

CITY OF SAN MARCOS | TEXAS FISCAL YEAR 2024 PROPOSED BUDGET

ANNUAL BUDGET
2023 - 2024



PREPARED BY
FINANCE DEPARTMENT

As required by section 102.005 (b) of the Texas Local Government Code, the City of San Marcos is providing the following statement on this cover page of its proposed budget:

This budget will raise more total property taxes than last year's budget by \$7,364,014 or 14.8%, and of that amount, \$3,718,175 is tax revenue to be raised from new property added to the tax roll this year.

Property tax rates for the preceding fiscal year, and each Municipal property tax rate that has been adopted or calculated for the current fiscal year, include:

TAX RATE	PROPOSED FY 2024	ADOPTED FY 2023	ADOPTED FY 2022
Property Tax Rate	0.6030	0.6030	0.6030
No New Revenue Tax Rate	0.5305	0.5459	0.6999
Voter Approval Tax Rate	0.6887	0.7270	0.7554
Debt Rate	0.1583	0.1774	0.1954



FISCAL YEAR 2024 | PROPOSED

ANNUAL BUDGET



CITY LEADERSHIP

ELECTED OFFICIALS

Jane Hughson, Mayor

Matthew Mendoza, Place 1

Saul Gonzales, Place 2

Alyssa Garza, Place 3

Shane Scott, Place 4

Mark Gleason, Place 5

Jude Prather, Place 6

EXECUTIVE STAFF

Stephanie Reyes, *City Manager*

Joe Pantalione, *Assistant City Manager*

Laurie Moyer, *Assistant City Manager*

Chase Stapp, *Assistant City Manager*

Sam Aguirre, *City Attorney*

Dallari Landry, *Municipal Court Judge*

Elizabeth Trevino, *City Clerk*

Jonathan Locke, *Director of Finance*

Ismael Garcia, *Assistant Director of Finance*

Jesse Garcia, *Accounting Manager*

Brigette Clack, *Financial / Budget Analyst*



FISCAL YEAR 2024 ANNUAL BUDGET

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MISSION STATEMENT

CITY OF SAN MARCOS

The goals of the City Government are to safeguard the health, safety and welfare of the City's residents, provide for a high quality of life, foster intergovernmental liaison and communication, encourage responsible citizenship, promote sound community and economic development, conserve and protect the City's natural resources and environment.

– *San Marcos City Charter*



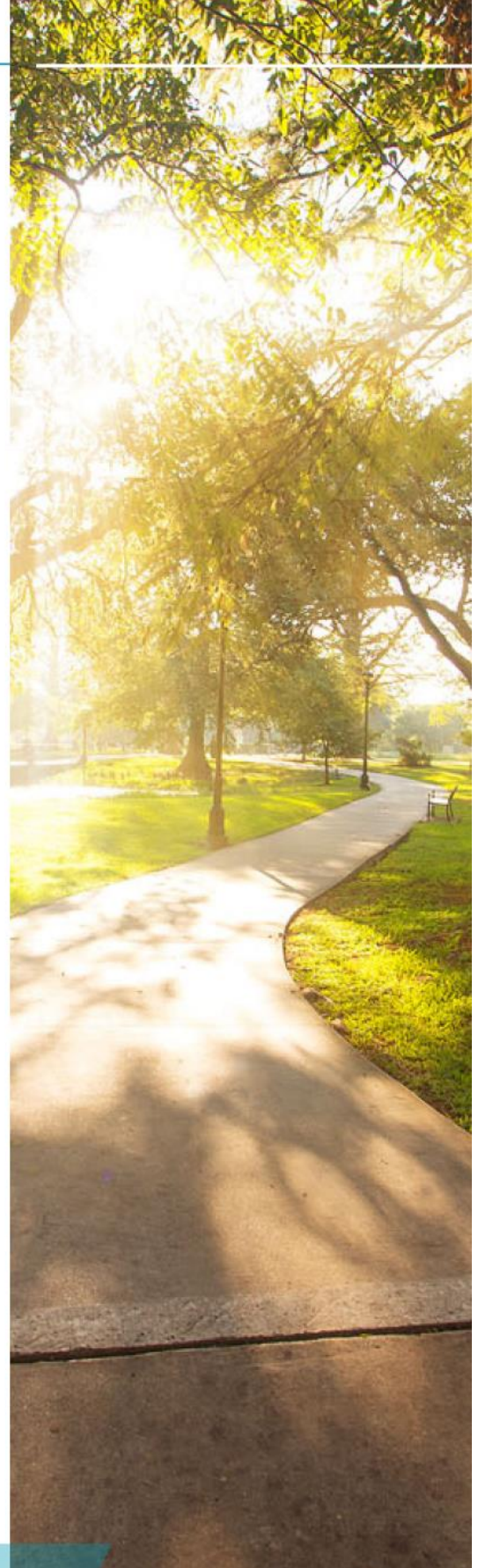


2023 STRATEGIC PLAN



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FORWARD

SAN MARCOS VISION

San Marcos is a community of diverse and inclusive neighborhoods that protects and celebrates the river and other rich natural, historical and cultural assets; embraces its small-town feel, charm and quality of life; and leverages strategic development to continue building a sustainable community with enhanced access and opportunities for people and businesses

San Marcos City Council



JANE HUGHSON
MAYOR
2022-2024



ALYSSA GARZA
DEPUTY MAYOR PRO TEM
2020-2023



MARK GLEASON
MAYOR PRO TEM
2021-2024



JUDE PRATHER
CITY COUNCIL MEMBER
PLACE 6
2021-2024



MATTHEW MENDOZA
CITY COUNCIL MEMBER
PLACE 1
2022-2025



SAUL GONZALES
CITY COUNCIL MEMBER
PLACE 2
2022-2025



SHANE SCOTT
CITY COUNCIL MEMBER
PLACE 4
2020-2023



2023 City of San Marcos
Strategic Plan

FORWARD



**STEPHANIE
REYES**

Message from the City Manager

Dear San Marcos Community,

We are excited to share with you the City of San Marcos Strategic Plan, a dynamic document that reflects our shared community goals and desired outcomes. Developed through a successful Visioning session held in January 2023, this plan is the result of in-person collaboration between the Mayor, City Council, and Department Directors for the first time since 2020.

We have tied our Visioning directly to our budget, ensuring that we have the necessary funding and resources to implement our goals and meet the community's needs. Our multi-faceted approach focused on Council's priorities, budget and tax rate, capital improvement projects, and core services to ensure a holistic shared vision.

As a result, the following goals were identified for our community:

- Quality of Life & Sense of Place
- Economic Vitality
- Public Safety, Core Services & Fiscal Excellence
- Mobility & Connectivity
- Environmental Protection

These goals, outcomes, and strategies serve as our roadmap for decision-making and operations, ensuring that we prioritize the emerging needs of the community at large.

Furthermore, this living document highlights the vital contribution of each city employee and department to the progress of our community. We are committed to showcasing their efforts every step of the way and ensuring that the plan reflects the reality of how we can meet community needs.

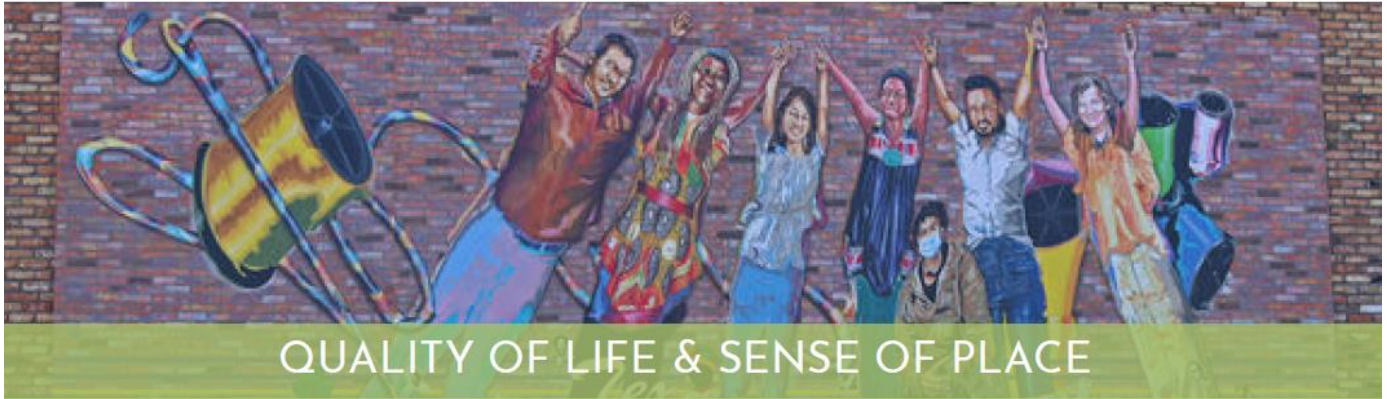
We look forward to working together to achieve our shared vision and make San Marcos a better place to live, work, and thrive.

Meet the Directors



**2023 City of San Marcos
Strategic Plan**

STRATEGIC PLAN GOALS



QUALITY OF LIFE & SENSE OF PLACE

GOAL STATEMENT

Cultivate a community that promotes inclusivity, equity, and belonging; has a unique sense of place due to our distinct natural, historical, and cultural assets; and commits to a healthy quality of life for families of all types.

OUTCOME A

COMPREHENSIVE PLANNING

Complete and utilize the City's Comprehensive Plan and other master plans as our guiding principles for decision-making.

STRATEGIES

- I. Adopt and implement the Comprehensive Plan.
- II. Ensure master plans align with the current Comprehensive Plan.

OUTCOME B

STRONG COMMUNITY ENGAGEMENT

Engage residents and community partners to promote a sense of belonging.

STRATEGIES

- I. Cultivate relationships with community partners and neighborhood leaders to engage diverse populations.
- II. Identify and nurture community champions to advocate for local initiatives.
- III. Enhance presence in the community through new community engagement initiatives and leveraging the channels which can best reach the targeted audiences.

OUTCOME C

DOWNTOWN VITALITY

Continue investment in the Downtown area to preserve its unique and historical character, capitalize on opportunities for redevelopment, and make it a safe and inviting destination for people of all ages and backgrounds.

STRATEGIES

- I. Adopt and utilize the Downtown Area Plan.
- II. Create, adopt, and implement the Historic Preservation Plan.
- III. Develop methods and programs to address vacant and neglected buildings.



STRATEGIC PLAN GOALS

OUTCOME D

ARTS, CULTURE, AND SPECIAL EVENTS

Promote arts, culture, and special events as a driver to improve quality of life, increase tourism, and support local economic development.

STRATEGIES

I. Improve aesthetics and public art within public spaces, corridors, and gateways to create a positive visual experience, instilling pride and creating a unique identity.

II. Develop and promote programs and activities to increase resident engagement and bring in outside visitors.

III. Support arts and culture projects and events to encourage new initiatives and take current ones to the next level.

OUTCOME E

PARKS, OPEN SPACE, AND RECREATION

Provide an accessible, diverse, connected network of parks, open spaces, and recreation facilities to serve all ages, backgrounds, and abilities.

STRATEGIES

I. Implement the recommendations included in the Parks and Open Space master plans.

II. Provide outdoor gathering places and parks for active and passive places for family activities.

OUTCOME F

NEIGHBORHOOD PRESERVATION AND ENHANCEMENT

Protect and enhance the natural, cultural, and historic resources of all neighborhoods through programs, improvements, stabilization, intentional growth, and compatible development.

STRATEGIES

I. Create, adopt, and implement the Historic Preservation Plan and Neighborhood Area Plans.

II. Develop and promote ways to engage neighborhoods to increase community identity and pride in their neighborhood.

III. Work with residents for neighborhood revitalization and safety.

OUTCOME G

HOUSING AFFORDABILITY

Facilitate safe and affordable housing for all, including those experiencing or who are at risk of homelessness or displacement.

STRATEGIES

I. Update Housing Data and Adopt Strategic Housing Action Plan.

II. Complete and implement the recommendations from the Homeless Needs Assessment.

III. Identify and implement methods to provide affordable housing.



STRATEGIC PLAN GOALS



GOAL STATEMENT

Foster a vibrant economic climate for our community through new commercial and residential uses, education, workforce development, and support of new and existing businesses of all sizes.

OUTCOME A

ECONOMIC DEVELOPMENT POLICY

Encourage the development of a diverse economy through technical and financial assistance to businesses that invest in the community to enhance the lives of our residents.

STRATEGIES

- I. Implement Legacy Business Program, and other incentives adopted in the Economic Development Policy.
- II. Explore menu of economic development options.

OUTCOME B

BUSINESS COMMUNITY

Actively support and attract diversified business activity, including local and emerging small businesses, to thrive and expand in our community.

STRATEGIES

- I. Increase exposure of local businesses.
- II. Assist emerging and existing small businesses, including non-traditional, through grant assistance and technical support.

OUTCOME C

SAN MARCOS AS A DESTINATION

Expand and support responsible tourism programs to promote local commerce.

STRATEGIES

- I. Identify promotional opportunities with area stakeholders to highlight City attractions.
- II. Identify areas needing enhancement for a cohesive visual look for the City, including within corridors and gateways.
- III. Use consistent messaging to promote unique and vibrant experiences to enhance economic impact.



STRATEGIC PLAN GOALS

OUTCOME D

EDUCATION AND WORKFORCE DEVELOPMENT

Facilitate opportunities for job training and educational programming through partnerships.

STRATEGIES

I. Work with community partners on outreach for job fairs and other employment opportunities.

II. Identify challenges and unmet needs in the business community that are impacted by workforce development.

III. Determine where to invest City funding to mitigate gaps and barriers that have been identified including a possible training location and regular access to workforce development resources on the east side.

OUTCOME E

RESPONSIBLE GROWTH

Diversify and deliberately expand for a prosperous economy.

STRATEGIES

I. Actively participate in the recruitment and retention of businesses in San Marcos utilizing the Economic Development San Marcos (EDSM) board and City Council to vet potential incentives.



STRATEGIC PLAN GOALS



PUBLIC SAFETY, CORE SERVICES & FISCAL EXCELLENCE

GOAL STATEMENT

Deliver quality government services and improve community safety in a fiscally responsible manner with a professional workforce.

