



City of San Marcos

FY 2024 Budget and Tax Rate Adoption

September 19, 2023

Budget Calendar



BUDGET EVENT	DATE	DONE
Council Strategic Planning and Visioning	January 26 – 27	✓
Budget Policy Workshop	February 23	✓
Budget Policy Adoption	March 21	✓
Budget Workshop #1	May 16	✓
Budget Workshop #2	June 29	✓
Budget Workshop #3 – Proposed Budget Submitted	August 15	✓
Maximum Proposed Tax Rate Set	August 15	✓
Neighborhood Commission Budget Presentation	August 16	✓
Budget Workshop #4 (If needed)	August 21	Not Needed
Public Hearings on Budget and Tax Rate	Sept 5 & Sept 19	
Budget and Tax Rate Adoption (1st & 2nd Reading)	Sept 5 & Sept 19	

← PRELIMINARY
TAX ROLL:
APRIL 30th ✓

← CERTIFIED
TAX ROLL:
JULY 25th ✓

Consolidated Funds Summary



CITY OF SAN MARCOS Consolidated Fund Balance Statement FY 2024 Proposed Annual Budget	FY 2024 Est. Beginning Fund Balance	FY 2024 PROPOSED Revenues	FY 2024 PROPOSED Expenses	FY 2024 Ending Fund Balance
General Fund	34,438,860	111,351,806	114,880,338	30,910,328
Debt Service Fund	11,121,687	18,021,814	17,800,599	11,342,902
Electric Utility Fund	12,302,059	72,749,545	73,934,172	11,117,432
Water & Wastewater Utility Fund	18,881,286	63,256,984	65,200,822	16,937,448
Stormwater Utility Fund	1,689,510	9,475,184	9,440,380	1,724,314
Transit Fund	566,309	3,367,290	3,367,290	566,309
Resource Recovery Fund	2,267,895	7,243,073	7,243,073	2,267,895
Regional Airport Fund	75,615	851,387	851,387	75,615
Community Enhancement Fee Fund	381,002	1,085,322*	1,085,322*	381,002
Hotel Occupancy Tax Fund	3,627,879	4,964,188	5,637,788	2,954,279
Tax Increment Reinvestment Zones (TIRZ)	2,532,239	8,615,393	7,449,091	3,698,541
All Other Special Revenue Funds	1,923,555	3,312,437	3,446,640	1,789,352
Health Insurance Fund	7,403,399	10,890,892	10,813,550	7,480,741
ALL FUNDS	97,211,295	315,185,315	321,150,452	91,246,158

**Denotes revision from original Proposed Budget*

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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 \$5,947,057; New property \$2,756,989
 - 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)



Tax Rate Component	Tax Rate	Budgeted Revenue
Maintenance & Operations	44.47¢	\$36,750,186

Tax Rate Component	Tax Rate	Budgeted Revenue
Interest & Sinking (Debt)	15.83¢	\$13,081,975

Tax Rate Component	Tax Rate	Budgeted Revenue
Total Tax Rate	60.30¢	\$49,832,161

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 13.7 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

Thank You



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Assistant City Manager

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Assistant City Manager

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