



City of San Marcos

Public Hearing

FY 2021-22 Proposed Budget

September 7, 2021

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Agenda

- **Budget Policy Update**
- **Budget Summary**
- **Proposed Budget Changes**
- **General Fund**
- **Hotel Occupancy Fund**
- **Enterprise Funds**
 - Electric
 - Water/Wastewater
 - Solid Waste
 - Transit
 - Resource Recovery
 - Airport
- **CIP Update**
- **Timeline**



FY 22 Budget Policy Update (Cont.)

Fund	Policy	Update
General	Maintain 20-25% for FY22	Done-Est 27.4%
General	Tax rate <= to FY 21 adopted rate	Done- flat @ .5930
General	Development Services cost recovery study and new rates effective 9-1-21	Delayed until mid-year after rate study complete
General	Sales tax to be forecasted with loss of Best Buy and COVID impact	Done-2.5% over 2021 without Best Buy and COVID impact
General	Other revenues based on history	Done
General	3 rd year of Meet & Confer agreement for Civil Service employees	Done



FY 22 Budget Policy Update (Cont.)

Fund	Policy	Update
General	Social services, museums, and City funded events funded	Done
General	Economic Development split 1/3 w/ Electric and Water/Wastewater	Done
General	Transit operating fund needs	Done - \$800K
General	COVID funding	Done and will cont. to pursue others as avail.
General	Bilingual program	Done
General	Veterinary services in house	Done
General	Weatherization needs	Done

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FY 22 Budget Policy Update (Cont.)

Fund	Policy	Update
Electric	Maintain 60 days operating as FB	Done- Est. 87 days
Electric & WWW	Rate study and CUAB recommendation for rate increases	Done
WWW	Maintain 25% of operating as FB	Done- Est. 28.7%
Stormwater	Maintain 25% of operating as FB	Short – Est. 17.01%
Stormwater	Rate study updated	Done
HOT	Revenue budgeted at conservative trends	Done
HOT	Funding for special programs evaluated based on revenue	Done – ARP funding to assist

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FY 22 Budget Policy Update

Fund	Policy	Update
All	4% merit/COLA for non-civil service employees	2% proposed COLA eff 10/1 and re-evaluate 2% mid-year
All	Zero based budgets with CPI	Done
All	Health insurance evaluated	Done-No increase
All	Cost Allocation Plan included	Done



FY22 Proposed Budget Summary All Funds (Cont.)

	Fund Balance 10-01-2020	Estimated Revenues FY 2021	Estimated Expenses FY 2021	Fund Balance 10-01-2021	Proposed Revenues FY 2022	Proposed Expenses FY 2022	Fund Balance 09-30-2022
<u>Governmental Funds</u>							
General Fund	25,369,662	92,605,791	92,321,776	25,653,677	86,752,079	89,321,157	23,084,599
Debt Service Fund	10,953,338	15,119,315	16,054,618	10,018,035	17,081,990	17,599,366	9,500,659
<u>Enterprise Funds</u>							
Electric Utility Fund	12,521,800	82,810,454	81,639,512	13,692,741	63,667,692	63,432,858	13,927,575
Water & Wastewater Utility Fund	12,264,071	50,544,642	50,770,437	12,038,276	54,283,670	51,850,337	14,471,609
Stormwater Utility Fund	1,776,256	6,809,000	7,388,387	1,196,870	7,999,400	7,862,320	1,333,950
Transit	204,905	2,250,000	2,369,932	84,973	2,587,452	2,575,226	97,199
Resource Recovery Fund	1,905,532	5,357,000	5,126,467	2,136,065	5,930,000	5,869,631	2,196,434
Municipal Airport Fund	(37,800)	612,750	620,416	(45,466)	760,020	797,880	(83,326)
<u>Internal Service Fund</u>							
Health Insurance Fund	4,497,086	10,205,460	8,345,100	6,357,446	10,346,000	8,778,500	7,924,946

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FY22 Proposed Budget Summary All Funds