COMMUNITY SAFETY

Collaborate to prioritize and enhance public safety services while building resiliency and trust within our community.

OUTCOME A

STRATEGIES

- I. Adequately staff public safety departments to address community safety.
- II. Complete construction and open Fire Station 6 and Phase I of the Fire Training Facility.
- III. Optimize the use of technology to improve community safety.
- IV. Expand programs and partnerships that engage the community and strengthen community trust, including employing strategies for reaching diverse populations.
- V. Enhance emergency management by increasing all-hazards and disaster preparedness, response and recovery through coordination and local partnerships and intergovernmental cooperation.

CORE GOVERNMENT SERVICES

Ensure operations are funded for the delivery of high-quality customer experiences and community-focused programs and services.

OUTCOME B

STRATEGIES

- I. Responsibly plan for and deploy resources and staff using best practices, needs assessments, and fiscal modeling.
- II. Identify and pursue process improvements and opportunities for increased efficiency, effectiveness, and cost savings.
- III. Develop a comprehensive community resource guide and assure its availability to citizens.



STRATEGIC PLAN GOALS

OUTCOME C

FINANCIAL MANAGEMENT

Use strategic financial decision making to meet our community's existing and future needs.

STRATEGIES

- I. Create a fiscal analysis tool based on the Comprehensive Plan to evaluate fiscal sustainability associated with growth.
- II. Continue debt management in a financially prudent and strategic manner and take advantage of market conditions when present.
- III. Pursue grant funding opportunities for applicable projects, including CIP.

OUTCOME D

WORKFORCE RECRUITMENT AND RETENTION

Invest in the recruitment and retention of an adequately staffed, skilled, and professional workforce.

STRATEGIES

- I. Complete and begin to implement the compensation plan.
- II. Improve our competitiveness as an employer to attract, hire and retain a diverse and highly skilled workforce.
- III. Develop employees' skills through education and training.
- IV. Design strategies for succession planning at various levels of the organization to maintain direction and management.

OUTCOME E

SUPPORT SERVICES

Provide necessary resources to internal service departments to support reliable, consistent, and effective city operations.

STRATEGIES

- I. Establish and employ streamlined policy and governance processes that align support services with customer expectations and mission requirements.
- II. Ensure efficient and effective performance of core business functions, enterprise services and data management.

OUTCOME F

INFRASTRUCTURE MANAGEMENT

Dedicate the financial and staffing resources necessary for capital improvement project planning, construction, operations, and maintenance.

STRATEGIES

- I. Develop and implement the CIP.
- II. Invest necessary resources, including in the use of technology and equipment, to maintain and extend the life of the City's infrastructure.



STRATEGIC PLAN GOALS



GOAL STATEMENT

Improve neighborhood and regional connectivity to provide a safe, convenient, and efficient multimodal system for goods, services, and people of all income levels and abilities to move throughout the City.

OUTCOME A

MULTIMODAL TRANSPORTATION SYSTEM

Develop a diverse transportation system to improve multimodal connectivity and capacity by implementing the Transportation Master Plan.

STRATEGIES

- I. Maintain and coordinate the thoroughfare plan within the transportation master plan with CIP projects.
- II. Implement multimodal Transportation Master Plan recommendations.
- III. Increase multimodal transportation options, participation, and use.

OUTCOME B

BICYCLE, SIDEWALK AND TRAIL SYSTEMS

Increase the accessibility and connectivity of bicycle, sidewalk, and trail systems between parks, river areas, downtown, schools, businesses, services, and residential neighborhoods.

STRATEGIES

- I. Maintain and coordinate the bike & greenways plan within the transportation master plan with CIP projects.
- II. Integrate and connect all modes of multimodal travel.
- III. Evaluate emerging transportation opportunities for last/first mile connectivity.
- IV. Invest in and maintain existing multimodal facilities.



STRATEGIC PLAN GOALS

OUTCOME C

TRANSPORTATION AND TRAFFIC OPERATIONS

Increase the safety, convenience, and reliability of the transportation system, including investment in technology and maintenance.

STRATEGIES

I. Coordinate with Capital Area Metropolitan Planning Organization (CAMPO) to ensure specific San Marcos projects are identified in the Safe Streets for All program.

II. Invest in the use of technology and other innovative solutions to increase the safety and efficiency of the existing roadway system and capacity.

III. Invest in traffic equipment, operations, and maintenance.

OUTCOME D

PUBLIC TRANSIT

Prioritize the resources necessary to achieve a seamless, coordinated public transit system through partnerships and implementation of the Transit Master Plan.

STRATEGIES

I. Continue partnership with the University for coordinated public transit system.

II. Leverage grant funds to replace aging transit fleet with safer, more efficient vehicles.

III. Identify and implement short-term Transit Master Plan recommendations.



STRATEGIC PLAN GOALS



GOAL STATEMENT

Advance responsible stewardship of the community's natural, cultural, and historical resources through varied environmentally friendly policies and practices.

ENVIRONMENTAL STEWARDSHIP

Set the standard by demonstrating responsible stewardship of the environment, including our rivers, aquifers, and other sensitive features.

OUTCOME A

STRATEGIES

- I. Incorporate green stormwater and water/ energy conservation infrastructure on CIP projects.
- II. Ensure that applicable City staff is equipped and trained to readily identify and respond to releases (i.e. sewer discharges, chemical spills, etc.) that may cause negative impacts to rivers and aquifers.
- III. Incorporate environmental stewardship into new and existing City facilities and master plans.
- IV. Develop and promote programs that protect and promote environmental stewardship.

ENVIRONMENTALLY FRIENDLY GROWTH

Promote environmental protections and sustainable building practices through codes and processes.

OUTCOME B

STRATEGIES

- I. Implement the Preferred Scenario Map.
- II. Incorporate concepts from the currently adopted Comprehensive Plan into the Stormwater Technical Manual and the Land Development Code.
- III. Update and amend water conservation and drought ordinance and plan.



STRATEGIC PLAN GOALS

OUTCOME C

RESILIENT INFRASTRUCTURE

Incorporate resiliency into existing and future City infrastructure planning, construction, operations, and maintenance.

STRATEGIES

- I. Incorporate and anticipate future needs of the City into CIP Projects to mitigate future risks.
- II. Continue to develop and maintain Emergency Operations and Emergency Preparedness Plans.
- III. Reinvest in City facilities to improve facility security and resiliency.

OUTCOME D

ENVIRONMENTAL PROGRAMS

Promote innovative programs and educate residents about environmental resiliency

STRATEGIES

- I. Continue participation and implementation of the Edwards Aquifer Habitat Conservation Plan.
- II. Seek out opportunities to secure grant funding and build partnerships to develop environmental education programs and implement environmental improvement projects.



CORE VALUES

The City of San Marcos established five Core Values that reflect what makes the organization unique and great. These values proudly announce to the community the ideas to which our workforce strive to embody each day.



EXECUTIVE SUMMARY

CITY COUNCIL BUDGET POLICY DECISIONS

Per City Charter, City Council adopted a Budget Policy in March 2023 providing direction on base budget assumptions to the City Manager and staff. The following are the major policy items included in the city's proposed fiscal year 2024 budget. Each of these items were discussed during public City Council sessions:

- Maintain General Fund balance at 25% of recurring operating expenses.
- Maintain Water/Wastewater Fund balance of 90 days of recurring operating expenses.
- Evaluate increasing the minimum fund balance requirement from 60 days to 90 days of recurring operating expenses.
- Work towards 90 days of recurring operating expenses.
- Propose a property tax rate between the no-new-revenue and voter-approval tax rate with a goal of not increasing the tax rate above the FY 2023 adopted tax rate.
- Rate adjustments for utilities are included based on Citizen Utility Advisory Board (CUAB) recommendation.
- Conservative revenue forecasts based on historical trends.
- Include impacts of meet and confer agreement for civil service employees.
- Complete a market-based classification and compensation study for staff and develop a compensation philosophy.
- Increase Police and Fire staffing to recommended staffing levels based on available capacity and using a multi-year approach.
- Fund positions to adequately meet core services and Council strategic goals.
- Consider HOT as a funding source for special events.

PROPERTY TAX RATE

The property tax rate is comprised of two components. The component for maintenance and operations (M&O) related to general fund operations, and the component for interest and sinking (I&S) related to funding the debt obligations of the City. The fiscal year 2024 proposed budget is supported by a tax rate of 60.30 cents per \$100 of assessed valuation. The City's tax rate has been 60.30 cents since FY 2022. In fiscal year 2024 citizen tax bills will reflect 60.30 cents per \$100 of assessed property value. Based on this rate, an owner of a home valued at \$100,000 will pay approximately \$603 in city property taxes. Hays County appraisal district assesses the real property values used to calculate property tax bills.

The General Fund budget is based on an M&O property tax rate of 44.47 cents per \$100 of assessed valuation. The levy supports operations which include police and fire protection, parks operation and maintenance, activity center, library, animal services, road maintenance, traffic control, and other general governmental functions.

The Debt Service Fund budget is based on an I&S tax rate of 15.83 cents per \$100 of assessed valuation. This levy supports annual payments on outstanding debt obligations of the City, which include Certificates of Obligation bonds (COs) and voter-approved General Obligation bonds (GOs).

For fiscal year 2024, total valuation of all property increased 18.8% or \$1.5 billion from the prior year, with approximately 16% of the growth occurring within Tax Increment Reinvestment Zones (TIRZ). In addition, in January 2022, City Council enacted a local homestead exemption of \$15 thousand and an increase to the local senior/disabled exemption of \$10 thousand to \$35 thousand. These exemptions ultimately saved taxpayers over \$1.1 million on over \$182 million of property value. The city's total projected property tax collections assuming a 98% collection rate is \$57.1 million, of which \$7.2 million supports TIRZ. Property tax revenue net of TIRZ is \$49.8 million, of which \$36.7 will be used for operations and \$13.1 million for the retirement of tax-supported debt.

STAFFING CHANGES

City staff is measured in full-time equivalents (FTEs). The City's FTEs for fiscal year 2023 is 877.5. City Council approved several positions mid-year which added 16.50 FTEs to City personnel, bringing the total to a revised FTE count of 894, ending for FY 2023.

In FY 2024, 29 new positions are being proposed in priority areas where critical needs were identified.

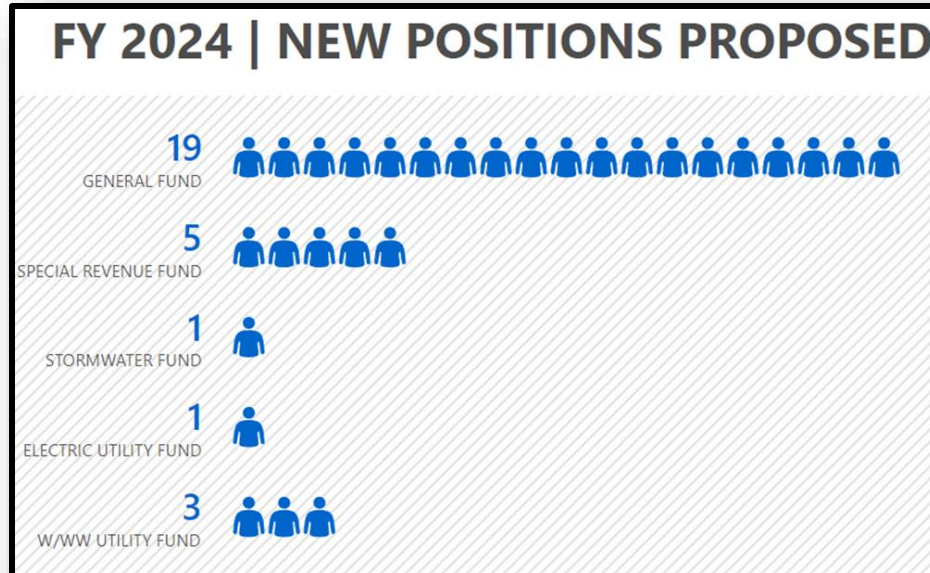


Table 1: FY 2024 - PROPOSED FTEs

FUND HIGHLIGHTS

Total FY24 budget of \$321.1 million is made up of five major fund types: General Fund, Enterprise Funds, Internal Service Funds, Special Revenue Funds, and Debt Service Fund. General Fund and Enterprise Funds make up approximately 88% of total uses of the city budget. In addition to these major funds, Internal Service has uses of \$10.8 million (3.1%), Special Revenue has uses of \$17.4 million (5.4%) and Debt Service has \$17.8 million (5.6%).

GENERAL FUND – SOURCES

The General Fund supports core services. Revenue sources in the General Fund have the greatest potential for fluctuation. Forecasted General Fund sources for fiscal year 2024 are \$111.4 million, approximately \$13.0 million (13.1%) more than the fiscal year 2023 revised budget.

GENERAL FUND – USES

The proposed fiscal year 2024 General Fund expenditures budget is projected to be approximately \$114.9 million, \$4.3 million (3.9%) more than the fiscal year 2023 revised budget. The most significant increase is related to personnel. In addition to the new proposed positions in the budget, \$3.1 million to implement a compensation study is also proposed to remain competitive in this challenging hiring market.

ENTERPRISE FUNDS

Enterprise funds are used to account for governmental activities that are similar to those found in private businesses. Enterprise Funds account for the city's electric utility, water and wastewater utility, stormwater utility, resource recovery utility, transit system, and the municipal airport. These funds are wholly supported by rates charged for these services. Each of these funds is discussed in greater detail under the Individual Fund Discussion section of this document. Rate adjustments, when necessary, are calculated and supported by rate studies and sanctioned by the Citizens Utility Advisory Board (CUAB). CUAB was formed at the direction of the City Council in 2012. This board is made up of 5 citizens and the Mayor who is a non-voting member. The charge of the board is to bring recommendations for budget and rates for both the Water/Wastewater and Electric utilities to the City Council. The Board met with staff to gain an understanding of how the utilities operate, the composition of the rates and the issues facing the utilities in the upcoming years.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of certain specific revenue sources that are legally restricted to expenditures for specified purposes. There are thirteen Special Revenue Funds for which an annual budget is adopted:

- Community Enhancement,
- PARD Programs,
- Municipal Court Efficiency Fees,
- Municipal Court Juvenile Fees,
- Municipal Court Security Fees,
- Municipal Court Technology Fees,
- Hotel Occupancy Tax,
- Public Education Governmental (PEG) Fees,
- Animal Shelter Donations,
- Cemetery Operations,
- Seized Assets,
- Women, Infant, and Children (WIC) – State Program
- Library Memorial Fund
- TIRZ (#2, #3, #5, TRZ #1)

Each of these funds are discussed in greater detail under the Individual Fund Discussion section of this document.

