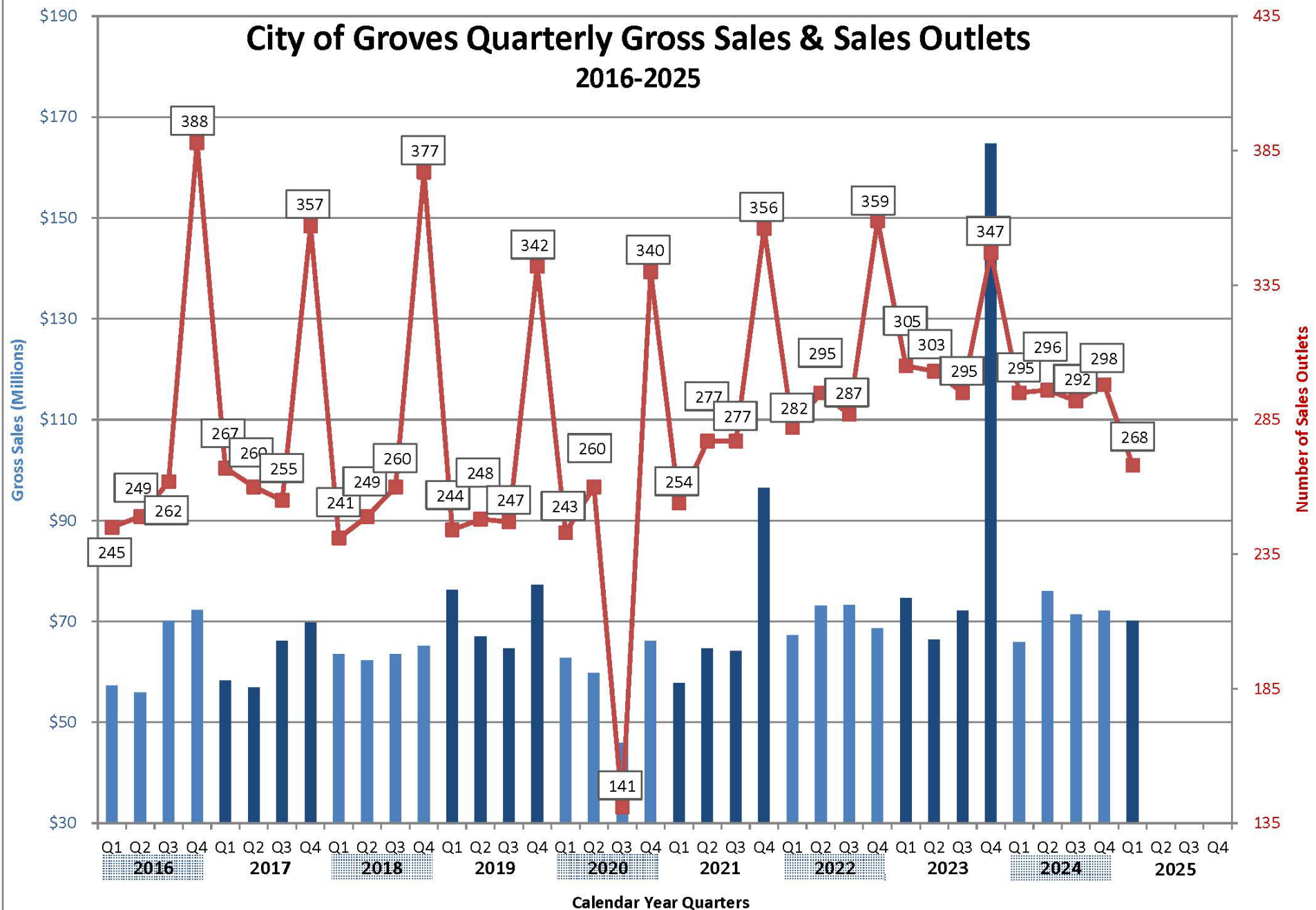


Rolling 13-Month Percentage Sales Tax Change by Month

ENTITY	202407	202408	202409	202410	202411	202412	202501	202502	202503	202504	202505	202506	202507	AVG
BEAUMONT	-0.53%	-0.04%	0.56%	2.89%	3.24%	3.50%	4.78%	6.63%	7.94%	9.08%	9.62%	8.06%	7.73%	4.88%
BRIDGE CITY	7.19%	7.17%	7.42%	7.27%	5.98%	7.33%	7.66%	10.19%	10.73%	9.65%	-2.77%	-2.85%	-2.80%	5.55%
GROVES	10.70%	10.83%	6.33%	5.34%	3.23%	5.23%	3.33%	5.69%	5.95%	4.47%	2.76%	0.14%	-0.19%	4.91%
JEFFERSON COUNTY	1.44%	1.28%	1.80%	3.05%	4.13%	9.26%	9.72%	12.29%	12.13%	11.91%	10.89%	9.84%	11.11%	7.60%
NEDERLAND	-1.00%	-1.33%	-2.14%	-1.96%	-0.33%	-0.46%	0.39%	2.88%	6.48%	7.04%	13.14%	14.61%	16.35%	4.13%
ORANGE	1.63%	-9.35%	-16.66%	-21.57%	-22.43%	-21.13%	-18.52%	-14.68%	-14.59%	-10.81%	-14.38%	-11.81%	-9.46%	-14.14%
ORANGE COUNTY	10.68%	5.39%	4.47%	3.71%	2.17%	6.47%	9.95%	13.08%	15.25%	43.68%	50.88%	49.51%	48.09%	20.26%
PORT ARTHUR	5.22%	4.19%	3.74%	4.96%	4.79%	3.18%	2.25%	1.77%	3.30%	3.47%	3.13%	4.32%	0.98%	3.48%
PORT NECHES	7.92%	0.32%	-6.58%	-9.13%	-12.16%	-12.98%	-11.21%	-8.12%	-10.08%	-9.92%	-8.32%	-7.92%	-5.98%	-7.24%
VIDOR	7.03%	5.76%	0.48%	0.32%	0.49%	0.62%	0.96%	2.62%	2.70%	1.71%	3.83%	5.63%	3.65%	2.75%
AVG	5.03%	2.42%	-0.06%	-0.51%	-1.09%	0.10%	0.93%	3.24%	3.98%	7.03%	6.88%	6.95%	6.95%	3.22%

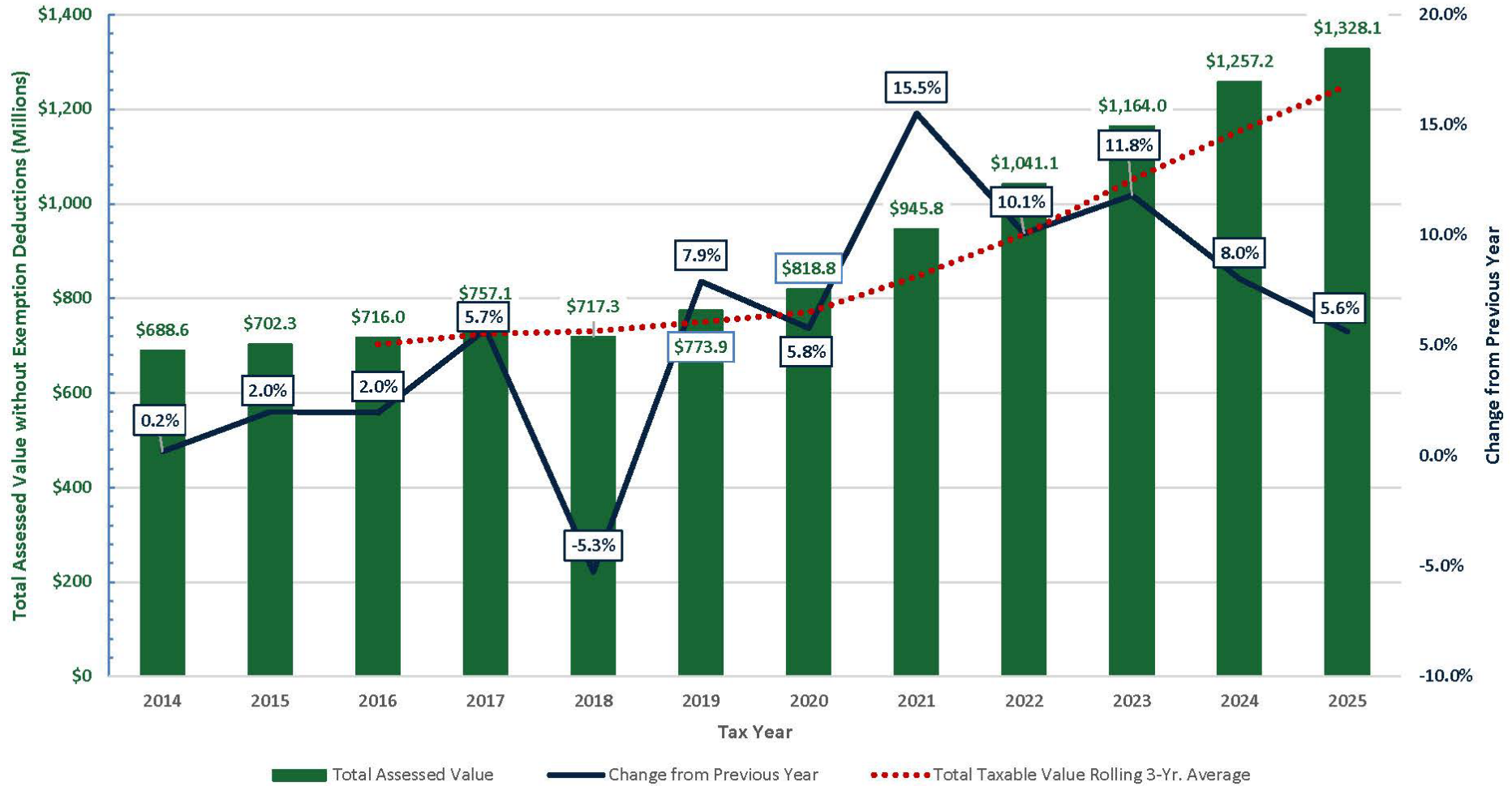
City of Groves Quarterly Gross Sales & Sales Outlets