	Fund Balance 10-01-2020	Estimated Revenues FY 2021	Estimated Expenses FY 2021	Fund Balance 10-01-2021	Proposed Revenues FY 2022	Proposed Expenses FY 2022	Fund Balance 09-30-2022
Special Revenue Funds							
Community Enhancement	-	754,661	-	754,661	634,300	872,983	515,978
PARD Programs	335,599	126,093	64,308	397,384	151,500	141,550	407,334
Municipal Court Efficiency Fee Fund	49,823	4,000	5,000	48,823	4,500	5,000	48,323
Municipal Court Juvenile Fee Fund	45,932	16,000	34,337	27,595	17,000	16,630	27,965
Municipal Court Security Fee Fund	107,098	11,100	29,419	88,779	15,000	31,763	72,016
Municipal Court Technology Fund	189,699	12,000	121,500	80,199	15,000	2,000	93,199
Hotel Occupancy Tax Fund	174,806	3,153,995	2,844,247	484,554	3,548,030	3,271,574	761,010
PEG Funds	683,152	97,000	100,000	680,152	99,000	100,000	679,152
Animal Shelter	77,815	101,000	55,942	122,873	-	75,000	47,873
Cemetery Operations Fund	206,674	180,000	207,198	179,476	140,000	210,998	108,478
Seized Assets Fund	129,537	44,128	50,970	122,695	126,000	100,000	148,695
WIC Program Fund	-	2,476,387	2,476,387	-	2,498,494	2,498,494	-
TIRZ #2, #3, #4, #5, TRZ #1	3,856,473	13,780,198	13,910,721	3,725,950	3,681,671	4,400,565	3,007,056
All Funds	75,311,458	287,070,974	284,536,675	77,845,758	260,338,798	259,813,834	78,370,724

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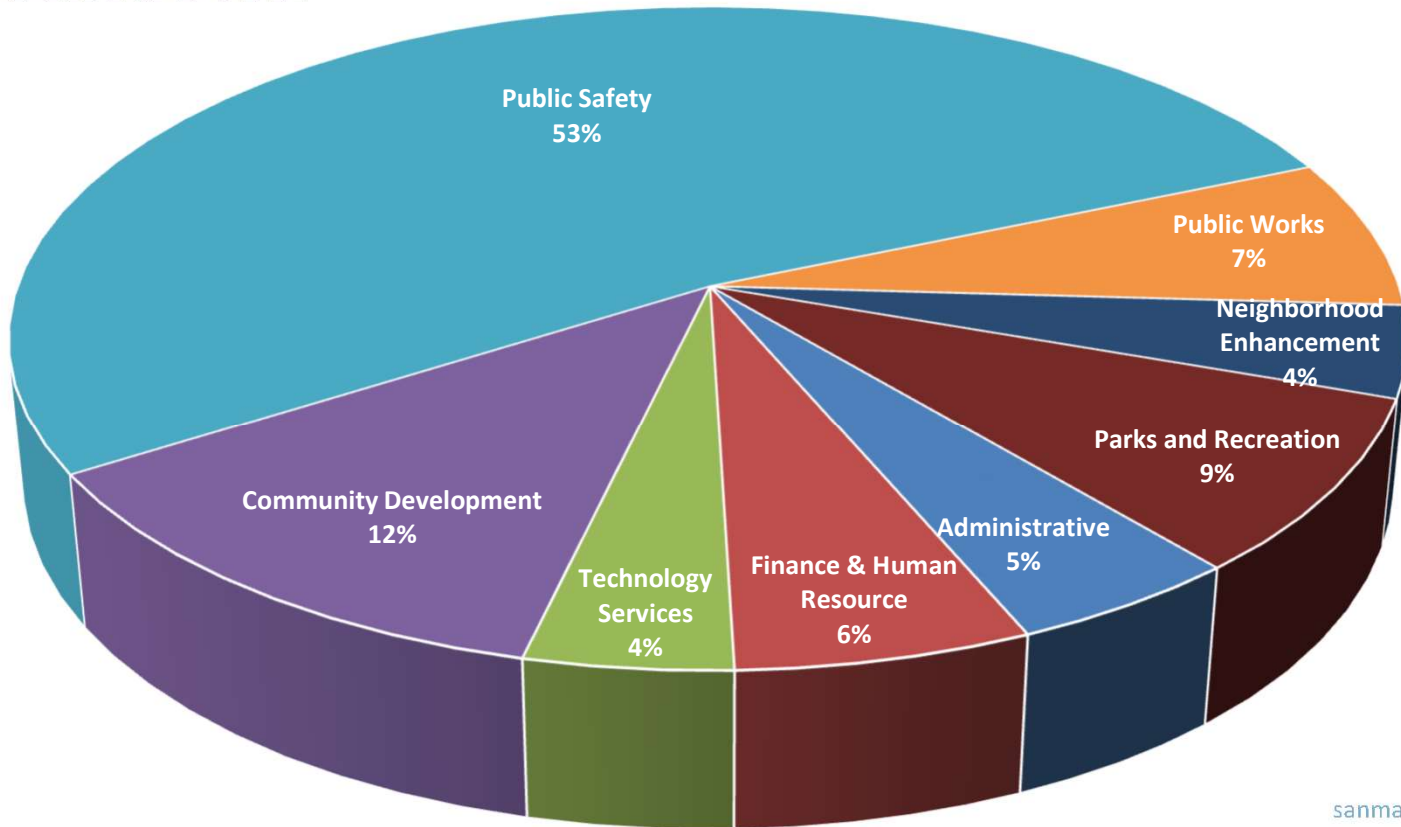