BUDGET DISCUSSION

ECONOMIC IMPACT OF PANDEMIC

The lasting effects of the pandemic have continued to be a challenge. Particularly challenging this year has been the impact on workforce availability, supply chain delays, and the staggering inflationary rates.

EMPLOYEE RETENTION AND COMPENSATION

The demand for qualified employees increases and to compete as a top employer, the City must remain focused on employee retention and competitive compensation. In the fiscal year 2024 we are proposing \$4.4 million to implement the results of a compensation study for budgeted non-civil service personnel.

POLICE AND FIRE MEET AND CONFER

The Meet and Confer process is established through the Texas Local Government Code, Chapter 142, Subchapters B & C. The Code establishes how a municipality with a population of 50,000 or more and its Police and Fire Associations can discuss wages, hours of employment and other working conditions. This process provides an opportunity to pre-empt state statutes. On June 7, 2006, the City Council approved the San Marcos Police Officers' Association and the San Marcos Professional Fire Fighters' Association petitions to become the sole and exclusive bargaining agent for the City of San Marcos Police Officers and Fire Fighters.

The first negotiation between the City and Associations was in 2009 with a three-year subsequent agreement in 2012 through 2015. The 2015 agreement was extended for an optional fourth year. During 2019 a new agreement was negotiated between both associations effective October 1, 2019, through September 30, 2022. With the previous agreements temporarily extended, new agreements were negotiated in 2023 that are focused on market competitiveness and will provide career growth opportunities for sworn officers. The City's agreement with the Fire Association includes an 8% compensation adjustment for fiscal year 2024. Negotiations occurred with the Police Association this summer and the City approved the new agreement to include a 5% compensation adjustment starting in June 2023 through fiscal year 2024.

CITY BEAUTIFICATION AND ENHANCEMENT

In recent years the City conducted several citizen satisfaction surveys that compared the City of San Marcos to regional and national standards across America. The results indicated that the citizens are concerned with the overall beautification of the City. In fiscal year 2016 the City Council approved the Community Enhancement fee that provides a source of additional funding for continuing and one-time projects, programs, education, and enhanced services. For fiscal year 2024, the proposed rate adjustment includes an increase from \$1.50 to \$2.35 for Residential accounts and Commercial accounts from \$5.50 to \$9.00 respectively.

The monthly fee has provided funding that has enhanced mowing and trash pick-up across the city and large projects such as the Craddock Median improvement. The proposed increase would address the shortfall to cover the increase cost of operating expenses. Also, to be able to cover identified signature events program.

SOCIAL SERVICES

The FY 24 Proposed Budget includes \$550,000 in social service program funding from the general fund. The Human Services Advisory Board (HSAB) is tasked with developing a recommendation for distributing the social service program allotment to the various social service agencies operating within San Marcos.

In addition to the funding administered through HSAB, the FY24 Proposed Budget includes \$45,000 for repurposing funding previously to Family Crisis Center, and \$50,000 to support a youth services position with Community Action.

HOTEL OCCUPANCY TAX FUND

In Fiscal Year 2008, voters adopted a 2% venue tax to be implemented in the Hotel/Motel Fund to help offset debt payments associated with the City of San Marcos Conference Center. Revenues collected from the Embassy Suites Hotel along with the 2% venue tax are restricted for the debt service related to the City's Conference Center which opened November 2009. The Conference Center has performed well and has exceeded revenue projections. In fiscal year 2014 a portion of the bonds issued for the conference center were refunded and the City was able to apply \$3.5 million of the excess hotel occupancy tax and venue tax collections against the debt principal lowering the debt service payments.

The integration of the Convention and Visitor's Bureau (CVB) into the City as a City department was effective October 1, 2016. CVB and Main Street departments are also part of the compensation study and for the fiscal year 2024, their operating budget will also need to include a personnel increase of approximately \$72,000 and include the new proposed positions totaling \$86,000. The proposed operating budget is also funding programs that include historical preservation, new city branding, and Main Street façade grant at approximately \$175,000. The budget will also include a portion for the Conference Center's need of maintenance with an estimated amount of \$140,000.

CAPITAL OUTLAY

In fiscal year 2016 the City began a program of leasing light duty fleet vehicles for the General Fund using a five-year replacement cycle. This program was expanded to all funds in fiscal year 2017. The City has realized savings through reduced maintenance cost and improved fuel efficiency as a result of replacing older vehicles in the fleet. Equity in replaced vehicles provides additional savings for the replacement vehicle. The proposed fiscal year budget includes \$1.4 million for the General Fund leased vehicle program.

The funding for capital outlay in the General Fund is being proposed at \$1,000,000 in fiscal year 2024. The proposed funding is to provide the City to continue catching up on a backlog of equipment replacements, technology infrastructure and other one-time expenses and to maintain a timely replacement schedule going forward.

Fiscal year 2024 capital outlay funding consists of several department's new equipment and upgrades, and other cycle replacement equipment.

CAPITAL IMPROVEMENTS PROGRAM – CERTIFICATE OF OBLIGATION PROJECTS

For each fiscal year's budget, projects are submitted by all departments and prioritized. Staff vets all projects and totals are constrained based on the Engineering Department's capacity for project management and the individual funds' capacity. The compiled projects are then presented to Planning and Zoning Committee. Planning and Zoning makes their recommendations, and the recommended projects are taken to the City Council for approval.

FINANCIAL RATING

The City of San Marcos had its underlying credit rating affirmed from Standard & Poor's in June 2021. The City's bond rating for Moody's Investor Service and Standard & Poor's is as follows:

	<u>Moody's Investor Service</u>	<u>Standard & Poor's</u>
• General Obligation Bonds and Certificate of Obligation	A1	AA
• Revenue Bonds	A1	AA

FUND BALANCES

In the Budget Policy Statement, the City Council directed that the General Fund, Water/Wastewater Utility, and Stormwater Utility meet a fund balance level of at least 25% and the Electric Utility meet a fund balance equivalent to at least 60 days of operating expenses including the cost of purchase power. This goal was established to provide a minimum of three months operating capital for each of the major funds in the event of emergency or extraordinary circumstances. A use of fund balance was planned in the adoption of the fiscal year 2021 budget due to the extraordinary circumstances caused by the pandemic. However, due to cost saving measures put in place by the City and grant funding made available by the federal government, estimated 2021 ending fund balance in the General Fund exceeded the 25% threshold.

CITY OF SAN MARCOS FINANCIAL POLICY

I. PURPOSE

The broad purpose of this policy is to enable the City to achieve and maintain a long-term stable and positive financial condition through the use of sound financial management practices. The watchwords used to epitomize the City's financial management include integrity, prudent stewardship, planning, accountability, full disclosure and communication.

The more specific purpose of this policy is to provide guidelines to the Director of Finance in planning and managing the City's daily financial affairs and in developing recommendations to the City Manager and City Council.

The City Council will annually review and approve this policy as part of the budget process.

The scope of this policy covers the operating budget, revenues, expenditures, capital improvements program, financial planning, accounting, auditing, financial reporting, treasury management, debt management, and financial condition and reserves, in order to:

- A. Present fairly and with full disclosure the financial position and results of the financial operations of the City in conformity to generally accepted accounting principles (GAAP).
- B. Determine and demonstrate compliance with finance-related legal and contractual issues in accordance with provisions of the City's Charter, the City's Code of Ordinances, the Texas Local Government Code and other pertinent legal documents and mandates.

II. OPERATING BUDGET

- A. **PREPARATION** – Budgeting is an essential element of the financial planning, control, and evaluation process of municipal government. The "budget" is the City's annual financial operating plan. The budget includes all the operating departments of the governmental funds, special revenue funds, enterprise funds, and permanent funds of the City. The budget includes expenditures for personnel, contracted services, materials and supplies, other charges, operating transfers, social services, indirect costs, capital outlay and debt service. The budget is prepared by the City Manager and Director of Finance with the participation of all the City's Department Directors within the provisions of the City Charter, on a basis that is consistent with GAAP.

- B. **MULTI-YEAR PLANNING** – The Director of Finance will prepare a multi-year financial forecast of the General Fund. This forecast is an integral part of developing the adopted budget.
1. ADOPTED BUDGET – The City Manager presents a budget to the City Council. The budget provides a complete financial plan for the ensuing fiscal year, and shall contain a budget message explaining the budget, containing an outline of the adopted financial policies of the City for the ensuing fiscal year, setting forth the reasons for salient changes from the previous fiscal year in expenditure and revenue items, and explaining any major changes in financial policy.
 - a. The budget should include four basic segments for review and evaluation. These segments are: (1) actual revenue and expenditure amounts for the last completed fiscal year, (2) original revenue and expenditure amounts budgeted for the current fiscal year, (3) revenue and expenditure amounts estimated for the current fiscal year, and (4) revenue and expenditure amounts for the ensuing fiscal year.
 - b. The City Manager, not less than 30 days prior to the time the City Council makes its tax levy for the current fiscal year, shall file with the City Clerk the adopted budget.
 2. ADOPTION – The City Council shall call and publicize a public hearing to allow for citizen participation. The City Council will subsequently adopt by Ordinance such budget, as it may have been amended, as the City's annual budget effective for the fiscal year beginning October 1st. The budget should be adopted by the City Council no later than the expiration of the fiscal year.
- C. **BALANCED BUDGET** – The operating budget will be balanced with current revenues, which may include beginning fund balances less required reserves as established by City Council, greater than or equal to current expenditures.
- D. **PLANNING** – The budget process will be coordinated so as to identify major policy and financial issues for City Council consideration several months prior to the budget adoption date. This will allow adequate time for appropriate decisions and analysis of financial impacts.
- E. **REPORTING** – Financial reports will be made available to Department Directors to manage their budgets and to enable the Director of Finance to monitor the overall budget. The Director of Finance will present summary financial and budgetary reports to the City Council to disclose the overall budget and financial condition of the City. The financial and budgetary reports will include comparisons of actual to budget, actual to prior year, appropriate ratios, and graphs to ensure full disclosure and present meaningful information.

- F. **CONTROL AND ACCOUNTABILITY** – Department Directors will be responsible to ensure that their department budgets will not exceed budgeted amounts. Department Directors will be responsible to ensure revenues generated by activities of their departments meet budgeted amounts.
- G. **CONTINGENT APPROPRIATION** – A provision shall be made in the budget for a contingent appropriation of no more than three percent of total expenditures to be used in case of emergencies or unforeseen circumstances. The contingent appropriation shall be under the control of and distributed by the City Manager after approval of the City Council. A detailed account of contingent appropriation expenditures shall be recorded and reported.

All expenditures of the contingent appropriation will be evaluated using the following criteria:

- Is the request of such an emergency nature that it must be made immediately?
- Why was the item not budgeted in the normal budget process?
- Why the transfer cannot be made within the division or department?

III. REVENUE POLICIES

- A. **CHARACTERISTICS** – The City Finance Department will strive for the following optimum characteristics in its revenue system:
1. SIMPLICITY – Where possible and without sacrificing accuracy, the revenue system will be kept in simple order to reduce compliance costs for the taxpayer or service recipient.
 2. CERTAINTY – There will be a thorough knowledge and understanding of revenue sources to increase the reliability of the revenue system. Consistent collection policies will be enacted to provide assurances that the revenue base will materialize according to budgets and plans.
 3. EQUITY – Equity will be maintained in the revenue system structure, i.e., subsidization between entities, funds, services, utilities, and customer classes will be minimized or eliminated.
 4. REVENUE ADEQUACY – There will be a balance in the revenue system, i.e., the revenue base will have the characteristics of fairness and neutrality as it applies to cost of service, willingness to pay, and ability to pay.
 5. ADMINISTRATION – The benefits of a revenue source should exceed the cost of levying and collecting that revenue. The cost of collection should be reviewed annually for cost effectiveness as a part of the indirect cost of service analysis. Where appropriate, the administrative processes of state, federal or local governmental collection agencies will be used in order to reduce administrative cost.

6. DIVERSIFICATION AND STABILITY – A diversified revenue system with a stable source of income should be maintained. This will help avoid instabilities in similar revenue sources due to factors such as fluctuations in the economy and variations in the weather.

B. **ISSUES** – The following considerations and issues will guide the City Finance Department in its revenue policies concerning specific sources of funds:

1. COST/BENEFIT AND FINANCIAL IMPACT ANALYSIS FOR TAX AND FEE ABATEMENTS – A cost/benefit and financial impact analysis should be performed to assess tax or fee abatement economic development incentives.
2. ACCOUNTS RECEIVABLE – Accounts receivable procedures will target collection for a maximum of 30 days from service. Accounts past due more than 120 days may be sent to a collection agency. The Director of Finance is authorized to write-off non-collectible accounts that are delinquent for more than 180 days.
3. NON-RECURRING REVENUES – One-time or non-recurring revenues should not be used to finance current ongoing operations. Non-recurring revenues should be used only for non-recurring expenditures and not be used for budget balancing purposes.
4. DEFERRALS OR SHORT-TERM LOANS – Deferrals or short-term loans will not be used for budget balancing purposes.
5. PROPERTY TAX REVENUES – All real and business personal property located within the City is valued at 100% of the fair market value for any given year based on the current appraisal supplied to the City by the Hays County Tax Appraisal District (HCTAD). A visual reappraisal and reassessment of all real and business personal property will be done every third year. The HCTAD reappraises real and business personal property every year as a standard practice.

Conservatism will be used to estimate property tax revenues. The Hays County Tax Assessor Collector will furnish an estimated property tax collection rate to the Director of Finance. The Finance Department will endeavor with the Tax Assessor Collector to collect one hundred percent (100%) of property taxes levied in each fiscal year.