2016-2025



City of Groves Total Taxable Value History

Tax Years 2014-2025



Source: Jefferson County Appraisal District

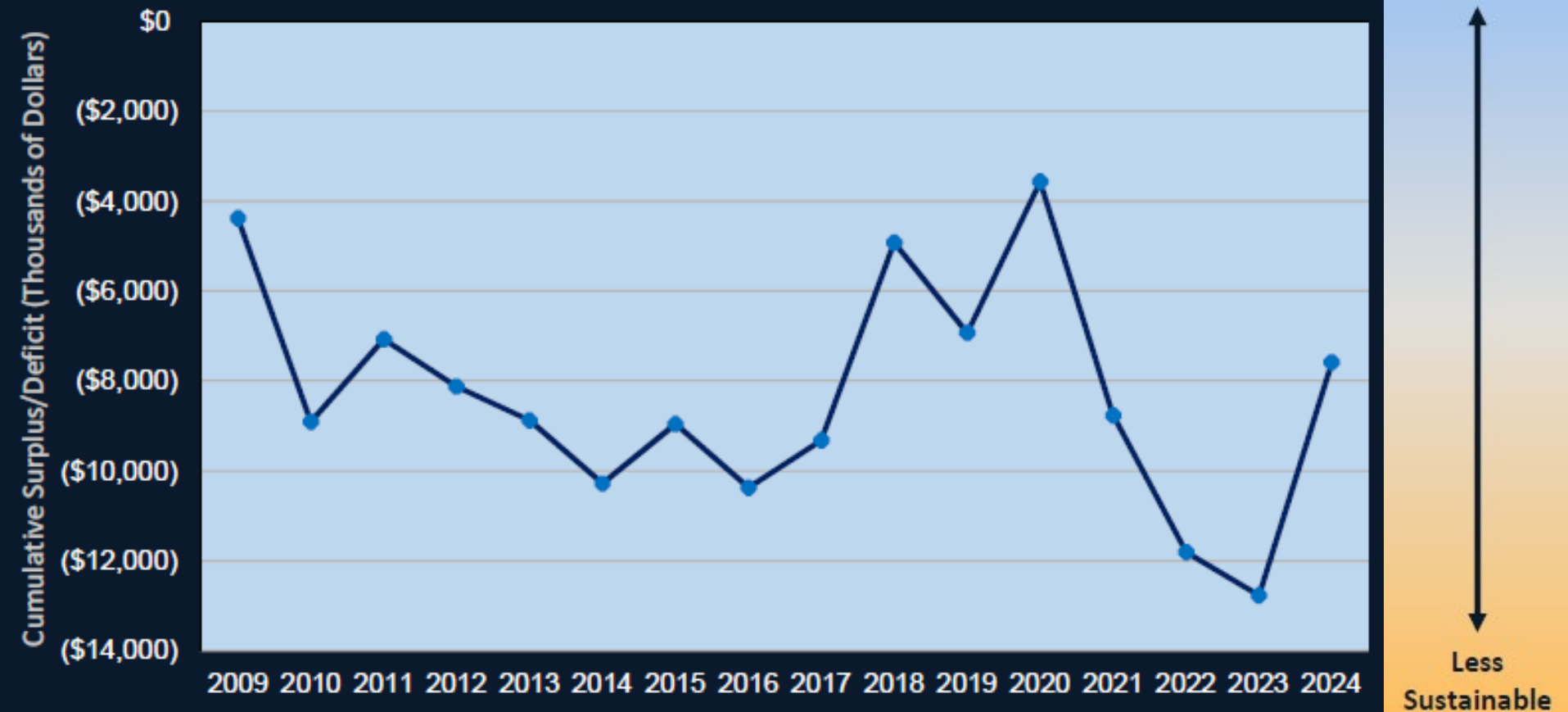
Revised 07/21/25

Financial Condition



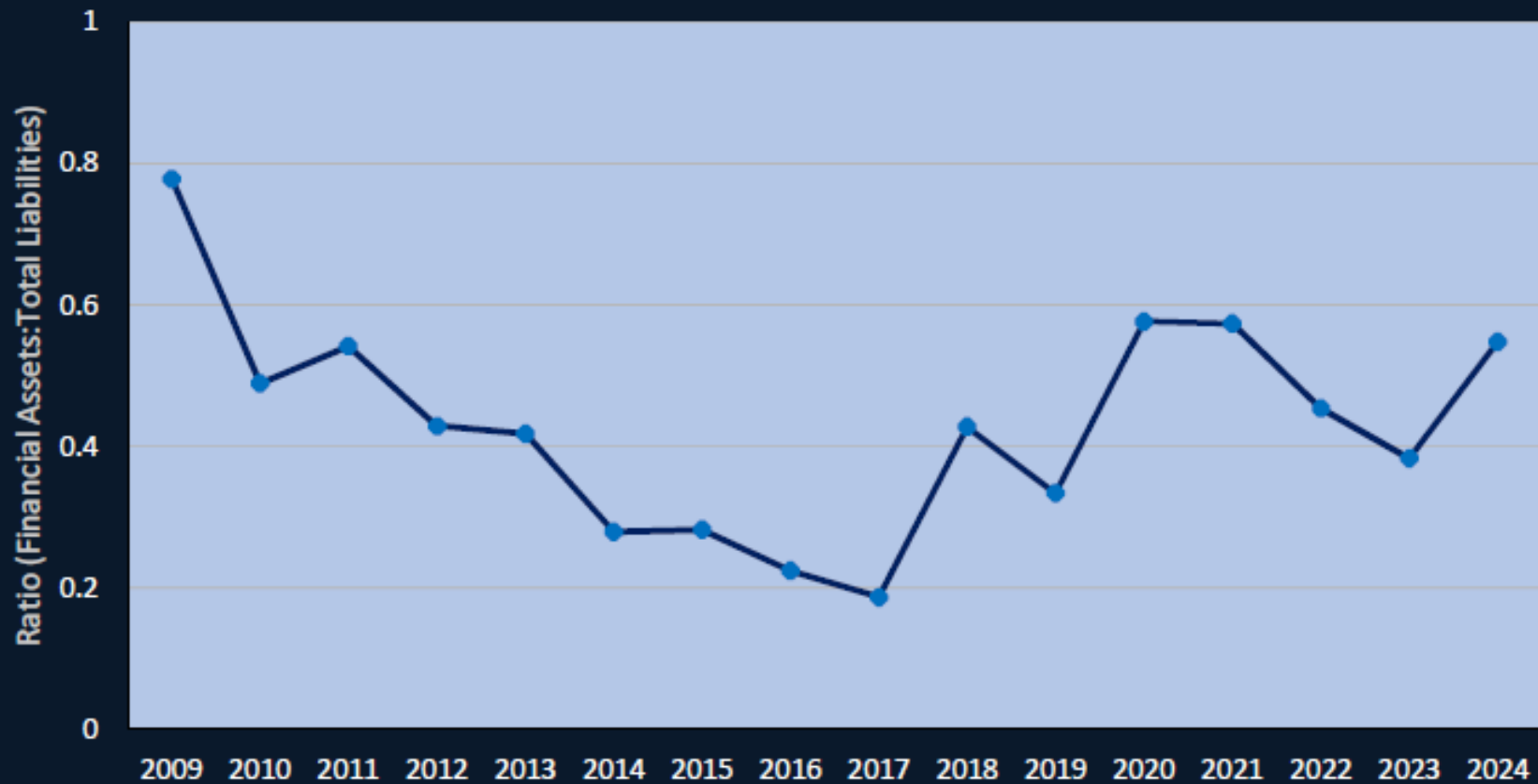
Financial Condition

Net Financial Position (in \$1,000)