FY22 Proposed Budget Changes

- General Fund
 - Decreased Go Wheels Up (\$47,500)
 - Increased Police salary line for 911 Telecommunicators (\$77,000)
 - Decreased expenditures for add on equipment for leased vehicles (\$29,500)
- Stormwater Fund
 - Rate increase from 8.0% to 8.5% (\$32,500) to fund needed maintenance costs (cost neutral)
- Airport Fund
 - Add new grant revenue (\$90,500) with offset increase in contractual costs (cost neutral)



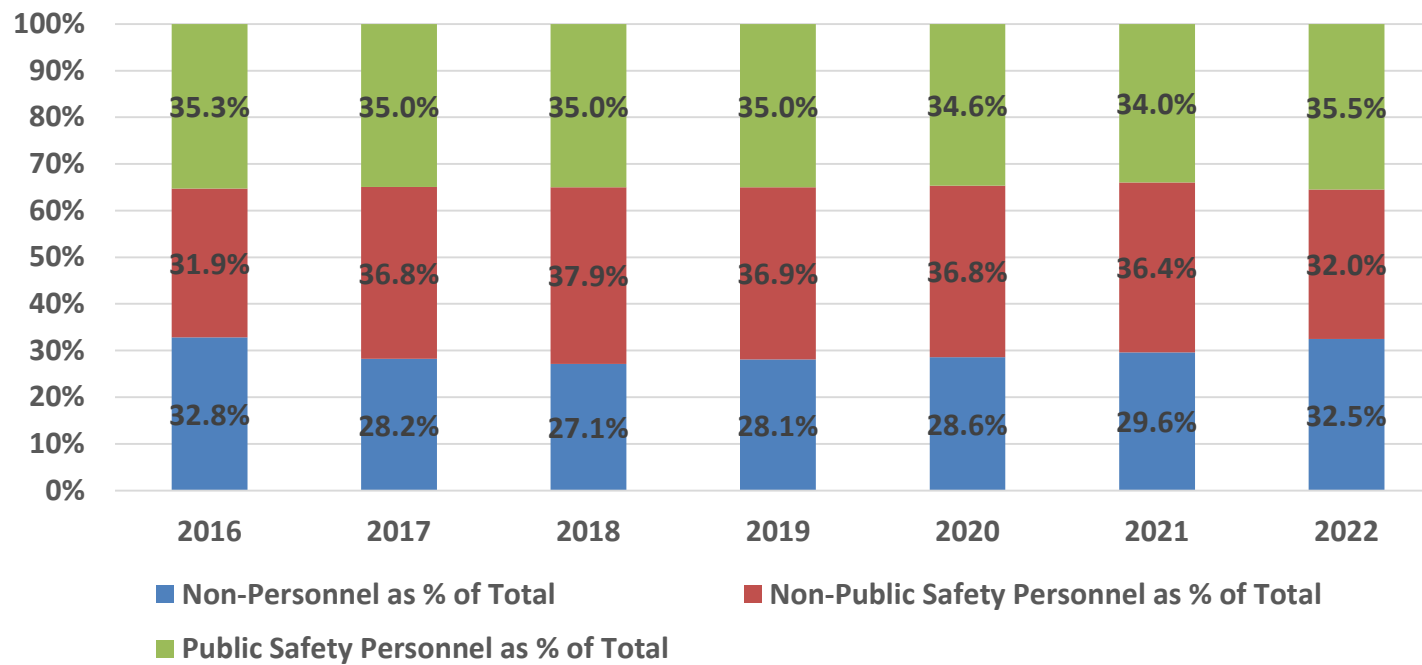
FY22 Budget General Fund Personnel Breakdown