6. INTEREST INCOME – Interest earned from investment of available monies, whether pooled or not, will be distributed to the funds in accordance with the equity balance of the fund from which monies were provided to be invested.
7. USER FEES AND SERVICE CHARGES – For services associated with a user fee or service charge, the direct and indirect costs of that service will be offset by a user fee where possible. Department Directors will annually review user fees and service charges to ensure that the costs of services are recouped through user fees and service charges. The City Council will determine how much of the cost of a service should be recovered by fees and service charges.

8. INDIRECT COST ALLOCATION – All City funds will include transfers to and receive credits from other funds for general and administrative costs incurred. The most predominant fund that receives credits from other funds is the General Fund. The General Fund receives credits for bearing such costs as administration, legal counsel, finance, personnel, data processing, engineering, and other costs. An independent third party will conduct an indirect cost allocation study annually to determine the credits received.
9. ENTERPRISE FUND RATES – The Director of Finance and the Department Directors of each Enterprise Fund will review rates annually to ensure sufficient coverage of operating expenses, meet the legal restrictions of all applicable bond covenants, and provide for an adequate level of working capital.
10. FRANCHISE FEES – The Electric Fund and Water and Wastewater Utility Fund will include franchise fees as a component of utility rates. A 7% Water and Wastewater Utility and a 7.5% moving to 7% Electric Utility Fund franchise fee is levied on gross sales. The City will aim to keep these franchise fees similar to those charged to investor-owned utility franchises operating within the City.
11. INTERGOVERNMENTAL REVENUES (FEDERAL/STATE/LOCAL) – All potential grants will be examined for matching requirements and the source of the matching requirements. These revenue sources will be expended only for intended purpose of grant aid. It must be clearly understood that operational requirements set up as a result of a grant or aid could be discontinued once the term and conditions of the project have terminated.
12. REVENUE MONITORING – Revenues actually received will be compared to budgeted revenues by the Director of Finance and variances will be investigated. This process will be summarized in the appropriate financial report and reported to the City Manager and City Council on a quarterly basis.

IV. BUDGETARY SALES TAX ESTIMATION

A. The estimated percentage increase in sales tax revenue for the ensuing fiscal year budget will not exceed the actual percentage increase of the most recently completed fiscal year in which a sales tax increase was realized.

B. The following example illustrates the limitation set by this policy:

Fiscal Year 1 Actual	Fiscal Year 2 Actual	Percentage Increase	Fiscal Year 3 Estimated	Fiscal Year 4 Budget	Percentage Increase
\$10,000,000	\$10,500,000	5.0 %	\$11,550,000	\$12,127,500	5.0 %

In the preceding example, the Fiscal Year 4 Adopted Budget is limited to a 5.0% increase, which is the actual percentage increase of the most recently completed fiscal year (Fiscal Year 2).

C. This policy ensures that the ensuing fiscal year budget contains a sales tax revenue estimate based on actual completed fiscal years only.

V. BUDGETARY SALES TAX REVENUE SHORTFALL CONTINGENCY PLAN

A. The City will establish a plan to address economic situations that cause sales tax revenue to be significantly less than the adopted budget sales tax revenue. The plan is comprised of the following components:

INDICATORS – Serve as warnings that potential budgetary sales tax revenue shortfalls are increasing in probability. Staff will monitor state and national economic indicators to identify recessionary or inflationary trends that could negatively impact consumer spending. Staff will develop a monthly report that compares the current month's sales tax revenue to the same month of the previous year. The report will show sales tax revenue by month for the last ten fiscal years.

PHASES – Serve to classify and communicate the severity of the estimated budgetary sales tax revenue shortfall. Identify the actions to be taken at the given phase.

ACTIONS – Preplanned steps to be taken in order to prudently address and counteract the estimated budgetary sales tax revenue shortfall.

B. The actions listed in phases 1 through 3 are short-term in nature. In the event the underlying economic situation is expected to last for consecutive years, more permanent actions, such as phases 4 and 5, will be taken.

C. Staff will apprise City Council at the regular City Council meeting immediately following any action taken through this plan. Information such as underlying economic condition, economic indicators, estimated budgetary sales tax revenue shortfall, actions taken and expected duration will be presented to City Council.

- D. The City Council may appropriate fund balance as needed to cover any estimated budgetary sales tax revenue shortfall. Appropriation of fund balance must be carefully weighted, and long-term budgetary impacts must be considered in conjunction with the projected length of the economic downturn.
- E. Actions taken through this plan must always consider the impact on revenue generation. Actions taken should reduce expenses well in excess of resulting revenue losses.
- F. These are only guidelines of possible actions that may be taken in the event of sales tax revenue decreases. In the event of a catastrophic event, necessary measures will be taken by the City Manager that are in the best interest of the City.
- G. The following is a summary of phase classifications and the corresponding actions to be taken. Revenue will be monitored on a quarterly basis, with action being taken in the month following the completed quarter that experiences the shortfall. Actions are cumulative, so each level will include all actions set forth in prior levels.
 - 1. **ALERT:** The estimated annual sales tax revenue is 1.5% less than the adopted sales tax revenue budget.
 - a. Freeze newly created positions.
 - b. Implement a time delay for hiring vacant positions.
 - 2. **MINOR:** The estimated annual sales tax revenue is 2.5% less than the sales tax revenue adopted budget.
 - a. Suspend funding of Capital Maintenance accounts.
 - b. Suspend capital outlay purchases.
 - c. Reduce the number of temporary workers.
 - 3. **MODERATE:** The estimated annual sales tax revenue is 3.5% less than the sales tax revenue adopted budget.
 - a. Implement a managed hiring program for vacant positions.
 - b. Reduce travel and training budgets.
 - c. Reduce office supply budgets.
 - d. Scrutinize professional services expenses.
 - e. Implement a salary freeze and suspend mid-year merit increases, if possible.

4. **MAJOR:** The estimated annual sales tax revenue is 4.5% less than the adopted sales tax revenue budget.
 - a. Scrutinize repairs and maintenance expense. Perform only critical maintenance and make only critical repairs.
 - b. Freeze all external printing and publication expenses, except for legally required notices.
 - c. Reduce overtime budgets.
 - d. Prepare a Reduction in Force Plan.
 - e. Defer payments to City-owned utilities for electricity, street lighting, water, and wastewater services.

5. **CRISIS:** The estimated annual sales tax revenue is 5% less than the adopted sales tax revenue budget.
 - a. Service level reductions, elimination of specific programs, reduction-in-force and other cost reduction strategies will be considered.
 - b. Reduce departmental budgets by a fixed percentage or dollar amount.
 - c. Departments will prioritize service levels and programs according to City Council goals and objectives.
 - d. Consider four-day work weeks to reduce personnel costs.
 - e. Reduce external program funding – social service agencies.

VI. EXPENDITURE POLICIES

- A. **APPROPRIATIONS** – The point of budgetary control is at the department level budget for all funds. Following formal adoption, the budget is amended or adjusted as necessary.
1. AMENDMENT – An amendment involves increasing the total expenditures of the funds over the original adopted budget or changes to the total approved FTE count. The budget is amended through a submission made by a Department Director to the City Manager. The Department Director prepares a budget amendment detailing the reason, line items and amounts to be affected which is approved by the City Finance Department after verification of available dollars. The amendment is given to the City Manager or their designee for review for overall appropriate objectives and purposes. The amendment request is submitted to the City Council for formal adoption by ordinance.
 2. ADJUSTMENT – An adjustment involves moving expenses between line items, departments, or funds, but does not increase total expenditures over the adopted budget. The budget is adjusted through a submission made by the Department Director. If the budget adjustment requires a transfer between funds, or involves the use of contingent appropriations, the adjustment is submitted to City Council for approval by a motion. If the budget adjustment requires a transfer between departments, it must be approved by the City Manager or their designee. All other adjustments may be approved by the City Finance Director.
- B. **ENCUMBRANCE ACCOUNTING SYSTEM** – An encumbrance accounting system will be used to alert Department Directors when their maximum budget limits have been reached. Encumbrances are expenditure estimates and will reduce budgeted appropriations in the same manner as an actual expenditure. Once the actual expenditure amount is paid or the encumbrance lapses, the encumbrance will be deleted. Department Directors should use the encumbrance accounting system for all purchases.
- C. **PERSONNEL SAVINGS** – No recognized or significant personnel savings in any Department will be spent by the Department Director without the prior authorization of the City Manager. This control is used to realize personnel savings each year that will be recognized in the adopted budget as a reduction in the current fiscal year's personnel appropriations.
- D. **CAPITAL OUTLAY** – Any previously budgeted capital outlay funds not expended at year end may be moved to a cash funded Capital Improvements Projects account for expenditure in a subsequent fiscal year. These funds may be used for a capital outlay item or for other designated purpose.

- E. **IMPACT FEES RESERVES** – Funds may be used to support projects identified in the impact fee study, as adopted by City Council, for new growth projects. Authorization for use of impact fee funds will be provided by the City Manager or their designee.
- F. **PURCHASING** – All Department Directors will ensure their respective departments comply with the City's Purchasing Manual when purchasing goods or services.
- G. **PROMPT PAYMENT** – All invoices approved for payment will be paid by the City Finance Department within thirty (30) calendar days of receipt in accordance with the provisions of State law.

The Director of Finance will establish and maintain payment procedures that will make use of advance payment discounts. Advanced payment discounts will be used in all instances except when the City will earn more interest income than the advance payment discount through investing the idle cash.

VII. CAPITAL IMPROVEMENTS PROGRAM – MAJOR PROJECTS

- A. **PURPOSE** – The Capital Improvements Program (CIP) is a multi-year financial planning tool used to identify and plan for major capital projects which address growth, transportation, public safety, and utility infrastructure issues in conjunction with goals and priorities as determined by City Council. A major capital project generally involves a significant expenditure of funds, beyond operation and maintenance costs, for the acquisition or construction of a needed facility or infrastructure. A major capital project should exceed \$50,000 in cost. The CIP coincides with the adoption of the budget and uses a ten-year projection.
- B. **PREPARATION** – The CIP will be prepared annually and on a project basis categorized by specific program; i.e., streets, drainage, public safety, public buildings, parks and recreation, water, wastewater and electric. The CIP should contain a comprehensive description of the project, funding sources, the timing of capital projects, and the impact on operations. The CIP will be prepared by the Planning Department and reviewed by the City Manager with the involvement of responsible departments. The CIP will be submitted to the Planning and Zoning (P&Z) Commission for their review. After considerable deliberation including public workshops and hearings to gather citizen participation, the P&Z will approve a recommended CIP for City Council's approval. The City Council reviews the CIP for adherence to goals and priorities and approves the CIP for inclusion in the ensuing fiscal year budget. Capital projects within the first year of the CIP are approved for funding. Maintenance and operational costs related to capital projects are included in the ensuing fiscal year budget.
- C. **FUNDING SOURCES** – Where applicable, assessments, impact fees, pro rata charges, or other fees should be used to fund capital projects which have a primary benefit to specific, identifiable property owners.

Recognizing that long-term debt is usually a more expensive financing method, alternative- financing sources will be explored before debt is issued. When debt is issued, it will be used to acquire major assets with expected lives that equal or exceed the average life of the debt issue. The exceptions to this requirement are the traditional costs of issuing the debt, capitalized labor for design and construction of capital projects, and small component parts which are attached to major equipment purchases such as fire trucks. The types of debt issued are listed in Section VIII of this policy.

- D. **TIMING AND EXPENDITURE CONTROL** – The Director of Finance will work with Department Directors during the fiscal year to schedule the timing of capital projects to insure funds availability. All capital projects must be funded and appropriated. The Finance Department must certify the availability of resources before any capital project contract is presented to the City Council for approval.

- E. **REPORTING** – Financial reports will be made available to Department Directors to manage their capital projects budgets and to enable the Director of Finance to monitor the overall capital projects budget.

VIII. FINANCIAL PLANNING, ACCOUNTING, AUDITING AND REPORTING

- A. **FINANCIAL PLANNING** – The Director of Finance provides recommendations for short-term and long-term strategic financial planning to use the City's financial resources efficiently and effectively. This financial planning is achieved in accordance with the goals and priorities of the City Council, the City Manager, and in compliance with applicable laws and Generally Accepted Accounting Principles (GAAP).
- B. **ACCOUNTING SYSTEM** – The Director of Finance is responsible for the development, maintenance, and administration of the City's accounting system. Compliance with GAAP and applicable federal, state, and local laws and regulations will be maintained. This responsibility also includes the implementation and maintenance of internal accounting controls for the City's financial resources. Functions of the accounting system include payroll, accounts payable, general ledger, grants, capital projects, fixed assets, accounts receivable, self-insurance, utility billing and collections.
- C. **FINANCIAL AUDITING** –
1. QUALIFICATIONS OF THE AUDITOR – In conformance with the City's Charter and according to the provisions of Texas Local Government Code, the City will be financially audited annually by an outside independent auditing firm. The auditing firm must demonstrate that it has the breadth and depth of staff to conduct the City's financial audit in accordance with generally accepted auditing standards and contractual requirements. The auditing firm must hold a license under the Civil Statutes of Texas and be capable of demonstrating that it has sufficient staff which will enable it to conduct the City's financial audit. The auditing firm will complete its financial audit within 120 days of the City's fiscal year end. The auditing firm will submit its Management Letter to the City Council within 30 days of the completion of its financial audit. The Management Letter will state the auditing firm's findings of non-compliance and recommendations for compliance.

The Director of Finance shall respond within 60 days in writing to the City Manager and City Council regarding the auditing firm's Management Letter, addressing the findings of non-compliance contained therein.

2. RESPONSIBILITY OF AUDITING FIRM TO CITY COUNCIL – The auditing firm is retained by and is accountable directly to the City Council and will have access to direct communication with the City Council if the City staff is unresponsive to the auditing firm's recommendations or if the auditing firm considers such communication necessary to fulfill its legal and professional responsibilities.