Financial Condition

Financial Assets-to-Total Liabilities



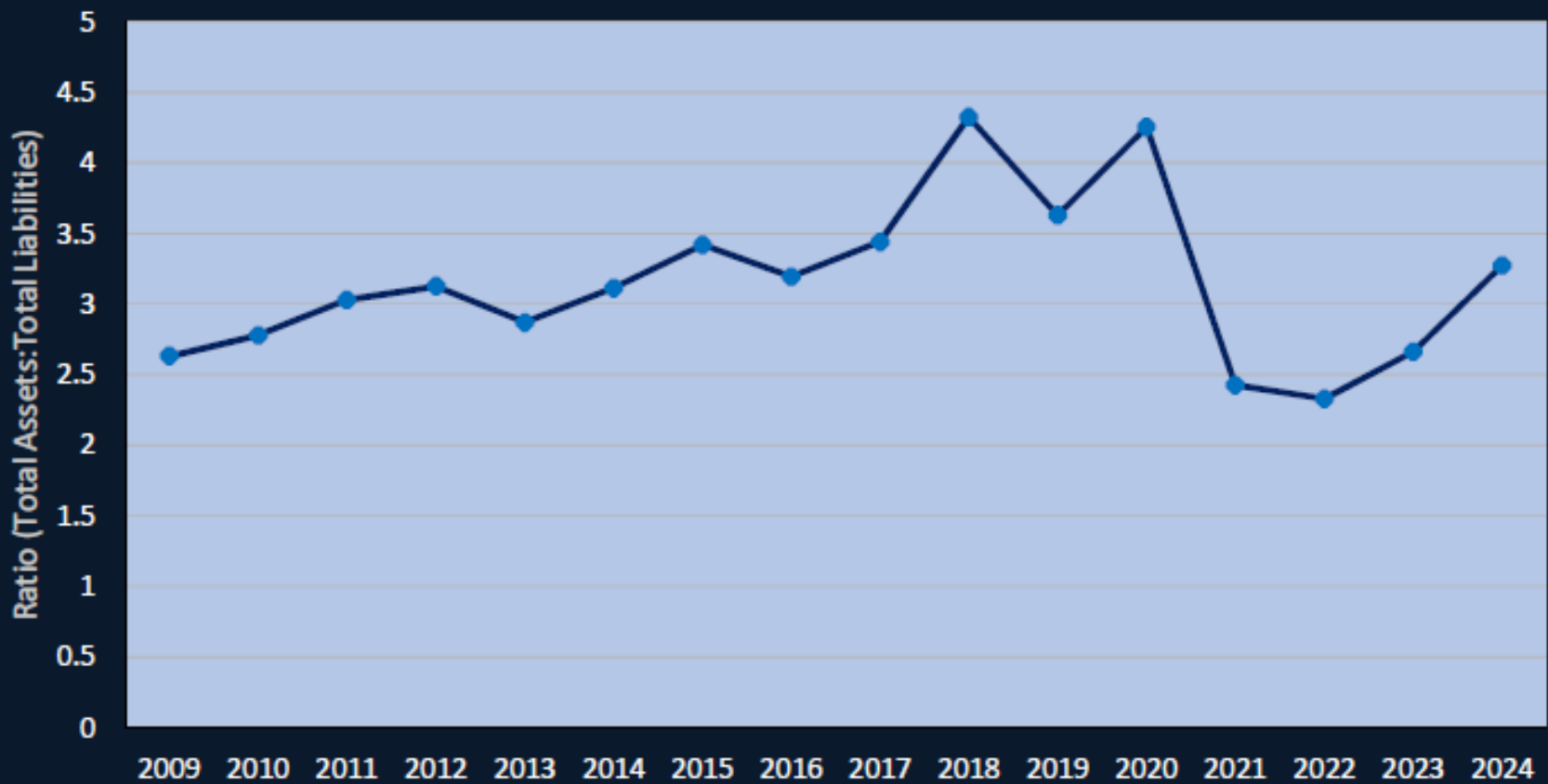
More Sustainable



Less Sustainable

Financial Condition

Total Assets-to-Total Liabilities

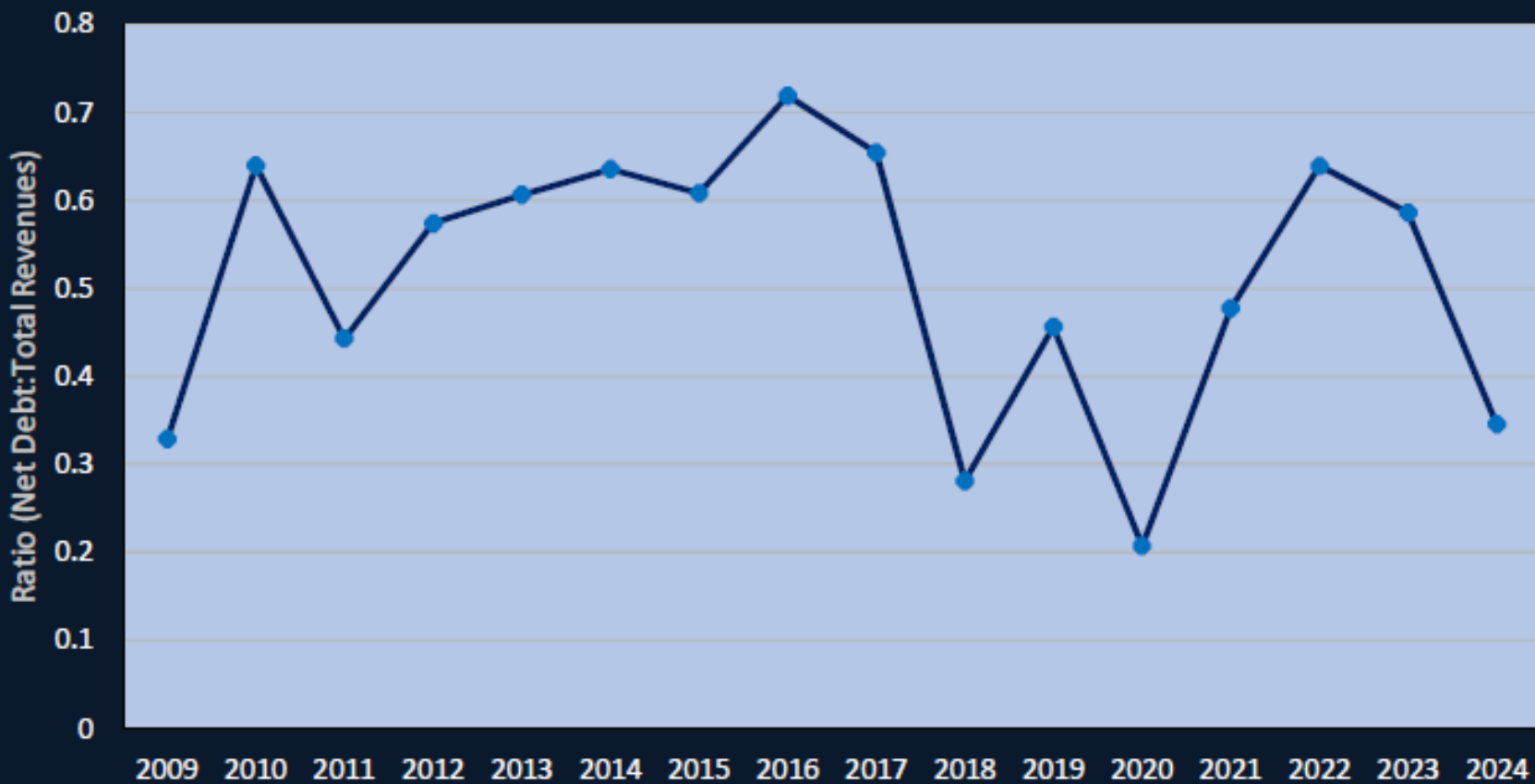


More
Sustainable

Less
Sustainable

Financial Condition

Net Debt-to-Total Revenues

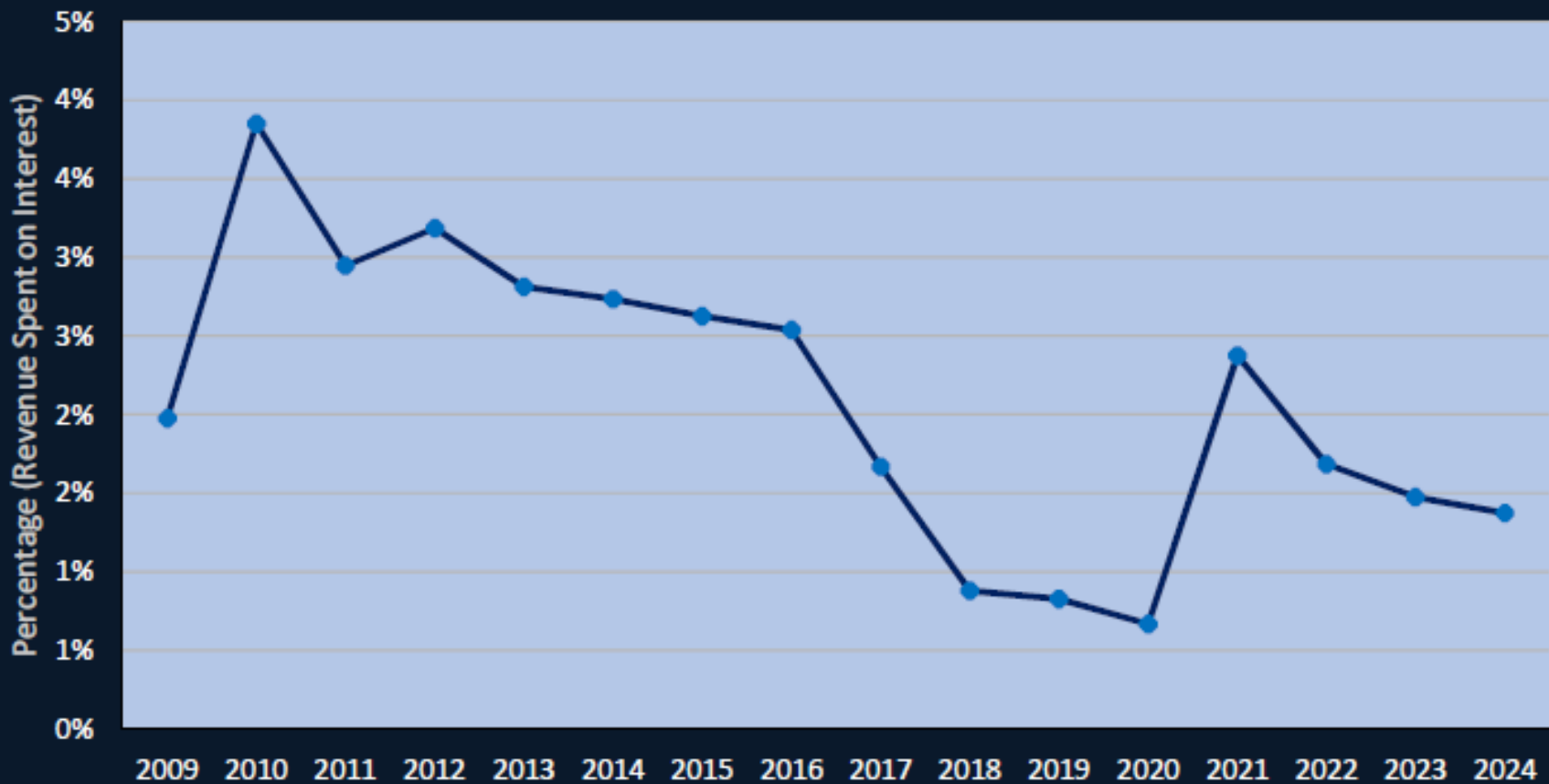


Less Sustainable

More Sustainable

Financial Condition

Interest-to-Total Revenues

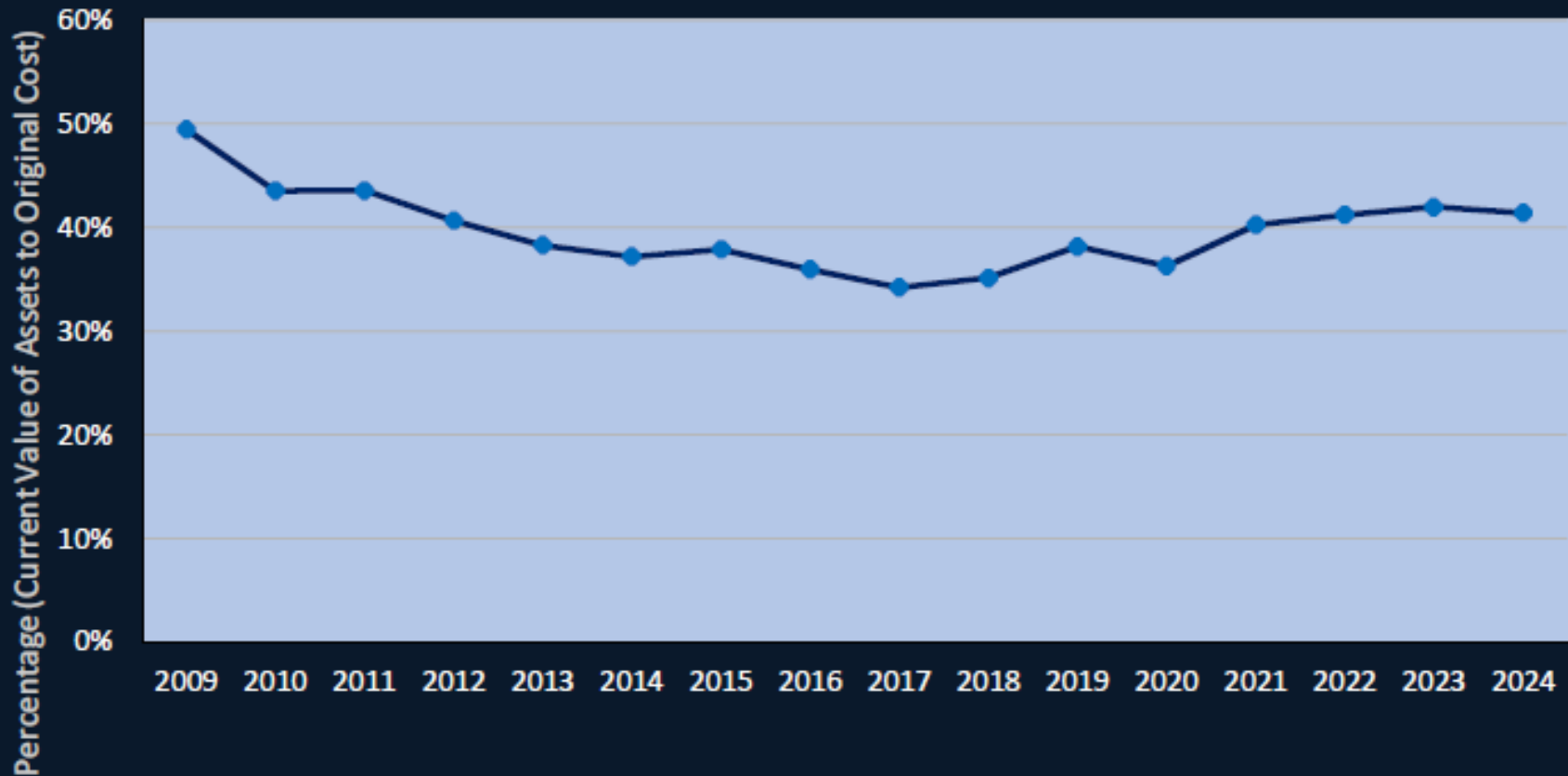


Less
Flexible

More
Flexible

Financial Condition

Net Book Value-to-Cost of Tangible Capital Assets

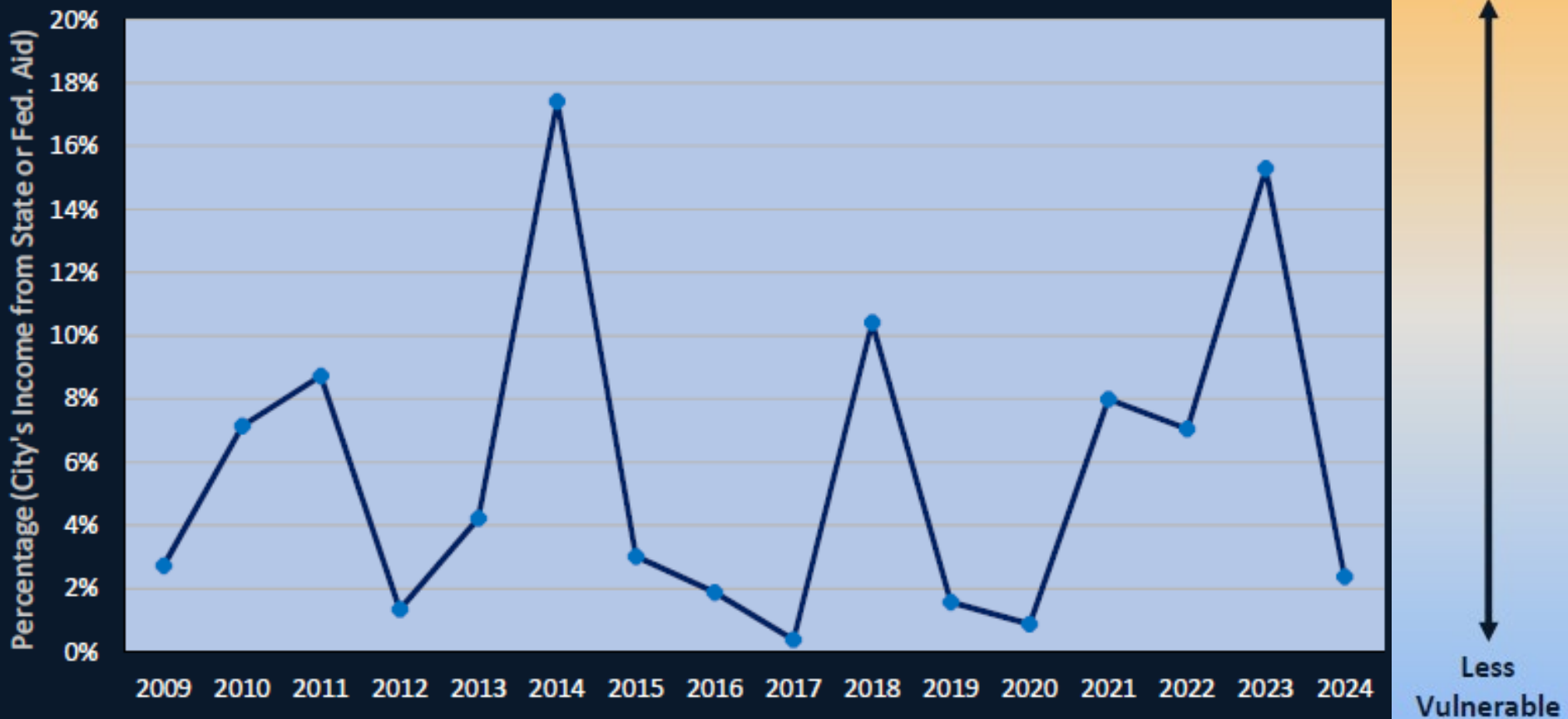


Less Flexible

More Flexible

Financial Condition

Government Transfers-to-Total Revenue



Debt Service Schedule

Date	Total Payments			
	Interest	Principal	Total	FY Total
9/1/2025	\$ 145,131.50	\$ 860,000.00	\$ 1,150,263.00	\$ 1,150,263.00
3/1/2026	\$ 134,298.75	\$ -	\$ -	
9/1/2026	\$ 134,298.75	\$ 875,000.00	\$ 1,143,597.50	\$ 1,143,597.50
3/1/2027	\$ 123,265.75	\$ -	\$ -	
9/1/2027	\$ 123,265.75	\$ 850,000.00	\$ 1,096,531.50	\$ 1,096,531.50
3/1/2028	\$ 112,395.00	\$ -	\$ -	
9/1/2028	\$ 112,395.00	\$ 550,000.00	\$ 774,790.00	\$ 774,790.00
3/1/2029	\$ 104,475.00	\$ -	\$ -	