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FY22 General Fund Operating Expenditure Budget Breakdown (Excluding Incentive Agreements)





FY22 General Fund Summary

	FY20 Actual	FY21 Amended Budget	FY21 Est	FY22 Proposed Budget
Revenues	\$95.292M	\$85.241M	\$92.606M	\$86.752M
Expenditures	\$86.975M	\$91.997M	\$92.322M	\$89.321M
End Fund Balance	\$25.370M	\$18.613M	\$25.654M	\$23.085M
Fund Balance %	31.5%	22.5%	30.7%	27.4%

- **Community Enhancement Fee removed from General Fund and moved to new Special Revenue Fund**



FY22 Hotel Occupancy Fund Summary

Summary	FY20 Actual	FY21 Budget	FY21 Est	FY22 Budget
Revenues	\$2.762M	\$3.067M	\$3.154M	\$3.548M
Expenditures	\$3.274M	\$3.344M	\$2.844M	\$3.272M
End Fund Balance	\$175K	(\$102K)	\$485K	\$761K



Enterprise Funds

- Electric Fund
- Water/Wastewater Fund
- Stormwater Fund
- Transit Fund
- Resource Recovery Fund
- Airport Fund



FY22 Electric Fund Summary

Summary	FY20 Actual	FY21 Budget	FY21 Est	FY22 Budget
Revenue	\$56.963M	\$63.144M	\$82.810M	\$63.668M
Expenditures	\$56.585M	\$66.119M	\$81.640M	\$63.433M
End Fund Balance (FB)	\$10.019M	\$9.547M	\$13.693M	\$13.928M
Ending FB in Days of Operation	70	60	67	87

Effective rate increase of 5% resulting in monthly increase to residential customer with average usage of 1000 kWh is \$5.31/mo.



FY22 Water/Wastewater Fund Summary

Summary	FY20 Actual	FY21 Budget	FY21 Est	FY22 Budget
Revenue	\$44.987M	\$50.703M	\$50.545M	\$54.284M
Expenditures	\$43.223M	\$51.298M	50.770M	\$51.850M
End Fund Balance	\$15.512M	\$11.670M	\$12.038M	\$14.472M
Fund Balance %	28.8%	26.8%	28.3%	28.7%

Rate increase of 5% in water and 3% in wastewater resulting in monthly increase to residential customer with average usage of 6000 gallons is \$2.09/mo.



FY22 Stormwater Fund Summary

Summary	FY20 Actual	FY21 Budget	FY21 Est	FY22 Budget
Revenue	\$5.995M	\$7.217M	\$6.809M	\$7.999M
Expenditures	\$5.986M	\$7.298M	\$7.388M	\$7.862M
End Fund Balance	\$1.776M	\$1.696M	\$1.197M	\$1.334M
Fund Balance %	31.37%	23.50%	16.38%	17.01%

Rate increase of 8.5% to R2 (typical) residential customer is \$1.07/mo.