D. FINANCIAL REPORTING –

1. EXTERNAL REPORTING – The City Finance Department will prepare the necessary transmittal letter, financial summaries and tables, notes and miscellaneous financial information contained within the comprehensive annual financial report (CAFR). The auditing firm will audit this financial information for compliance with GAAP. The audited CAFR will be submitted to the City Council for their review and will be made available to the public for inspection.
2. INTERNAL REPORTING – The City Finance Department will prepare internal financial reports, sufficient to plan, monitor, and control the City's financial affairs. The City Finance Department will strive for excellence in its financial reporting. The following qualitative characteristics of accounting information will be incorporated in all reports that are prepared:

DEFINITIONS OF QUALITATIVE CHARACTERISTICS OF ACCOUNTING INFORMATION:

- **BIAS** – Bias in measurement is the tendency of a measure to fall more often on one side than the other of what it represents instead of being equally likely to fall on either side. Bias in accounting measures means a tendency to be consistently too high or too low. Financial reporting will strive to eliminate bias in accounting measures.
- **COMPARABILITY** – The quality of information that enables users to identify similarities in and differences between two sets of economic phenomena.
- **COMPLETENESS** – The inclusion in reported information of everything material that is necessary for faithful representation.
- **CONSERVATISM** – A prudent reaction to uncertainty to try to ensure that uncertainty and risks inherent in financial situations are adequately considered.
- **CONSISTENCY** – Conformity from period to period with unchanging policies and procedures.
- **FEEDBACK VALUE** – The quality of information that enables users to confirm or correct prior expectations.
- **MATERIALITY** – The magnitude of an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgement of a reasonable person relying on the information would have changed or influenced by the omission or misstatement.
- **NEUTRALITY** – Absence in reported information of bias intended to attain a predetermined result or to induce a particular mode of behavior.

- **PREDICTIVE VALUE** – The quality of information that helps users to increase the likelihood of correctly forecasting the outcome of past or present events.
- **RELEVANCE** – The capacity of information to make a difference in a decision by helping users to form predictions about the outcomes of past, present, and future events or to confirm or correct prior expectations.
- **RELIABILITY** – The quality of information that assures that information is reasonably free from error and bias and faithfully represents what it purports to present.
- **REPRESENTATIONAL FAITHFULNESS** – Correspondence or agreement between a measure or description and the phenomenon that it purports to represent (sometimes called validity).
- **TIMELINESS** – Having information available to a decision-maker before it loses its capacity to influence decisions.
- **UNDERSTANDABILITY** – The quality of information that enables users to perceive its significance.
- **VERIFIABILITY** – The ability through consensus among measurers to ensure that information represents what it purports to represent or that the chosen method of measurement has been used without error or bias.

IX. TREASURY MANAGEMENT

- A. **INVESTMENTS** – The Director of Finance, or designee shall promptly deposit all City funds with the City's depository bank in accordance with the provisions of the current depository bank agreement. The Director of Finance, or designee will then promptly invest all funds in any negotiable instrument that the City Council has authorized under the provisions of the State of Texas Public Funds Investment Act and in accordance with the City Council approved Investment Policy.
- B. **CASH** – The City's cash flow will be managed to maximize the cash available to invest. Such cash management will entail the centralization of cash collection centers such as utility bills, building and related permits and licenses, parks and recreation, and other collection offices where appropriate and feasible.

Idle cash position will be determined daily to maximize interest income. The underlying theme will be that idle cash will be invested with the intent to 1) safeguard assets, 2) maintain liquidity, and 3) maximize return.

The City Finance Department will use appropriate check-signing technology to sign all checks with the signatures of the City Manager and Director of Finance. Internal controls will be established to secure the technology and to prevent its misuse.

The City Manager, Assistant City Manager, and Director of Finance are authorized signatories on all City depository bank accounts. Any withdrawal, transfer or payment of City funds requires a minimum of two signatures.

X. DEBT MANAGEMENT

A. **POLICY STATEMENT** – The City Council recognizes the primary purpose of major capital projects is to support provision of services to its residents. Using debt financing to meet the major capital project needs of the community must be evaluated according to two tests - efficiency and equity. The test of efficiency equates to the highest rate of return for a given investment of resources. The test of equity requires a determination of who should pay for the cost of major capital projects. In meeting the demand for major capital projects, the City will strive to balance the load between debt financing and "pay as you go" financing methods. The City Council realizes failure to meet the demands of growth may inhibit its continued economic viability, but also realizes that the amount of debt incurred may have a negative financial impact. The City will achieve an appropriate balance between service demands and the amount of debt incurred. The aforementioned tests and methods of financing will assist the City Council, City Manager and Director of Finance in achieving this appropriate balance.

B. TYPES OF DEBT –

1. GENERAL OBLIGATION BONDS (GO'S) – General obligation bonds will be issued to fund major capital projects of the general government, are not to be used to fund operating needs of the City and are backed by the full faith and credit of the City as well as the ad valorem taxing authority of the City as prescribed by law. The term of a bond issue will not exceed the useful life of the major capital projects funded by the bond issue and will generally be limited to no more than twenty years. GO's must be authorized by a vote of the citizens of the City.
2. REVENUE BONDS (RB'S) – Revenue bonds may be issued to fund major capital projects necessary for the continuation or expansion of a service which produces a revenue sufficient to obtain investment grade ratings and credit enhancement and for which the major capital project may reasonably be expected to provide for a revenue stream to fund the annual debt service requirements. The term of a bond issue will not exceed the useful life of the major capital projects funded by the bond issue and will generally be limited to no more than twenty years. RB's do not need a vote of the citizens of the City.

3. CERTIFICATES OF OBLIGATION (CO'S) AND LIMITED TAX NOTES (NOTES) –Certificates of obligations may be issued to fund major capital projects, which are not otherwise covered under either General Obligation Bonds or Revenue Bonds. Notes will be used in order to fund capital requirements which the useful life does not exceed seven (7) years as authorized by Statelaw. Debt service for CO's or Notes may be either from general revenues or backed by a specific revenue stream or streams or by a combination of both. The term of the CO's will not exceed the useful life of the major capital projects funded by the certificate issuances and will generally be limited to no more than twenty years. Neither CO's nor Notes require a vote of the citizens of the City.

4. METHOD OF SALE – The Director of Finance will use a competitive bidding process in the sale of bonds unless the nature of the issue or market conditions warrant a negotiated sale. In situations where a competitive bidding process is not elected, the Director of Finance will publicly present the reasons why and will participate with the City's Financial Advisor in the selection of the underwriter or direct purchaser.

C. **ANALYSIS OF FINANCING ALTERNATIVES** – The Director of Finance will explore alternatives to the issuance of debt for major capital projects. These alternatives will include, but are limited to: 1) grants-in-aid, 2) use of fund balance or working capital, 3) use of current revenues, 4) contributions from developers and others, 5) leases, and 6) impact fees.

D. **CONDITIONS FOR USING DEBT** – Debt financing of major capital projects will be done only when the following conditions exist:

- When non-continuous projects (those not requiring continuous annual appropriations) are desired;
- When it can be determined that future users will receive a benefit from the major capital project;
- When it is necessary to provide basic services to residents and taxpayers (for example, purchase of water rights);
- When total debt, including that issued by overlapping governmental entities, does not constitute an unreasonable burden to the residents and taxpayers.

E. **COSTS AND FEES** – All costs and fees related to debt issuance will be paid out of debt proceeds.

- F. **DEBT LIMITATIONS** – The City maintains the following limitations in relation to debt issuance:
- An Ad Valorem tax rate of \$1.20 per \$100 of assessed value is the maximum municipal tax rate that may be levied for all General Fund tax supported expenditures and debt service.
 - Debt payments made solely from ad valorem tax revenue should not exceed 20% of combined General Fund and Debt Service Fund expenditures.
 - Total outstanding debt should not exceed 5% of the current year's taxable assessed valuation.
- G. **ARBITRAGE REBATE COMPLIANCE** – The City Finance Department will maintain a system of record keeping and reporting to comply with arbitrage rebate compliance requirements of the Federal tax code.
- H. **SOUND FINANCING OF DEBT** – When the City utilizes debt financing, it will ensure that the debt is soundly financed by:
- Conservatively projecting the revenue sources that will be used to pay the debt;
 - Financing the major capital project over a period not greater than the useful life of the major capital project;
 - Maintaining a debt service coverage ratio which ensures that combined debt service requirements will not exceed revenues pledged for the payment of debt; and
- To the extent possible, the City will aim to repay at least 25% of the principal amount of its general obligation debt within five years and at least 50% within 10 years. The City may choose to structure debt repayment so as to wrap-around existing debt obligations or to achieve other financial planning goals.
- I. **CREDIT ENHANCEMENT** – The City should seek credit enhancement (letters of credit, bond insurance, surety bonds, etc.) when such credit enhancement proves cost effective. Credit enhancement may be used to improve or establish a credit rating on a debt obligation even if such credit enhancement is not cost effective if the use of such credit enhancement meets the financial planning goals.
- J. **FINANCING METHODS** – The City maintains the following guidelines in relation to methods of financing used to issue debt:
- Where it is efficient and cost effective, the City will use revenue or other self-supporting bonds in lieu of tax supported/pledged debt instruments.
 - When appropriate, the City will issue non-obligation debt, for example, Industrial Development Revenue bonds, to promote community stability and economic growth.
- K. **REFUNDING** – Periodic reviews of all outstanding debt will be undertaken to determine refunding opportunities. Refunding will be considered if and when there is a net economic benefit of the refunding or the refunding is essential in order to modernize covenants, which impinge on prudent and sound financial management.

- L. **FULL AND COMPLETE DISCLOSURE** – The City of San Marcos is committed to full and complete financial disclosure, and to cooperating with credit rating agencies, institutional and individual investors, City departments, other levels of government, and the general public to share clear, comprehensible and accurate financial information. Official statements accompanying debt issues, comprehensive annual financial reports, and continuous disclosure statements will meet, at a minimum, the standards articulated by the Municipal Standards Rulemaking Board, the National Federation of Municipal Analysts, the Government Accounting Standards Board (GASB), and the Securities Exchange Commission (SEC). The City Finance Department will be responsible for ongoing disclosure to nationally recognized municipal securities information repositories (NRMSIRs). Updates of budget, debt and financial information will be provided to credit rating agencies and investors when new debt is issued.
- M. **CREDIT RATING** – The City of San Marcos seeks to maintain the highest possible credit ratings for all categories of debt that can be achieved without compromising the delivery of basic City services.
- N. **ELECTIONS** – State law regulates which securities may be issued only after a vote of the electors of the City and approved by a majority of those voting on the issue.
1. ELECTION REQUIRED –
 - Securities payable in whole or in part from ad valorem taxes of the City except issues such as tax increment securities, certificates of obligation, and limited tax notes.
 2. ELECTION NOT REQUIRED –
 - Short-term notes (12 months or less) issued in anticipation of the collection of taxes and other revenues.
 - Securities issued for the acquisition of water rights or capital improvements for water and wastewater treatment.
 - Securities payable solely from revenue other than ad valorem taxes of the City.
 - Refunding securities issued to refund and pay outstanding securities.
 - Tax increment securities payable from ad valorem tax revenue derived from increased valuation for assessment of taxable property within a plan of development or other similar area as defined by applicable State Statutes.
 - Certificates of obligation.
 - Limited Tax Notes.
 - Securities for the construction or improvement of public streets and/or rights-of-way in order to relieve congestion or for public safety matters.

XI. FINANCIAL CONDITIONS, RESERVES, AND STABILITY RATIOS

A. OPERATIONAL COVERAGE – The City's Enterprise Funds will comply with all bond covenants and maintain an operational coverage of at least 120%, such that current operating revenues will exceed current operating expenses.

B. FUND BALANCES/ WORKING CAPITAL –

1. The General Fund's fund balance should be at least 25% of the General Fund's annual operating expenditures. This percentage is the equivalent of three months operational expenditures. As a goal, the City will strive to achieve 30% fund balance.
2. The Water and Wastewater Utility Fund working capital should be maintained at 25% of total recurring operating expenses or the equivalent of three months operating expenses. Ending fund balances above 25% will be moved to cash fund future Capital Improvement projects.
3. The Electric Utility Fund working capital should be maintained at the equivalent of 60 days of recurring operating expenses. Ending fund balances above the 60 days of recurring operating expenses will be moved to cash fund future Capital Improvement projects.
4. Reserves will be used for emergencies or unforeseen expenditures, except when balances can be reduced because their levels exceed guideline minimums as stated below.

C. CAPITAL AND DEBT SERVICE FUNDS –

1. Monies in the Capital Improvement Program Funds should be used within twenty-four months of receipt or within a reasonable time according to construction schedules. Interest income and unspent monies from bond issuances can be used to fund similar projects as outlined by bond covenants. Any remaining monies will be used to pay the bond issuance.
2. Revenues in the Debt Service Fund are based on property tax revenues and interest income. Reserves in the Debt Service Fund are designed to provide funding between the date of issuance of new debt and the time that property tax levies are adjusted to reflect the additional debt. Article 10, Section 10.02 of the City Charter requires that the City maintain a reserve balance of two percent of all outstanding general obligation debt.

- D. **RATIOS/TREND ANALYSIS** – Ratios and significant balances will be incorporated into financial reports. This information will provide users with meaningful data to identify major trends of the City's finances through analytical procedures. We have selected the following ratios/balances as key indicators:

RATIO / TREND ANALYSIS | KEY INDICATORS

FUND BALANCE

FB

ASSET LESS LIABILITIES

AL (Acceptable Level) > 25% of EXPENDITURES

WORKING CAPITAL

CA – CL

CURRENT ASSETS LESS CURRENT LIABILITIES

AL > 25% of EXPENSES

CURRENT RATIO

CA / CL

CURRENT ASSETS DIVIDED by CURRENT LIABILITIES

AL > 1.00

QUICK RATIO

CA / CL

"LIQUID" CURRENT ASSETS DIVIDED by CURRENT LIQUID LIABILITIES

AL > 1.00

DEBT RATIO

CL + LTL / TA

CURRENT LIABILITIES + LONG-TERM LIABILITIES DIVIDED by TOTAL ASSETS

AL < 1.00

ENTERPRISE OPERATIONAL COVERAGE

OR / OE

OPERATING REVENUE DIVIDED by OPERATING EXPENSE

AL > 1.20

Our goal is to develop minimum/maximum levels for the ratios/balances above through analyzing the City's historical trends and anticipated future trends. We will also analyze and compare the City to other municipalities to develop these acceptable levels.