9/1/2029	\$ 104,475.00	\$ 565,000.00	\$ 773,950.00	\$ 773,950.00
3/1/2030	\$ 96,340.00	\$ -	\$ -	
9/1/2030	\$ 96,340.00	\$ 585,000.00	\$ 777,680.00	\$ 777,680.00
3/1/2031	\$ 87,915.00	\$ -	\$ -	
9/1/2031	\$ 87,915.00	\$ 600,000.00	\$ 775,830.00	\$ 775,830.00
3/1/2032	\$ 79,275.00	\$ -	\$ -	
9/1/2032	\$ 79,275.00	\$ 620,000.00	\$ 778,550.00	\$ 778,550.00
3/1/2033	\$ 70,345.00	\$ -	\$ -	
9/1/2033	\$ 70,345.00	\$ 635,000.00	\$ 775,690.00	\$ 775,690.00
3/1/2034	\$ 61,200.00	\$ -	\$ -	
9/1/2034	\$ 61,200.00	\$ 460,000.00	\$ 582,400.00	\$ 582,400.00
3/1/2035	\$ 54,300.00	\$ -	\$ -	
9/1/2035	\$ 54,300.00	\$ 475,000.00	\$ 583,600.00	\$ 583,600.00
3/1/2036	\$ 47,175.00	\$ -	\$ -	
9/1/2036	\$ 47,175.00	\$ 485,000.00	\$ 579,350.00	\$ 579,350.00
3/1/2037	\$ 39,900.00	\$ -	\$ -	
9/1/2037	\$ 39,900.00	\$ 500,000.00	\$ 579,800.00	\$ 579,800.00
3/1/2038	\$ 32,400.00	\$ -	\$ -	
9/1/2038	\$ 32,400.00	\$ 515,000.00	\$ 579,800.00	\$ 579,800.00
3/1/2039	\$ 24,675.00	\$ -	\$ -	
9/1/2039	\$ 24,675.00	\$ 530,000.00	\$ 579,350.00	\$ 579,350.00
3/1/2040	\$ 16,725.00	\$ -	\$ -	
9/1/2040	\$ 16,725.00	\$ 550,000.00	\$ 583,450.00	\$ 583,450.00
3/1/2041	\$ 8,475.00	\$ -	\$ -	
9/1/2041	\$ 8,475.00	\$ 565,000.00	\$ 581,950.00	\$ 581,950.00

