



# **City of San Marcos**

## **FY 2025 Budget and Tax Rate Adoption**

September 17, 2024

# Budget Calendar



BUDGET EVENT	DATE	DONE
<del>Council Visioning &amp; Strategic Planning Work Session</del>	<del>January 25-26</del>	<del>✓</del>
<del>Budget Policy Workshop</del>	<del>February 22</del>	<del>✓</del>
<del>Budget Policy Adoption</del>	<del>March 19</del>	<del>✓</del>
<del>Neighborhood Commission Presentation</del>	<del>April 17</del>	<del>✓</del>
<del>Budget Workshop</del>	<del>May 21</del>	<del>✓</del>
<del>Budget Workshop</del>	<del>June 27</del>	<del>✓</del>
<del>Budget Submitted to Council &amp; Maximum Tax Rate Set</del>	<del>August 20</del>	<del>✓</del>
<del>Neighborhood Commission Presentation</del>	<del>August 21</del>	<del>✓</del>
Public Hearings on Budget and Tax Rate	September 3 & 17	
Budget and Tax Rate Adoption	September 17	

PRELIMINARY  
TAX ROLL:  
APRIL 30<sup>th</sup>

CERTIFIED  
TAX ROLL:  
JULY 25<sup>th</sup>

# Fund Summary



Consolidated Fund Balance Statement FY 2025 Proposed Budget	FY 2025 <i>Beginning*</i> Fund Balance	FY 2025 PROPOSED Revenues	FY 2025 PROPOSED Expenses	FY 2025 <i>Ending</i> Fund Balance
General Fund	\$ 42,074,947	\$ 112,984,173	\$ 123,043,657	\$ 32,015,463
Debt Service Fund	13,451,907	19,625,575	18,827,072	14,250,410
Electric Utility Fund	23,373,700	81,309,572	79,768,752	24,914,520
Water & Wastewater Utility Fund	23,437,248	69,422,652	67,426,341	25,433,559
Stormwater Utility Fund	2,627,632	10,039,433	10,039,433	2,627,632
Transit Fund	906,341	2,868,234	2,825,957	948,618
Resource Recovery Fund	2,979,881	8,225,356	7,902,512	3,302,725
Regional Airport Fund	67,106	873,008	873,008	67,106
Community Enhancement Fee Fund	645,900	1,088,514	1,069,182	665,232
Hotel Occupancy Tax Fund	3,540,072	4,387,678	6,212,459	1,715,291
Tax Increment Reinvestment Zones (TIRZ)	6,494,625	9,059,664	8,636,462	6,917,827
All Other Funds	2,276,018	4,372,663	4,102,113	2,546,568
Health Insurance Fund	7,572,542	12,871,261	11,851,588	8,592,215
<b>ALL FUNDS</b>	<b>\$ 129,447,919</b>	<b>\$ 337,127,783</b>	<b>\$ 342,578,537</b>	<b>\$ 123,997,166</b>

*\*FY 2025 Beginning Fund Balance is an estimation of FY 2024 Ending Fund Balance*

# Budget Public Hearing and Vote



- Hold a public hearing on the budget
- Record vote on budget

# Ratify Property Tax Revenue Increase



- **Local Government Code 102.007(c)**
  - Adoption of a budget that will require raising more property tax revenue than in the previous year requires a separate vote to ratify the property tax revenue increase
  - Total tax revenue increase is \$2,242,670
    - New property \$2,622,805
    - Revenue from new property is higher due to low reappraisal growth combined with multiple properties being removed from the tax roll
  - Required even though the tax rate is not increasing

# Ratify Property Tax Revenue Increase



- Vote to ratify the property tax revenue increase

# Setting the Tax Rate (Net of TIRZ)



<b>Tax Rate Component</b>	<b>Tax Rate</b>	<b>Budgeted Revenue</b>
Operations	45.00¢	\$38,861,814

<b>Tax Rate Component</b>	<b>Tax Rate</b>	<b>Budgeted Revenue</b>
Debt	15.30¢	\$13,213,017

<b>Tax Rate Component</b>	<b>Tax Rate</b>	<b>Budgeted Revenue</b>
Total Tax Rate	60.30¢	\$52,074,831

# Setting the Tax Rate (Cont.)



- **Property Tax Code 26.05(b)**
  - Sets forth the following requirements if the tax rate exceeds the no-new-revenue rate:
    - Record vote
    - Approved by at least 60 percent of City Council (5 members)
    - Motion to approve the ordinance must be made with specific language:

“I move that the property tax rate be increased by the adoption of a tax rate of 60.30¢, which is effectively a 0.6 percent increase in the tax rate.”
  - This language is required even though the tax rate is not increasing



# Tax Rate Public Hearing and Vote



- Hold a public hearing on the tax rate
- Record vote on tax rate
  - Motion made with specific language
  - Requires a minimum of five votes for approval



**Stephanie Reyes**  
City Manager

**Joe Pantalione**  
Assistant City Manager

**Lonzo Anderson**  
Assistant City Manager

**Rodney Gonzales**  
Assistant City Manager

**Jon Locke**  
Finance Director/CFO

**Trisha Patek**  
Budget Manager

**Thank You**