XII. INTERNAL CONTROLS

- A. **WRITTEN PROCEDURES** – Wherever possible, the Director of Finance will establish and maintain written procedures for all functions involving cash handling and/or accounting throughout the City. These procedures will embrace the general concepts of fiscal responsibility set forth in this policy statement.
- B. **DEPARTMENT DIRECTORS' RESPONSIBILITIES** – Each Department Director is responsible to ensure that good internal controls are followed throughout their Department, that all City Finance Department directives or internal control recommendations are implemented, and that all independent auditor recommendations are addressed.

XIII. PERSONNEL AND TRAINING

- A. **ADEQUATE PERSONNEL** – Personnel levels will be adequate for the City Finance Department to operate effectively. Overtime will be used only to address temporary or seasonal demands that require excessive hours. Workload allocation alternatives will be explored before increasing personnel.
- B. **TRAINING** – The City Finance Department will support the continuing education efforts of all personnel. Personnel will be held accountable for communicating, teaching, and sharing with other personnel members all information and training materials acquired from seminars, conferences, and related education efforts.
- C. **AWARDS, CREDENTIALS, RECOGNITION** – The City Finance Department will support efforts and involvement which result in meeting standards and receiving exemplary recitations on behalf of any of the City's fiscal policies, practices, processes, products, or personnel. Certifications may include Certified Government Finance Officer, Certified Public Accountant, Management Accountant, Certified - Internal Auditor, and Certified Cash Manager.

The City Finance Department will strive to maintain a high level of excellence in its policies and procedures. The CAFR and budget will be presented annually to the Governmental Finance Officers Association for evaluation and consideration for the Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Presentation Award.



City of San Marcos FY 2024 Adopted Budget Policy Statement

I. FUND BALANCE

- General Fund: Maintain 25% of recurring operating expenses
 - Use fund balance in excess of 25% for non-recurring expenses and direct remaining funds to the future City Hall.
- Water/ Wastewater Fund: Maintain 90 days of recurring operating expenses.
- Stormwater Utility Fund: Work toward 90 days of recurring operating expenses.
- Electric Utility Fund: Evaluate increasing the minimum fund balance requirement from 60 days of recurring operating expenses to 90 days of recurring operating expenses.
- Fund balance in excess of established thresholds will be used to fund capital improvement projects (CIP) and/or other one-time expenditures.

II. REVENUE

- Develop a plan to regularly review fees. Impact fees will be revised based on master plan updates.

GENERAL FUND

- Property tax rate to be between the no-new-revenue and voter-approval tax rate with a goal of not increasing the tax rate above the FY 2023 adopted tax rate.
- Amend budget during fiscal year if revenue deviates from budget.
- Continue budgeting revenues using historical trends as approved for FY 2023.
- Consider impact of American Rescue Plan (ARP) funding.
- Potential revenue from alternative funding sources including fees will be evaluated and proposed to Council during the budget process.
- Explore additional local property tax relief for residents following the regular session of the 88th Texas Legislature. For the new exemption amount to be effective in the upcoming fiscal year, City Council must approve the new exemption before July 1 (Texas Tax Code, Section 11-13(n)).

WATER/WASTEWATER FUND

- Continue annual rate study to determine possible rate increases and/or structure changes.
- Citizens Utility Advisory Board will make recommendations to Council related to rate structure and future rate adjustments.

ELECTRIC FUND

- Continue annual rate study to determine possible rate increases and/or structure changes.
- Citizens Utility Advisory Board will make recommendations to Council related to rate structure and future rate adjustments.
- Explore identifying community-based charges separate from the electric utility rate component (i.e., customer assistance programs, service area street lighting, and energy efficiency programs).

STORMWATER MANAGEMENT FUND

- Continue using the rate model to determine possible rate increases and minimize rate adjustments through use of the General Fund's capacity to fund capital improvement projects for stormwater management.

HOTEL MOTEL FUND

- Revenue budgeted based on conservative trends and the impact that COVID-19 has had on the hospitality and tourism industry.

III. EXPENDITURES

- Departments will follow a zero-based budget format factoring in necessary Consumer Price Indexes as appropriate by industry. All budgets must be justified and ranked by priority.
- Complete a market-based classification and compensation study for staff and develop a compensation philosophy. Fund recommendations from the study over multiple fiscal years. FY 2024 budget will include an increase of 5% of FY 2023 personnel costs to fund the first phase of the compensation study results. The compensation philosophy is an expected outcome from the classification and compensation study.
- Health insurance will be evaluated and presented to Council during the budget process based on plan needs. Staff anticipates any additional funding needed is included as part of the 5% increase in personnel costs stated above.

- Increase personnel to adequately support core services and City Council's strategic goals.
- Enhance City's grant program to maximize funding from other sources.

GENERAL FUND

- Increase Police and Fire staffing to recommended staffing levels based on available capacity and using a multi-year approach.
- Continue meet and confer negotiations.
- Focus Human Services Advisory Board and Community Development Block Grant allocations toward meeting City Council's strategic goals.
- Continue funding Social Services programs, including mental health programs, as follows with the goal to supplement with assistance of grant funds with less reliance on General Fund dollars:
 - Human Services Advisory Board
 - General Fund - \$550,000
 - American Rescue Plan Act - \$100,000
 - Explore using Community Development Block Grant funding
 - Family Justice Center funding maintained at \$45,000.
 - Youth Services Coordinator (Community Action) funding maintained at \$50,000.
- Museum funding increased to \$125,000.
- Continue funding City hosted events in the combined amount of \$60,000 for all events (Veterans Day, Summer Fest Fireworks, and Arts Commission Special Events).
- Transit operations funding requests to be presented later in the budget process.
- Continue using ARP funding to meet community needs.
- Animal Shelter will continue with current goal of higher live outcome rate with continued funding from all partner agencies.
- Continue to allocate funding for City Council's strategic goals.
- Use General Fund capacity for stormwater capital improvement projects.
- Continue to constrain the capital improvement program (CIP) to keep the debt rate within limits established in the City's debt model.
- Explore policies that will provide funding for non-recurring expenses while protecting the City from revenue volatility.
- Identify funding for an increase in Municipal Court rent.

WATER/WASTEWATER FUND

- Utility fund transfers to the General Fund budgeted at amount determined by Cost Allocation Plan.

ELECTRIC UTILITY FUND

- Utility fund transfers to the General Fund budgeted at amount determined by Cost Allocation Plan.

HOTEL MOTEL FUND

- Funding for special programs will be evaluated based on revenue projections.
- Signature events may receive 30% of the qualifying budget for the event. The criteria to be a signature event include:
 - Must be an exclusive San Marcos annual event.
 - Minimum attendance of 5,000 people with at least 50% of those in attendance being out of town guests.
 - Proven record of being a successful event for three years.
 - A minimum of 15% of the awarded grant must be used for marketing outside of San Marcos.
 - Respectful to the environment (i.e., 90% landfill diversion and must collaborate with Resource Recovery or similar organization).
 - Accessible and inclusive event.
- Explore funding capacity for historical restoration and preservation.
- Evaluate capacity to increase the annual amount set aside for maintenance and repairs of the conference center.
- Use hotel tax funding for the City's branding and incorporate a community input component.
- Budget up to \$500,000 for the second half of wayfinding.

COMMUNITY ENHANCEMENT

- Budget funds to address community enhancement items that come up during the fiscal year.

READER'S GUIDE

This section is meant to assist the lay reader in understanding the budget document and components. A summary of the major sections is included in this guide to make reading this document much easier.

INTRODUCTION

The Introduction is an opportunity for management to introduce the budget to the City Council and citizenry. There are two sections of the Introduction—the Transmittal Letter and the Executive Summary.

EXECUTIVE SUMMARY

This section provides a detailed explanation of revenues, expenses and fund balances within each of the major budgeted funds.

CITY OF SAN MARCOS FINANCIAL POLICY

The Financial Policy was last revised in January 2008. The financial policy provides long-term, organization-wide guidance from which budgetary and financial decisions are made. The policy is broad in scope and purpose and covers major financial areas such as budgeting, revenues, expenditures, capital improvements program, financial condition and reserves, and internal controls.

READER'S GUIDE

The Reader's Guide provides a brief summary of the information contained in the various sections of the budget. Supplemental data such as form of government, geographic location, population, demographics is contained within this section. This background information serves to familiarize the reader with the community's demographic and economic profile.

BUDGET SUMMARY

The Budget Summary is a compilation and summary of all financial information contained in the operating detail section of the budget. All summaries are gross budget presentations—meaning that interfund transfers are included.

CONSOLIDATED FUND BALANCE STATEMENT

The Consolidated Fund Balance Statement is a detailed table that analyzes fund balances for all funds and includes revenue and expense totals for the previous fiscal year and adopted budget.

CONSOLIDATED SUMMARY OF MAJOR REVENUES AND EXPENSES

This summary is a detailed table that lists the major sources of revenue and the major categories of expenses for all funds.

CONSOLIDATED REVENUE, EXPENSE AND FUND BALANCE COMPARISON

This summary compares three years of revenue, expense and fund balance history (prior year's actual, current year's estimate, and adopted for next year).

PROPERTY TAX VALUATION, REVENUE AND RATE CALCULATIONS

This detailed worksheet illustrates the method for calculating property tax revenue by providing information about the tax roll, collection rates and the division of the property tax rate between debt service and operations and maintenance. Detailed calculation of the City's No New Revenue Tax Rate and Voter Approval Tax Rate is included in this section.

PERSONNEL ROSTER

The Personnel Roster serves as a summary of the staffing level for all departments. Information is presented in two forms, positions and full-time equivalents (FTE's). An FTE is a unit of measure that converts the hours worked by part-time and seasonal employees into equivalent hours worked by full-time employees. Full-time employees work 2,080 hours annually. An example of an FTE calculation would be a part-time employee that works 1,040 hours annually. The FTE calculation would be 0.5 ($1,040 \div 2,080$).

BUDGET STRUCTURE

The budget document is divided into the following fund groups. Not all funds reported in the audited annual financial statements are budgeted. Smaller, less significant, and rarely used funds such as multi-year grant and trust and agency funds are not budgeted.

GENERAL FUND

The General Fund is the primary operating fund for the City. It is viewed as the general government fund and accounts for a vast number of financial resources, except for resources required to be accounted for in other funds.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the debt service portion of property tax revenues received. Debt service taxes are specifically assessed for the payment of general long-term debt principal and interest. The use of a separate fund ensures that debt service tax revenues are not commingled with other revenues and not used for any purpose other than debt repayment.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of certain specific revenue sources that are legally restricted to expenditures for specified purposes. The following is a list of special revenue funds budgeted by the City, along with a brief description:

Community Enhancement Fee

This fund was established in fiscal year 2022 to provide budgeting and accountability for revenues collected from a community enhancement fee assessed since 2016. These fees may only be used to enhance neighborhoods throughout our community.

PARC Programs Fund

This fund is used to account for revenues and expenses of youth and adult sports leagues.

Municipal Court Efficiency Fee

This fund provides budgeting and accountability for revenues collected from an efficiency fee assessed through the municipal court system. The fee may only be used to improve the efficiency of the administration of justice in the municipality.

Municipal Court Juvenile Fee

This fund provides budgeting and accountability for revenues collected from a juvenile case manager fee assessed through the municipal court system. The fee may only be used to finance the salary and benefits of a juvenile case manager.

Municipal Court Security Fee

This fund provides budgeting and accountability for revenues collected from a security fee assessed through the municipal court system. The fee can only be used to finance security personnel or items used for the purpose of providing security services for the building that houses the Municipal Court.

Municipal Court Technology Fee

This fund provides budgeting and accountability for revenues collected from a technology fee assessed through the municipal court system. The Texas Legislature established the fee in its 1999 legislative session to provide a funding source to local municipal courts for future technological enhancements to their respective court systems.

Hotel Occupancy Tax

The Hotel Occupancy Tax Fund is used to account for a local bed tax of 9%. Tax monies collected are used for tourist development activities in accordance with State law, including related debt service payments.

Public Education Governmental (PEG) Fee

This fund provides budgeting and accountability for revenues collected from cable operators. The funds may only be used for capital expenditures that finance day-to-day operation of public-access channels.

Animal Shelter Donations

This fund provides budgeting and accountability for restricted animal shelter donations. These funds may only be used to finance animal shelter activities.

Cemetery Operations

The Cemetery Operations Fund provides for maintenance and upkeep of the historic San Marcos City Cemetery.

Seized Assets

This fund provides budgeting and accountability for revenues collected from the sale of forfeited and seized assets belonging to criminals engaged in illegal activities. Revenues from these seized assets are used to fund various technology improvements in our Police Department.

Women, Infants and Children Program Fund

The Women, Infants and Children Program provides nutritional food supplements, nutritional counseling, clinical assessments, and education to pregnant women, breast-feeding mothers, infants and children up to five years of age. The City of San Marcos operates a five-county regional WIC program that is funded through the Texas Department of Health and Human Services and the United States Department of Agriculture.

Library Memorial Fund

The Library Memorial Fund accounts for the funding raised through the Friends of the Library for specific library uses.

Tax Reinvestment Zones

The City has several Tax Increment Reinvestment Zones across the City which have been used to stimulate development in key demographic areas.

ENTERPRISE FUNDS

Enterprise funds are used to account for governmental activities that are similar to those found in private businesses. The major revenue source for these enterprise funds is the rate revenue generated from the customers who receive the services provided. Expenses for these services are paid for through revenue generated from services provided.

Water/Wastewater Utility

The City of San Marcos operates a superior water production and wastewater collection and treatment system for the community. This fund is used to account for the revenues and expenses of this utility system.

Stormwater Utility

The City of San Marcos began assessing a stormwater utility rate in fiscal year 2000 to all residential and commercial property located in the City. The charge was established to provide funding for the planning, engineering, construction, maintenance, improvement and reconstruction of stormwater projects throughout the City.

Electric Utility

The City of San Marcos purchases and distributes electric power to the San Marcos community. The utility operates at a 99.9997% reliability rate and has a system capacity of 145 megawatts.