Budget Calendar



Budget Calendar

- **Wednesday, 7/30**

- Budget workshop

- **Thursday, 7/31**

- Notice of public hearing for Appropriation Ordinance published in *Beaumont Examiner* (at least 10 days before vote)
- Notice of public hearing for Budget published in *Beaumont Examiner* (hearing must be at least 15 days after Budget filed with City Clerk & also must be 10 and 30 days after the notice)

- **Friday, 8/01**

- No New Revenue, Voter Approval, and *De Minimis* tax rates due from Tax Assessor

Budget Calendar

- **Monday, 8/04 – Special Council Meeting**
 - Tax rates submitted to City Council
- **Tuesday, 8/05**
 - No New Revenue, Voter Approval, and *De Minimis* tax rates published on City's website
 - Publish notice about 2025 tax rate on City's website
- **Monday, 8/11 – Regular Council Meeting**
 - City Council holds public hearings for Appropriation Ordinance & Budget
 - City Council sets August 25 for adoption of Budget & Appropriation Ordinance
 - City Council holds a record vote on proposed tax rate
 - City Council sets August 25 for approval of public hearing on tax rate

Budget Calendar

- **Tuesday, 8/12**

- Publish summary of Appropriation Ordinance & notice of public hearing for tax rate on website
- Send summary of Appropriation Ordinance & notice of public hearing for tax rate to *Beaumont Examiner*

- **Thursday, 8/14**

- Summary of Appropriation Ordinance published in *Beaumont Examiner* (at least 10 days before vote)
- Notice of public hearing for tax published in *Beaumont Examiner* (at least 5 days before vote)

- **Monday, 8/25 – Regular Council Meeting**

- Vote to adopt Appropriation Ordinance
- Vote to adopt Budget
- Hold Ratification vote
- Hold public hearing on tax rate
- Vote to adopt tax rate

Revenues



Major Revenue Notes

- *Di minimus* tax rate - \$500,000
- Solid Waste ↑ 5.5% - \$100,000
- Water ↑ 12.8% - \$200,000
- Sewer ↑ 12.8% - \$500,000
- Sales Tax ↔ No Change
- Slight ↑ in Intra-Fund Franchise Fees
 - ◆ Solid Waste - \$20,000
 - ◆ Utilities - \$60,000

FY 25-26 Major GF Revenue Sources



Property Taxes
56%



Sales Tax
17%



Misc. & Interest
17%



Fees
9%

Fines
2%

Ad Valorem Tax Rate



Ad Valorem Tax Rate Comparison FY 2025-2026

	2025			De Minimis Tax Rate \$500,000 Above NNR
	Adopted 2024 Tax Rate	2025 No-New Revenue Tax Rate	Voter-Approval Tax Rate	
Percentage M & O Increase		0.00%	3.50%	6.70%
M & O Tax Rate	\$ 0.556776	\$ 0.535411	\$ 0.554151	\$ 0.574148
I & S Tax Rate	\$ 0.045148	\$ 0.042502	\$ 0.042502	\$ 0.042502
Total Tax Rate	\$ 0.601924	\$ 0.577913	\$ 0.596652	\$ 0.616649
Total Taxable Value	\$ 1,262,257,223	\$ 1,328,059,721	\$ 1,328,059,721	\$ 1,328,059,721
New Values	\$ 20,766,548	\$ 37,287,545	\$ 37,287,545	\$ 37,287,545
Total Tax Levy				
Total Tax Levy	\$ 7,597,829	\$ 7,475,387	\$ 7,923,899	\$ 8,189,473
Over 65 Frozen Taxes	\$ (108,268)	\$ (103,672)	\$ (107,033)	\$ (110,620)
Disabled Frozen Taxes	\$ (10,009)	\$ (8,778)	\$ (9,062)	\$ (9,366)
Total Tax Levy	\$ 7,479,552	\$ 7,362,938	\$ 7,807,804	\$ 8,069,486
Total Tax Revenue				
Total Levy	\$ 7,479,552	\$ 7,475,387	\$ 7,717,270	\$ 7,975,387
Collection Ratio	100%	100%	100%	100%
Total Tax Revenue	\$ 7,479,552	\$ 7,475,387	\$ 7,717,270	\$ 7,975,387
Revenue Allocation by Fund				
M & O General Fund	\$ 6,910,939	\$ 6,910,939	\$ 7,152,822	\$ 7,410,939
I&S Debt Service Fund	\$ 568,613	\$ 564,448	\$ 564,448	\$ 564,448
Total Tax Revenue	\$ 7,479,552	\$ 7,475,387	\$ 7,717,270	\$ 7,975,387
Revenue Difference				
Additional Revenue	\$352,706	-\$4,165	\$241,883	\$500,000
% Increase in Revenue	4.9%	-0.1%	3.1%	6.6%

Residential Taxpayer Impact Analysis

Residential Value	Tax Paid 2024 Rate	NNR Tax Paid	Δ from No-New-Revenue Rate	
			VAR	De Minimus Rate
Average Market	\$1,094.57	\$1,089.69	\$35.33	\$73.04
Average Taxable Median	\$1,011.00	\$1,018.95	\$33.04	\$68.30

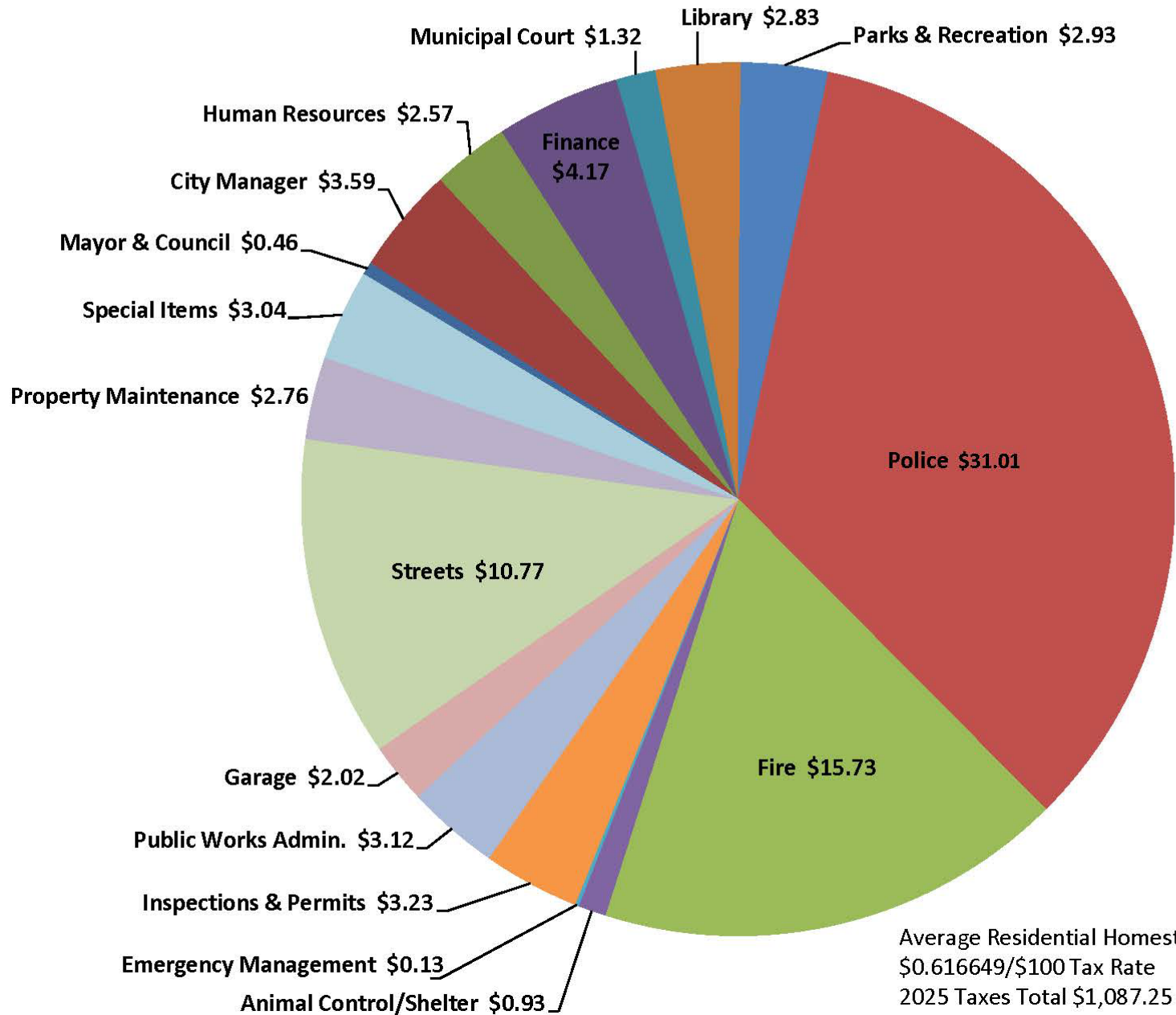
Residential Value	Tax Paid 2024 Rate	NNR Tax Paid Δ from Last Yr	Δ from No-New-Revenue Rate	
			VAR	De Minimus Rate
Average Market	\$1,094.57	-\$4.88	\$30.46	\$68.16
Average Taxable Median	\$1,011.00	\$7.96	\$41.00	\$76.25