FY22 Resource Recovery Fund Summary

Summary	FY20 Actual	FY21 Budget	FY21 Est	FY22 Budget
Revenue	\$4.986M	\$5.047M	\$5.357M	\$5.930M
Expenditures	\$4.791M	\$5.108M	\$5.126M	\$5.870M
Ending Fund Balance	\$1.906M	\$1.844M	\$2.136M	\$2.196M

Rate increase of approx. 4% to residential customer is \$1.03/mo.



FY22 Transit Fund Summary

Summary	FY20 Actual	FY21 Budget	FY21 Est	FY22 Budget
Revenue	\$2.406M	\$2.740M	\$2.250M	\$2.587M
Expenditures	\$2.291M	\$2.883M	\$2.370M	\$2.575M
Ending Fund Balance	\$205K	\$62K	\$85K	\$97K



FY22 Airport Fund Summary

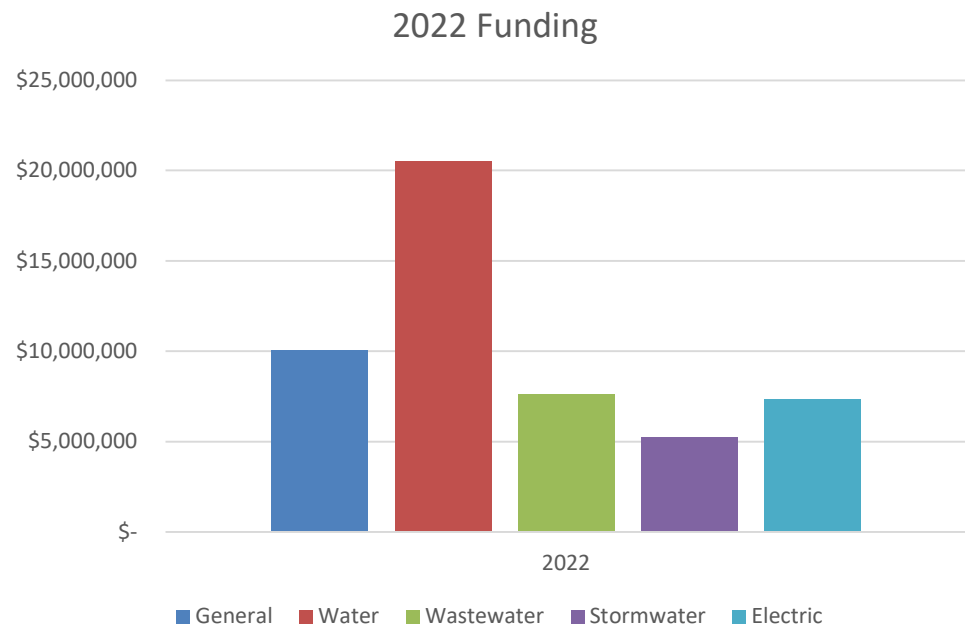
Summary	FY20 Actual	FY21 Budget	FY21 Est	FY22 Budget
Revenue	\$500K	\$562K	\$613K	\$760K
Expenditures	\$537K	\$620K	\$620K	\$798K
Ending Fund Balance	(\$38K)	(\$97K)	(\$45K)	(\$83K)

Indirect cost chargeback is causing negative fund balance



FY 22 Recommended CIP Totals

General	\$ 10,065,500
Water	\$ 20,510,000
Wastewater	\$ 7,600,000
Stormwater	\$ 5,220,000
Electric	\$ 7,315,500
Total	\$ 50,711,000



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Budget Timeline

- **September 7th**
 - 1st public hearing and reading of tax rate ordinance
 - 1st public hearing and reading of proposed budget, CIP and fees
 - Public hearing and 1st reading on utility rate increases
- **September 21st**
 - 2nd public hearing and reading of tax rate ordinance
 - 2nd public hearing and reading of proposed budget, CIP and fees
 - Vote to adopt budget including CIP, fees and utility rate increases, ratify tax roll and set tax rate



Bert Lumbreras

City Manager

Stephanie Reyes

Assistant City Manager

Joe Pantalione

Assistant City Manager

Chase Stapp

Director of Public Safety

Laurie Moyer

Engineering Director

Marie Kalka

Finance Director

Anna Miranda

Assistant Finance Director

Thank You