San Marcos Regional Airport

The Regional Airport has three runways and is situated on 1,420 acres. The facilities include almost 54 acres of aircraft ramp parking and 53 facilities totaling nearly 470,000 square feet. Revenue from ground leases, facility leases, gross receipts, and fuel sales support the daily operation costs. Additionally, according to a 2018 Texas Department of Transportation study, out of 264 general aviation airports in the state of Texas, San Marcos ranks in the top 15 for total economic output equal to \$82.1M. There are more than 240 aircraft based on the airfield with more than 85,000 annual takeoffs and landings in FY 2022. Per the Federal Aviation Administration's National Plan of Integrated Airport Systems (NPIAS), the airport is classified as a Reliever to both Austin Bergstrom and San Antonio Airports and is considered a National asset – one of only 14 in the State.

Resource Recovery Utility Fund

The City of San Marcos outsources its residential solid waste collection through the use of a competitive bidding process. The solid waste collection company charges its monthly fee to the City on a per customer basis. This fee is passed on to each resident within the City. The waste collection revenue and expense were previously shown within the General Fund.

PERMANENT FUNDS

The City serves as trustee for funds collected through its cemetery perpetual care fee. This fee is assessed on all municipal cemetery plots sold. Interest earned from the Cemetery Perpetual Care Fund is used to support the maintenance costs at the municipal cemetery. The principal amount of the fund cannot be used for any purpose. The Perpetual Care Fund was dissolved during fiscal year 2019 with the fund balance used to for the purchase of land at the cemetery.

BASIS OF BUDGETING

Fund budgets are on a basis consistent with modified and full accrual accounting basis, with exceptions, including that depreciation, amortization and bad debt expenses are not included in the budget, capital purchases are budgeted in the year of purchase, and debt principal is budgeted in the year it is to be paid. The emphasis is on cash transactions in lieu of non-cash transactions, such as depreciation and amortization. The focus is on the net change in working capital.

The General, Debt Service, Special Revenue, and Permanent funds are budgeted on a modified accrual basis, with exceptions as noted above. Revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). Substantially all revenues are considered to be susceptible to accrual. Ad valorem, sales, hotel, and franchise tax revenues are susceptible to accrual. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues (except earnings on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. Expenditures are recognized when the related fund liability is incurred, if measurable and the liability will be liquidated with resources included in the budget, except for (1) inventories of materials and supplies which may be considered expenditures either when purchased or used; (2) prepaid insurance and similar items which need not be reported; (3) accumulated unpaid vacation, sick pay, and other employee benefit amounts which need not be recognized in the current period;

(4) un-matured interest on long-term debt is recognized when due, and (5) those exceptions noted above.

The Enterprise funds are budgeted on a full accrual basis with exceptions as noted above. Revenues are budgeted in the year they are expected to be earned and expenses are budgeted in the year the liability is expected to be incurred.

BASIS OF ACCOUNTING

Basis of accounting refers to the time at which revenues, expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements.

Governmental funds and agency funds are accounted for using the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenses, if measurable, are generally recognized when the related fund liability is incurred. Exceptions to this general rule include the un-matured principal and interest on general obligation long-term debt which is recognized when due and accrued vacation and sick leave, which is included in the General Long-Term Debt Account Group. These exceptions are in conformity with generally accepted accounting principles.

Property tax revenues are recognized when they become available. In this case, available means when due, or past due and receivable within the current period and collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days. Tax collections expected to be received subsequent to the 60-day availability period are reported as deferred revenue.

Sales taxes are recorded when susceptible to accrual (i.e., both measurable and available). Sales taxes are considered measurable when in the custody of the State Comptroller and are recognized as revenue at that time. Other major revenues that are considered susceptible to accrual include utility franchise taxes, grants-in-aid earned and other intergovernmental revenues. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual grant programs are used for guidance. There are essentially two types of intergovernmental revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenses recorded. In the other, monies are virtually unrestricted as to purpose of expense and are revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt, or earlier, if the susceptible to accrual criteria are met.

The accrual basis of accounting is utilized by the proprietary fund. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable (i.e., water billings and accrued interest). Expenses are recorded in the accounting period incurred, if measurable.

ORGANIZATIONAL RELATIONSHIPS

A department is a major administrative segment of the City which indicates overall management responsibility for an operation or a group of related operations within a functional area (e.g., Police Department, Parks and Recreation Department, Public Works Department). The smallest organizational unit budgeted is the division. The division indicates responsibility for one functional area, and in many cases these functional areas are put together to demonstrate a broader responsibility. When this is done, the divisions are combined to make up one department. For example, the Public Works Department is comprised of Public Works Administration, Streets, Traffic, Stormwater, Fleet and Facilities.

BUDGET AMENDMENT

Following formal adoption, the budget is amended as necessary through a submission made by a Department Director to the City Manager. A budget amendment form detailing the reason, line items and amounts to be affected is prepared. The Finance Department reviews the amendment for available dollars and the City Manager reviews the amendment for overall appropriate objectives and purposes. Should appropriations transfer between Departments, Funds, or involve fund balance or Contingency Funds, the amendment is submitted to City Council for approval; otherwise, the City Manager has authority to approve or disapprove. Budget amendments that require City Council approval are formalized as an ordinance of the City.

BUDGET PROCESS

The City's budget is a complex document representing the culmination of months of preparations and discussion among the City Council and City staff regarding the best ways to provide services to the community at the greatest value.

The process for developing the City's annual budget is a year-round effort spanning the City's fiscal year of October 1 through September 30.

- i. STRATEGIC PLANNING AND VISIONING – Early in the budget process, the City Council and administrative staff retreat to discuss community needs and challenges. City Council develops short and long-term priorities as well as a policy statement to use for the current budget and future years.
- ii. REVENUE PROJECTION – The Finance Department staff develops revenue projections based upon trend analysis, anticipated changes in the local, state and national economies, and discussions with other departments. The revenue projection is used to determine the financial limitations for the development of the budget.
- iii. BUDGET DEVELOPMENT – Departments develop a budget that incorporates the goals outlined within the policy statement and the financial limitations as determined through revenue projections.

- iv. BUDGET ANALYSIS – Once department budgets are submitted, a preliminary budget estimate is constructed. Administrative and Finance staff review the preliminary budget and hold department reviews. Funding requests and target levels are discussed in an attempt to reconcile department requests with financial limitations and policy statement goals.
- v. BUDGET – The City Manager submits a budget that seeks to meet City Council's goals as outlined in the policy statement. Council then reviews the budget for conformity to their overall direction and guidance. Workshops are held to review and discuss the budget. City Council may take action to make changes to the budget.
- vi. PUBLIC HEARINGS / BUDGET ADOPTION – Public hearings on the budget and tax rate are held to give citizens an opportunity to speak for or against the budget. Citizens also have an opportunity to attend budget workshops that occur prior to the budget adoption. The budget and tax rate take effect on October 1st.

BUDGET PROCESS

The City's budget is a complex document representing the culmination of months of preparations and discussion among the City Council and City staff regarding the best ways to provide services to the community at the greatest value.

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ANNUAL BUDGET PLANNING PROCESS

STRATEGIC PLANNING & VISIONING

PHASE 1

Early in the budget process, the City Council & administrative staff retreat to discuss community needs & challenges. City Council develops short & long-term priorities as well as a policy statement to use for the current budget & future years.

BUDGET ANALYSIS

PHASE 4

Once department budgets are submitted, a preliminary budget estimate is constructed. Administrative and Finance staff review the preliminary budget and hold department reviews. Funding requests and target levels are discussed to reconcile department requests with financial limitations and policy statement goals.

REVENUE PROJECTION

PHASE 2

The Finance Department staff develops revenue projections based upon trend analysis, anticipated changes in the local, state and national economies, and discussions with other departments. The revenue projection is used to determine the financial limitations for the development of the budget.



BUDGET

PHASE 5

The City Manager submits a Budget that seeks to meet City Council's goals as outlined in the policy statement. Council then reviews the budget for conformity to their overall direction and guidance. Workshops are held to review and discuss the budget. City Council may take action to make changes to the budget.

BUDGET DEVELOPMENT

PHASE 3

Departments develop a budget that incorporates the goals outlined within the policy statement and the financial limitations as determined through revenue projections.

PUBLIC HEARINGS / BUDGET ADOPTION

PHASE 6

Public hearings on the budget and tax rate are held to give citizens an opportunity to speak for or against the budget. Citizens also have an opportunity to attend budget workshops that occur prior to the budget adoption. The budget and tax rate take effect on October 1st.

Figure 1: BUDGET PLANNING PROCESS | PHASES 1 - 6

BUDGET CALENDAR

FISCAL YEAR 2024

City of San Marcos | TX – Calendar Event Timeline for Annual Preparation of Fiscal Budget Planning

BUDGET PHASE	DATE SCHEDULED
COUNCIL VISIONING & STRATEGIC PLANNING WORK SESSION	JANUARY 26-27, 2023
BUDGET POLICY WORKSHOP	FEBRUARY 23
BUDGET POLICY ADOPTION	MARCH 21
DEPARTMENT BUDGET KICK-OFF	MARCH 29
CENTRAL BUDGET ENTRY OPENS – BUDGET LEVEL 1: DEPARTMENT ENTRY (ERP-MUNIS)	APRIL 1 – APRIL 30
PRELIMINARY TAX VALUES	APRIL 30
DEPARTMENT BUDGET ENTRIES DUE TO FINANCE	APRIL 30
FINANCE CONSOLIDATES & PREPARES BUDGET ENTRIES FOR REPORTING	MAY 1 – MAY 5
DEPARTMENT OPERATING BUDGET REVIEW SESSIONS WITH FINANCE	MAY 8 – MAY 12
BUDGET WORKSHOP #1	MAY 16
CMO TEAM REVIEWS DEPARTMENT OPERATING BUDGETS	MAY 17 – MAY 24
PRIORITIZE SUPPLEMENTAL REQUESTS – PERSONNEL AND OTHER	MAY 31 – JUNE 1
PRIORITIZE CAPITAL OUTLAY REQUESTS	JUNE 21
BUDGET WORKSHOP #2	JUNE 29
CALCULATE DEBT SERVICE REQUIREMENTS	JULY 15
CERTIFIED TAX ROLLS – VALUES RECEIVED BY HCTAD	JULY 25
TNT CALCULATIONS MADE BY HAYS COUNTY TAX ASSESSOR/COLLECTOR	AUGUST 7
FILE PROPOSED BUDGET W/ CITY CLERK & POST ON WEBSITE	AUGUST 15
BUDGET WORKSHOP #3 – BUDGET SUBMITTED TO CITY COUNCIL	AUGUST 15
RECORD VOTE ON SETTING MAXIMUM PROPOSED TAX RATE	AUGUST 15
BUDGET WORKSHOP #4 (IF NEEDED)	AUGUST 17
PUBLISH REQUIRED NOTICES IN NEWSPAPER	AUGUST 20
BUDGET / TAX RATE - 1 ST READING	SEPTEMBER 5
BUDGET / TAX RATE – 2 ND READING	SEPTEMBER 19

*Blue font indicates special Council meeting

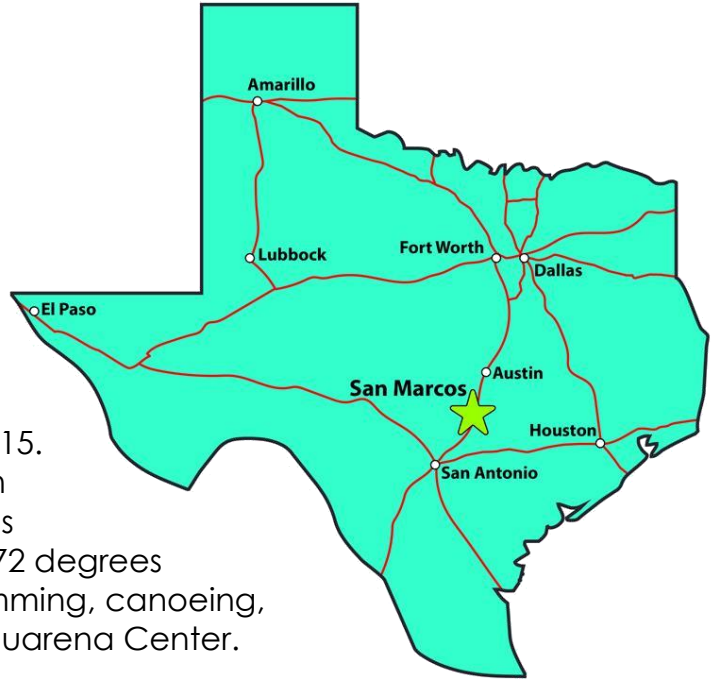
*Block Directors and CMO Team calendars

DESTINATION SAN MARCOS | TX

San Marcos is located on Interstate 35, 30 miles south of Austin, 47 miles north of San Antonio, 165 miles west of Houston, and 202 miles northeast of Laredo, Texas.

Popular destination Cities within 1 hour drive of San Marcos are:

- Distance to **Austin, TX – 30 Miles**
- Distance to **Boerne, TX – 59 Miles**
- Distance to **Kyle, TX – 9.5 Miles**
- Distance to **New Braunfels, TX – 18 Miles**
- Distance to **San Antonio, TX – 47 Miles**
- Distance to **Seguin, TX – 23 Miles**
- Distance to **Wimberley, TX – 16 Miles**



Located at the gateway to the Texas Hill Country, San Marcos was recognized as the Fastest growing city in the U.S. from 2013 to 2015. It is midway between two major metros of San Antonio and Austin. The spring-fed San Marcos River maintains a year-round temperature of 72 degrees and provides a refreshing playground for swimming, canoeing, tubing, and glass bottom boat rides at the Aquarena Center.

San Marcos marks the home-base for Hays County and is home to Texas State University, the seventh largest university in Texas and an Emerging Research University with more than 38,000 students.

Image Source: CoSM - GIS Department

San Marcos also claims the most parkland per capita of any city in the Austin-Round Rock MSA. San Marcos attracts millions of domestic and international visitors to its outlet malls and is home to brand-name companies like Amazon, Best Buy, H-E-B and a host of innovative start-ups.