TY 2025 City of Groves Cumulative Property Tax Rate	Tax Rate	Tax \$
City of Groves	\$ 0.61277	\$1,035.10
Drainage District #7	\$ 0.32057	\$541.52
Jefferson County	\$ 0.35900	\$606.43
Jefferson County Farm & Lateral Road	\$ -	\$ -
PAISD	\$ 1.31764	\$2,225.80
PNGISD	\$ 1.14427	\$1,932.94
Sabine Neches Navigation District	\$ 0.08800	\$148.65
Cumulative Ad Valorem Taxes for City of Groves Resident - PAISD*	\$ 2.69798	\$4,557.51
Cumulative Ad Valorem Taxes City of Groves Resident - PNGISD*	\$ 2.52461	\$4,264.65

*Average Residential Taxable Value \$168,923.06

Revised 07/09/25

City of Groves Monthly Allocation of Average Residential Homestead Ad Valorem Tax - TY2025



Average Residential Homestead Taxable Value of \$176,316
\$0.616649/\$100 Tax Rate
2025 Taxes Total \$1,087.25 or \$86.52/Month

Utility Rate Plan

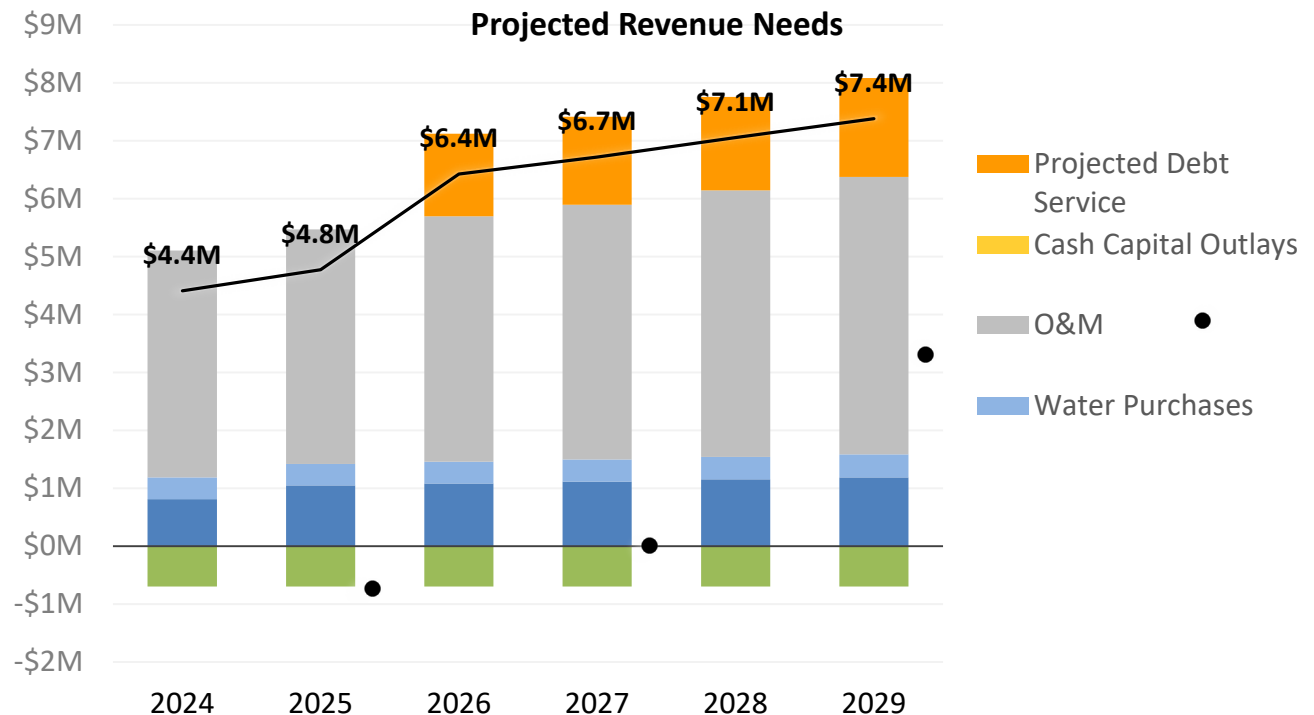


Utility Rate Plan

- 2024 Utility Rate Study developed a 5-year rate plan
- FY 2025-2026 is year 2 of the plan
- NewGen is currently reviewing data to see if adjustments are needed

WATER AND WASTEWATER REVENUE REQUIREMENT

The amount of revenue to be generated by water and sewer rates is projected to increase from \$4.4m to \$7.4m by 2029.



WATER AND WASTEWATER CAPITAL PROJECTS

- New capital projects of \$20.5m (in 2024 dollars)
- Associated debt servicing costs are expected to rise to \$1.7m per year by FY 2029

\$ Million	2025	2026	2027	2028	2029	Total
Wastewater Plant Rehabilitation	\$11.0					\$11.0
Wastewater Line Replacement	\$5.5					\$5.5
Elevated Storage Tank Repainting		\$1.0	\$1.0	\$1.0	\$1.0	\$4.0
Total Project Cost	\$16.5	\$1.0	\$1.0	\$1.0	\$1.0	\$20.5

CURRENT AND PROJECTED RATE PLAN WATER RATES

Residential and
Commercial

Given nominal outside
connections, this
proposal would begin
charging outside city
customers the same
in-city rates as shown.

Set Single Unit Non-Residential Minimum
to 2 Times the Residential Minimum

	Current	2025	2026	2027	2028	2029
Minimum Charges (\$ / month)						
Residential	\$12.00	\$15.50	\$17.50	\$19.25	\$21.25	\$23.50
Multi-Unit (per unit)	12.00	15.50	17.50	19.25	21.25	23.50
Non-Residential	12.00	31.00	35.00	38.50	42.50	47.00
Volumetric Charges (\$ / kgal)						
0 - 1,000 gal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1,001 - 5,000 gal	3.70	4.81	5.42	5.96	6.56	7.22
5,001 - 10,000 gal	3.70	6.01	6.78	7.45	8.20	9.03
10,001+ gal	3.70	9.00	10.17	11.18	12.30	13.55

Introduces higher rate tiers between successive tiers of billed usage.
25% rate increase from first billed tier (1k-5k) to the second (5k-10k)
50% rate increase from second billed tier (5k-10k) to the third (10k+)

CURRENT AND PROJECTED RATE PLAN SEWER RATES

Residential and
Commercial

Given nominal outside
connections, this
proposal would begin
charging outside city
customers the same
in-city rates as shown.

Set Single Unit Non-Residential Minimum
to 2 Times the Residential Minimum

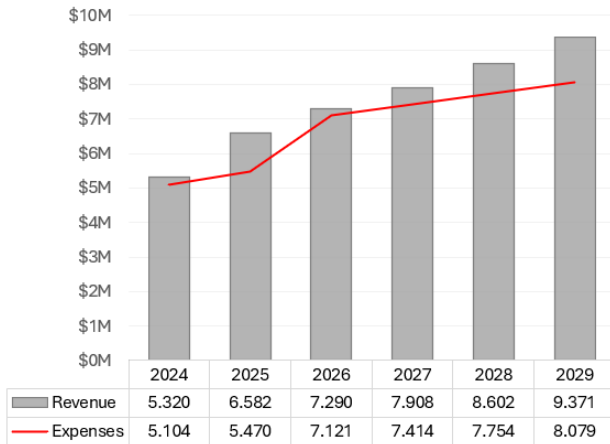
	Current	2025	2026	2027	2028	2029
Minimum Charges (\$ / month)						
Residential	\$12.00	\$15.50	\$17.50	\$19.25	\$21.25	\$23.50
Multi-Unit (per unit)	12.00	15.50	17.50	19.25	21.25	23.50
Non-Residential	12.00	31.00	35.00	38.50	42.50	47.00
Volumetric Charges (\$ / kgal)						
0 - 1,000 gal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1,001+ gal	3.70	6.50	7.33	8.06	8.87	9.76
Sewer Maintenance Fee (\$ / kgal)						
All Volumes	\$1.30					

Sewer Maintenance Fee is absorbed into regular rates in FY 2025

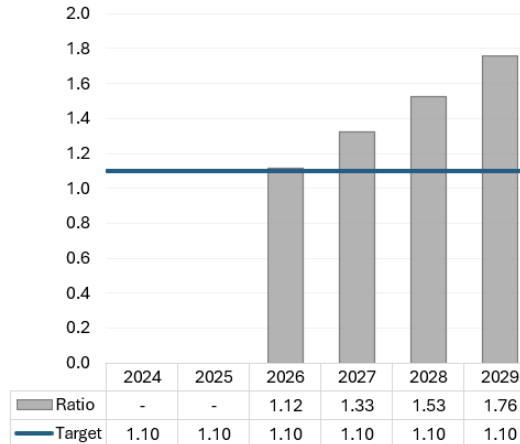
WATER & WASTEWATER

FINANCIAL PLAN OUTCOMES WITH PROPOSED RATE PLAN

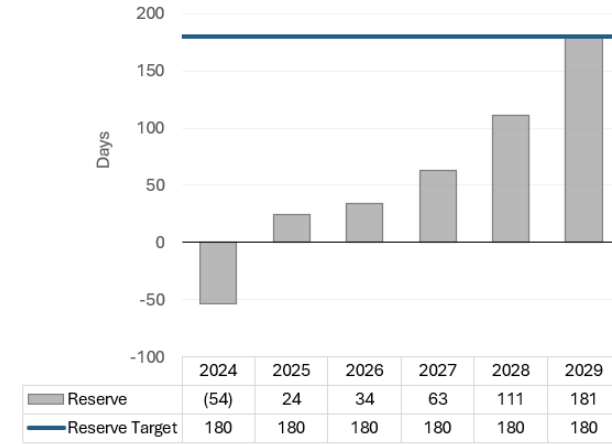
Expenses vs Revenue (\$ Millions)



Debt Service Coverage Ratio



Days Cash on Hand

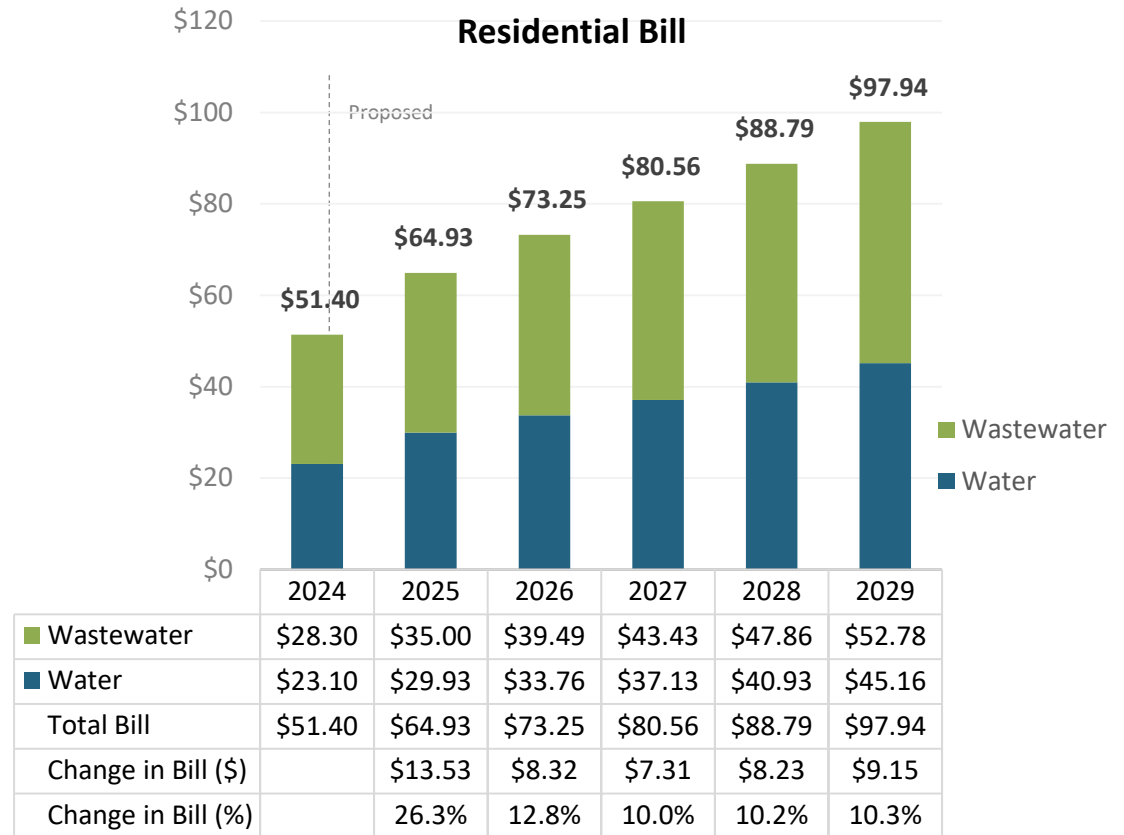


- Significant rate increases would be needed to reach the target reserve of 180 days

BILL IMPACT

Residential

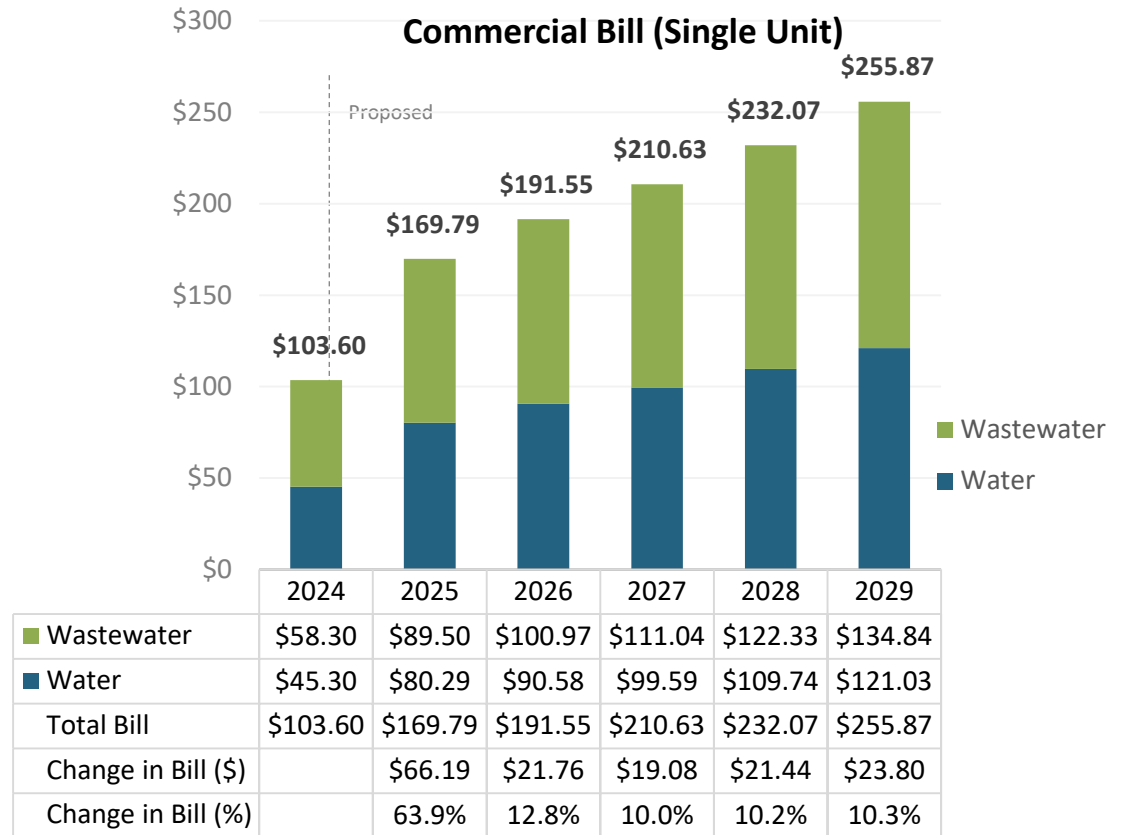
- 4,000 Gallons Water
- 4,000 Gallons Wastewater
- FY 2024 includes Sewer Maintenance Fee



BILL IMPACT

Commercial

- 10,000 Gallons Water
- 10,000 Gallons Wastewater
- FY 2024 includes Sewer Maintenance Fee



Impact of FY 2025-2026 Utility Rates on Average Residential Customer*

Rate Schedule	Water		Wastewater		Sanitation		Tax	Total	△Current
Inside City Limits									
Current	\$	38.95	\$	46.05	\$	20.26	\$	1.67	\$ 105.26 \$ -
Proposed (12.8% Water/12.8% WW/5% Sanitation)	\$	43.93	\$	51.95	\$	21.27	\$	1.75	\$ 117.15 \$ 11.89
Outside City Limits									
Current	\$	58.43	\$	69.08	\$	30.39	\$	2.51	\$ 157.89 \$ -
Proposed (12.8% Water/12.8% WW/5% Sanitation)	\$	65.90	\$	77.93	\$	31.91	\$	2.63	\$ 175.73 \$ 17.84

*Note: Average residential customer uses 5,700 gallons of water

Revised 07/30/25

Expenditures



Major Expenditure Notes

- 3% COLA for All Employees
 - ◆ General Fund - \$193,000
 - ◆ Solid Waste - \$10,500
 - ◆ Systems Fund - \$59,000
- Change TMRS to 7% 2:1
 - ◆ General Fund - \$208,000
 - ◆ Solid Waste - \$11,000
 - ◆ Systems Fund - \$63,000
- 16% Medical (Placeholder) - \$142,192

Major Expenditure Notes

- Move one PT Customer Service employee to FT & split time with Inspections - \$42,500
- Convert janitorial contract to FT employee - \$18,000
- Continues transfer from Fire to Equipment Replacement - \$125,000
- Solid Waste Capital Expense increase for new garbage truck - \$125,000

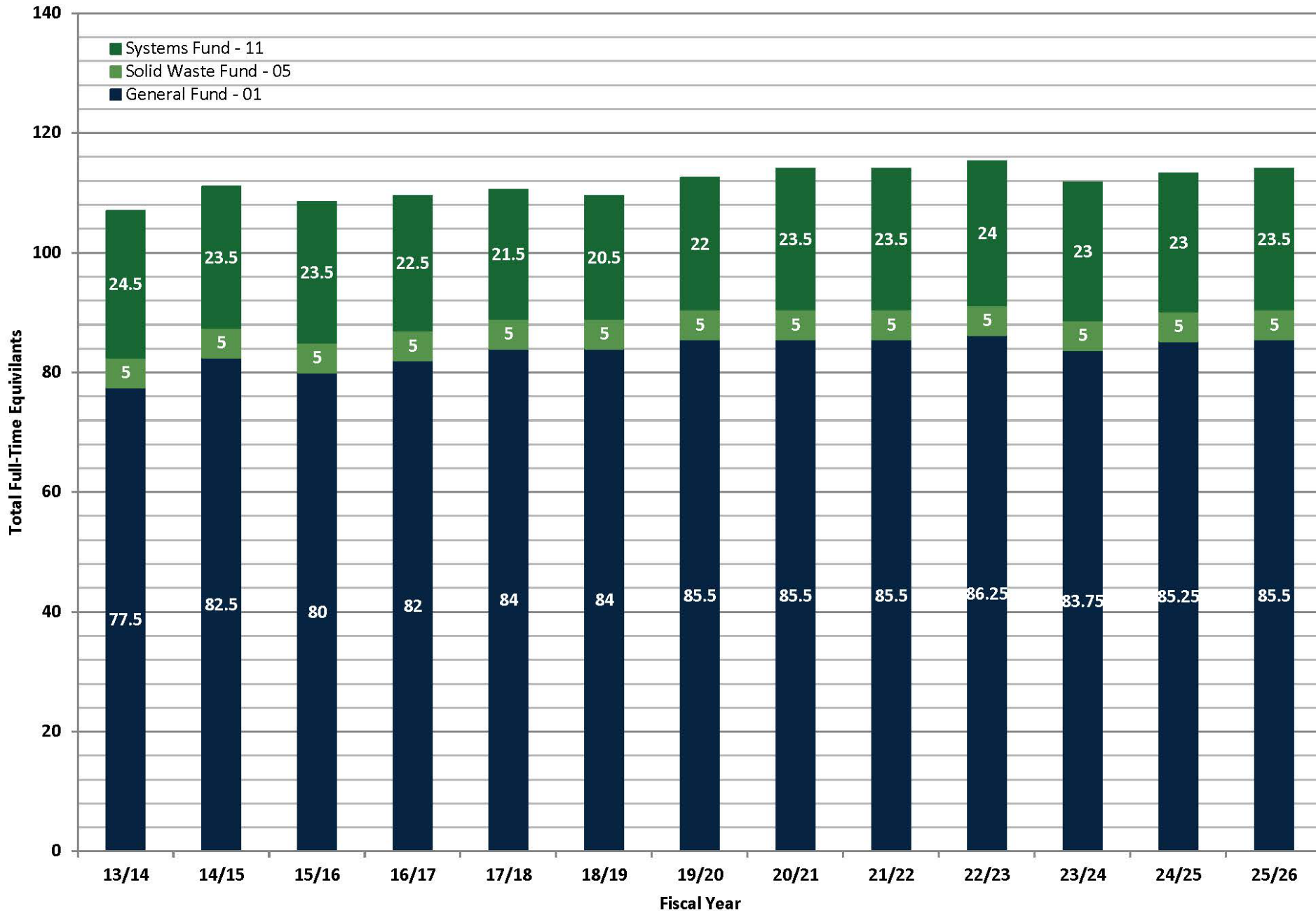
FY 2025-2026 Department Budget Requests & City Manager Approvals

Item No	Department	Account	Request Description	Department Requested	CM Approved
GENERAL FUND					
1	City Manager	5-02-06-090	Dues & Subscriptions	\$3,500	\$3,500
2	Human Resources	5-03-07-650	Legal Fees - Police CBA	\$25,000	\$25,000
3	Human Resources	5-03-09-770	Equipment - ID Machine	\$3,000	\$3,000
4	Finance	5-05-06-060	Single Appraisal - JCAD Increase	\$11,000	\$10,000
5	Municipal Court	5-13-06-010	Court Technology (Soundboard & Network Switch)	\$20,000	\$20,000
6	Library	5-21-03-010	Building and Grounds (anticipate AC or other repair)	\$2,500	\$2,500
7	Library	5-21-09-240	Audio Tapes	(\$1,500)	(\$1,500)
8	Parks & Recreation	5-25-02-160	Building Deposit Refunds - Increase in number of rentals	\$2,000	\$2,000
9	Parks & Recreation	5-25-09-010	Capital Outlay - Sound panels; exercise equipment	\$4,000	\$4,000
10	Parks & Recreation	5-25-09-860	Building Maint & Repairs - No major repairs expected	(\$28,000)	(\$28,000)
11	Police	5-31-06-050	Vehicle Lease - Patrol & CID Truck	\$12,000	\$12,000
12	Police	5-31-06-120	Central Dispatching	\$45,000	\$45,000
13	Police	5-31-06-160	Jail Contract	\$45,500	\$45,500
14	Police	5-31-09-010	Capitlay Outlay - Vehicle Equipment & Patrol Tablet Replacement	\$10,000	\$10,000
15	Police	5-31-09-770	Taser 10 Upgrade Project	\$21,712	\$20,000
16	Police	5-31-09-860-	Waterproofing Exterior Brick	\$12,000	\$12,000
17	Fire	5-32-06-080	Medical Director	\$24,000	\$24,000
18	Fire	5-32-09-780	Capital Outlay - Add 4 handheld radios	\$17,500	\$0
19	Fire	5-32-09-690	Bunker Sets - Increase in cost due to new NFPA 1971 mandate	\$4,000	\$1,000
20	Fire	5-32-55-670	Equipment Replacement Transfer - Begin saving to replace two 2012 engines in 2030 & 2032	\$250,000	\$0
21	Emergency Management	5-34-09-770	Equipment	(\$1,700)	(\$1,700)
22	Animal Shelter	5-35-02-030	New line item to better track food spending	\$2,500	\$2,500
23	Animal Shelter	5-35-03-010	Decrease to by amount to create Animal Supplies line item	(\$2,500)	(\$2,500)
24	Public Works Admin.	5-41-09-860	Replace Warehouse Roof	(\$5,000)	(\$5,000)
25	Streets	5-44-06-050	Vehicle Lease	\$9,000	\$9,000
26	Streets	5-44-09-770	Gradall Hydro/Excavator	\$425,000	\$0
27	Streets	5-44-09-770	KM T-2 Asphalt Recycling Machine	\$110,000	\$0
28	Streets	5-44-09-770	VJ375 Jetter Trailer	\$95,000	\$0
29	Special Items	5-99-06-150	Chamber of Commerce increase for Celebration Park	\$10,000	\$10,000
30	Special Items	5-99-06-200	Computer System/Software - Moving Incode to Cloud	\$18,500	\$18,500
Subtotal				\$1,115,512	\$240,800

Item No	Department	Account	Request Description	Requested	CM Approved
SOLID WASTE FUND					
31	Solid Waste	5-55-09-770	Grapple/Garbage Truck Rotation - 1 per year	\$125,000	\$250,000
Subtotal				\$125,000	\$250,000
SYSTEMS FUND					
32	Water Plant	5-63-09-770	Equipment - High Service Diesel Engine & Pneumatic Valves	\$87,000	\$87,000
33	Water Plant	5-63-09-880	Plant Equipment - Portable Analyzer	\$7,500	\$7,500
34	Water Plant	5-63-09-885	1/2 Cost of Painting Sonnier Water Tower	\$500,000	\$500,000
35	Wastewater Plant	5-64-03-090	Lift Station - Rebuild Pumps	\$0	\$0
36	Wastewater Plant	5-64-03-110	Wastewater Plant - Claifier & Gearbox	\$0	\$0
37	Wastewater Plant	5-64-05-170	Sludge Disposal Rebuild Lift Station Pumps #1 & #4	\$25,000	\$25,000
38	Wastewater Plant	5-64-09-010	Capital Outlay - Plant Refurbishment	\$0	\$0
39	Customer Service	5-66-50-530	Capital Projects - Replace Billing System Equipment	\$25,000	\$25,000
40	Utilities	5-67-01-010	Salaries & Wages - Part Time Meter Reader	\$20,000	\$0
41	Utilities	5-67-03-140	Meters	\$50,000	\$50,000
42	Utilities	5-67-03-270	Water Lines	\$25,000	\$25,000
43	Utilities	5-67-06-050	Vehicle Lease	\$20,095	\$20,095
44	Utilities	5-67-09-600	Fire Hydrant Replacement Program	\$50,000	\$50,000
Subtotal				\$809,595	\$789,595
Grand Total				\$2,050,107	\$1,280,395

City of Groves FTE Staffing by Fund

FY 2013/2014 - Proposed FY 2025/2026



What is Not Included



What is Not Included

- Transportation Use Fee
 - ◆ Study
 - ◆ Fee
 - ◆ Street Program
- Schneider Electric
 - ◆ Wastewater Treatment Plant
 - ◆ AMI
- 25th Street Bottleneck Sewer

Transportation Use Fee



Transportation Use Fee

- Groves has 182 streets totaling 74.56 miles (393,662 LF) to maintain
- March 2017 street evaluation study classified 36.9% of streets as “Good” & the remaining 63.1% as “Fair” or “Poor”
- Streets outside of the grant-funded areas have continued to deteriorate since 2017 study
- After Hurricane Harvey, street projects were done by contractors using grants in L/M income areas
- Previously, the City had equipment & expertise in-house to reconstruct streets, plus Jefferson County for sealcoating
 - ◆ City’s equipment & expertise were lost over time

Transportation Use Fee

- \$0.01 of ad valorem tax raises approximately \$126,000
- \$0.005 of ad valorem tax raises approximately \$53,000

City of Groves Street Construction Costs

Application	Cost*			
	\$/LF	500 ft.	1 mi.	7 mi.
Sealcoat	\$ 21.10	\$ 10,550.00	\$ 111,408.00	\$ 779,856.00
2" HMAC Overlay Only	\$ 76.00	\$ 38,000.00	\$ 401,280.00	\$ 2,808,960.00
2" Mill & 2" HMAC Overlay	\$ 155.00	\$ 77,500.00	\$ 818,400.00	\$ 5,728,800.00
6"-7", Lime Stabilized Concrete	\$ 345.00	\$ 172,500.00	\$ 1,821,600.00	\$ 12,751,200.00

*Assumes 20' wide street

Revised 3/26/25

Transportation Use Fee (TUF)

- TUFs are a stable source of additional revenue
- Costs would be allocated to residents & businesses based on the relative amount of vehicle traffic generated. This serves as an equitable basis for charging properties for demands placed on, & benefits received from, the transportation system.
- Unlike general property taxes, these funds are encumbered to support transportation needs

TUF Implementation Next Steps

- Link billing accounts to parcels
- Differentiate between residential dwellings
- Review land use allocations
- Decide on exemptions, if any
- Decide on rate design
- Education plan
- Establish the Transportation Utility

Questions?
Ideas?