Figure 2: U.S. CENSUS 2020

U.S. CENSUS BUREAU

2020

POPULATION

67,553

7th LARGEST

UNIVERSITY in TEXAS

TEXAS STATE



U.S. CENSUS BUREAU

2020

MEDIAN AGE

24

LOCAL & COMMUNITY INFORMATION

The City of San Marcos is a Home-Rule municipality operating under the Council-Manager form of government and is approximately 32 square miles in size with a residential population of 67,553. The city was incorporated on July 11, 1877. San Marcos is the county seat and principal commercial, educational and recreational center of Hays County.

San Marcos attracts millions of visitors annually that shop at the Premium Outlet Mall, Tanger Outlet Mall, and visit the Aquarena Springs Park and Wonder World Park. Beef, sorghums and cotton are the principal sources of agricultural income. Retail sales are the principal source of economic income.

SAN MARCOS



Total Population
67,553



Employment Rate
62.2%



Median Household Income
\$40,370



Total Households
23,154



Total Housing Units
29,680



Without Health Care Coverage
16.0%



Bachelor's Degree or Higher
33.5%



Hispanic or Latino (of any race)
27,440



San Marcos' hip personality is deeply seated in a rich historic culture. Visit a 1943 vintage wooden hangar and get up close to rare working WWII planes. Get a glimpse into the life of U.S. President Lyndon Baines Johnson's formative years as a student at what is now Texas State University. Find a full list at visitsanmarcos.com.



CHARLES S. COCK HOUSE

Charles S. Cock House, built in 1867, is a modest, vernacular Greek Revival structure and the oldest remaining residential building in San Marcos. heritagesanmarcos.org

CENTRO CULTURAL HISPANO DE SAN MARCOS

Centro's programs and educational curriculum include the areas of visual art, theater, dance, literature, music, multi-media and the culinary arts. Exhibits are free and open to the public. (512) 878-0640 sanmarcoscentro.org

CALABOOSE AFRICAN AMERICAN MUSEUM

Letters, books, photographs and antique artifacts cover all aspects of African American life in early Texas, as visitors chart a rarely-told history of heroism in the Calaboose African American Museum. (512) 393-8421



COMMEMORATIVE AIR FORCE MUSEUM

Located in a 1943 vintage wooden hangar, the CenTex Wing preserves a collection of combat aircraft flown by Allies during World War II. Get up close to the actual lead aircraft on the D-Day invasion, the C-47 *That's All, Brother* along with many others. (512) 396-1943 centraltexaswing.org



LBJ MUSEUM OF SAN MARCOS

The museum preserves the legacy of U.S. President Lyndon Baines Johnson by focusing on his formative years as a college student and schoolteacher. LBJ attended, what is now, Texas State University where he honed his political skills and developed a strong commitment to education and civil rights. (512) 353-3300 lbjmuseum.com



HAYS COUNTY COURTHOUSE MUSEUM

The restored 1909 Hays County Courthouse is nestled in the center of the downtown square. Historic exhibits are housed on the first floor. (512) 393-7779 hayshistoricalcommission.com

HAYS COUNTY VETERANS MEMORIAL

The Hays County Veterans Memorial offers a chance to remember and honor our local heroes. Hopkins St. and Riverside Dr. (512) 393-8400

MERRIMAN CABIN

The historic Merriman Cabin was built in 1846 by Dr. Eli T. Merriman (1815-1867), a Yale graduate and 1838 Texas settler. Merriman was one of three San Marcos town site owners and first physician. heritagesanmarcos.org

VERAMENDI PLAZA

One of the most scenic, historic and popular parks in San Marcos, Juan Veramendi Plaza, is known for its iconic gazebo, the Charles S. Cock House, the Merriman Cabin, the Dr. Gwen K. Smith Fountain and the tree-lined pathway to the Riverwalk. 400 E. Hopkins St. heritagesanmarcos.org



THE WITTLIFF COLLECTIONS

A dynamic archival, exhibition, programming and research environment designed to further the cultural legacy of the region's literary and photographic arts. Literary papers and artifacts including the major archives of Cormac McCarthy, Sam Shepard, John Graves, Fox's *King of the Hill*, and the CBS' *Lonesome Dove*. (512) 245-2313 thewittliffcollections.txstate.edu

Figure 3: CVB Department's Visitor's Guide - VisitSanMarcos.com



Figure 4: CoSM Children's Park

REGIONAL PARKS

BICENTENNIAL PARK - 3.9 acres, .2 miles of walking/biking trails, picnic facilities

CAPE'S CAMP - 20.1 undeveloped acres, .9 miles of walking/biking trails

CHILDREN'S PARK - 6.3 acres, .4 miles of walking/biking trails, 1 playground, picnic facilities, BBQ grills, picnic pavilion, restroom facilities

CITY PARK - 18.2 acres, rental facility (Rec Hall), basketball court, concessions stand, .6 miles of walking/biking trails, playground, picnic facilities, restroom facilities

JUAN VERAMENDI PLAZA PARK - 3.8 acres, rental facility (gazebo), .2 miles of walking/biking trails

MEEKS PROPERTY - 6.9 undeveloped acres

RAMON LUCIO PARK - 18.5 acres, baseball/softball fields, rental facility (pavilion), concessions stand, .7 miles of walking/biking trail, picnic facilities and pavilions and restroom facilities.

RIO VISTA PARK - 16.8 acres, rental facility (pavilion), 2 basketball courts, 6 lighted tennis courts, concessions stand, swimming pool and splash pad, .5 miles of walking/biking trails, picnic facilities and pavilions, restroom facilities

SAN MARCOS PLAZA PARK - 5.4 acres, rental facility (Fish Hatchery), stage/patio/gazebo, .3 miles of walking/biking trails

WILLIAM AND ELEANOR CROOK PARK - 16.2 acres, .9 miles of walking/biking trails, picnic facilities and restroom facilities, Discovery Center

TOTAL ACREAGE OF REGIONAL PARKS - 116

NEIGHBORHOOD PARKS

ANITA REYES PARK - .4 acres, basketball court, playground, picnic facilities and pavilion

CONWAY PARK - .4 acres, basketball court, skate park, .1 miles of walking/biking trails, playground, picnic facilities

CRADDOCK AVENUE PARK - 4.5 undeveloped acres

DUNBAR PARK - 5.8 acres, 2 baseball/softball fields, rental facility (Dunbar), basketball court, .2 acres of walking/biking trails, skate park, playground, picnic facilities

EDDIE DURHAM PARK - .3 acres, .1 walking/biking trails, picnic facilities, pavilion/stage

EL CAMINO REAL PARK - 37.6 acres, basketball court, .5 miles of walking/biking trail, playground, picnic facilities

FRANKLIN SQUARE PARK - 4.5 acres, playground, picnic facilities

HEB PARK - .9 acres

HAYNES STREET PARK - .3 acres, basketball court, picnic facilities

JAYCEES PARK - 2.7 acres, basketball court, playground, picnic facilities

MILL STREET PARK - .8 acres, basketball court, .1 miles of walking/biking trails, playground, picnic facilities and pavilion

PAUL PENA PARK - 2.9 acres, .2 miles of walking/biking trails, playground, picnic facilities

SWIFT MEMORIAL PARK - .3 acres, basketball court, playground, picnic facilities

VICTORY GARDENS PARK - .6 acres, basketball court, playground, picnic facilities, .1 miles of walking/biking trails

VIETNAM VETERANS PARK - 6.3 acres, skate park, .2 miles of walking/biking trails, playground, picnic facilities

WILLOW SPRINGS PARK - 4.8 acres, .2 miles of walking/biking trails, playground

TOTAL ACREAGE OF NEIGHBORHOOD PARKS - 73



Figure 5: CoSM Purgatory Natural Area

GREENSPACE AND NATURAL AREAS

BLANCO RIVER VILLAGE - 12.8 undeveloped acres

BLANCO RIVER WALK - 55.9 undeveloped acres

BLANCO SHOALS NATURAL AREA - 91.5 undeveloped acres, 2 miles of walking/biking trails

COTTONWOOD CREEK PARK - 52.9 undeveloped acres

LANCASTER GREENBELT - .9 undeveloped acres

LOWER PURGATORY CREEK NATURAL AREA - 142 acres, 5.9 miles of walking/biking trails, restroom facilities

PROSPECT PARK - 9 acres, 2 miles of walking/biking trails

RETREAT ON WILLOW CREEK - 33 acres

RINGTAIL RIDGE NATURAL AREA - 45.1 acres, 2 miles of walking/biking trails, picnic facilities

SCHULLE CANYON NATURAL AREA - 21.1 acres, 1 mile of walking/biking trails

SESSOM CREEK NATURAL AREA - 10.4 acres, .5 miles of walking/biking trails

SPRING LAKE PRESERVE NATURAL AREA - 251.5 acres, 6 miles of walking/biking trails, picnic facilities, restroom facilities

UPPER PURGATORY CREEK NATURAL AREA - 760.2 acres, 13 miles of walking/biking trails, restroom facilities

TOTAL ACREAGE OF GREENSPACE AND NATURAL AREAS - 1,486.3

SPECIAL USE PARKS

ALEMEDA PARK - 3.6 acres

FIVE MILE DAM SOCCER COMPLEX - 42.7 acres, soccer/cricket fields, concessions stand, 1 mile of walking/biking trails, playground, picnic facilities and restroom facilities

GARY SPORTS COMPLEX - 42.6 acres, baseball/softball fields, concessions stand, playground, picnic facilities and restroom facilities

Hays County Veterans Memorial - 3 acres

MEMORIAL PARK - 25.2 acres, rental facility (Activity Center), basketball court, skate park, indoor swimming pool, library, restroom facilities

RIVER RIDGE PARK - 3.7 acres

TOTAL ACREAGE OF SPECIAL USE PARKS -120.6

CITY-OWNED PARKS | TOTAL AREAGE – 1,795.9

RIVERS IN SAN MARCOS | TEXAS

San Marcos is a natural beauty, and the most intriguing feature is her river. The San Marcos River bubbles to life from hundreds of springs right in the center of town. Always a refreshing 72 degrees, the river is enjoyed year-round.

San Marcos' beauty is more than just surface deep. We take stewardship of the river and natural areas to heart, protecting the Edwards Aquifer and the eight endangered species native to this area. This way when you come back to visit, it will be just as good as your first time.



Figure 6: CoSM - City Park River Entrance

SAN MARCOS RIVER

The San Marcos River bursts forth from the Edwards Aquifer through 200 spring openings at the bottom of Spring Lake in the heart of San Marcos, Texas. The river provides a refreshing playground for swimming, canoeing, and tubing. The San Marcos River winds through over 130 acres of parkland. The upper 3.8 miles of the headwaters provides habitat to eight endangered and threatened aquatic species, including the San Marcos Fountain Darter, Texas Blind Salamander, the San Marcos Salamander, the San Marcos Gambusia and Texas Wild Rice. Archaeologists have discovered artifacts that indicate that the area around the Springs is one of the oldest continuously inhabited places in North America by human beings, dating back more than 12,000 years.

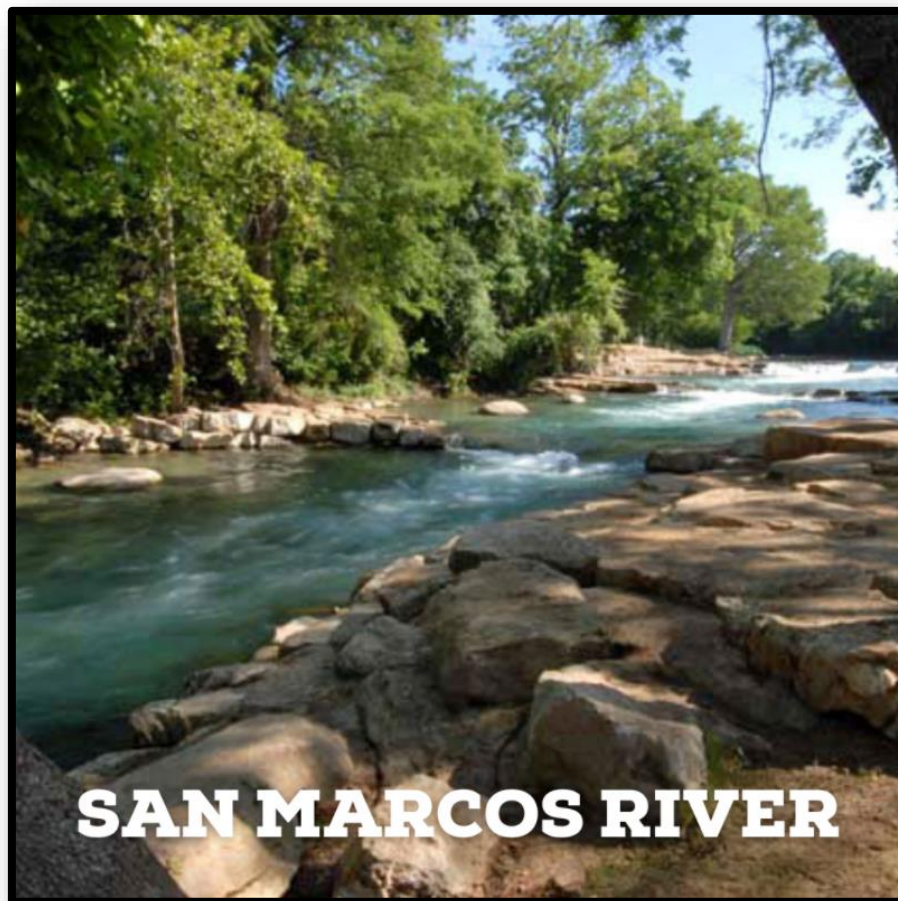


Figure 7: CoSM Rio Vista Park | San Marcos River

BLANCO RIVER in SAN MARCOS

The primary source for the Blanco is a series of springs in northern Kendall County. The river flows generally eastward for 87 miles (140 kilometers) through Kendall County, Blanco County and Hays County. Near San Marcos, it takes a southerly turn and joins with the San Marcos River. The upper reaches of the Blanco River are hilly, and the river's slopes are frequently steep. As the river reaches the Balcones Escarpment near San Marcos, it widens and slopes moderately; this is typical of rivers in the central part of the state. The river is usually quite shallow, and it briefly dips below ground in some areas in the Hill Country. As with many of the rivers in the Texas Hill Country, there is great variability in the Blanco River's flow. The mean flow is 93 feet³/s (3 m³/s), but heavy rains in the river's watershed can cause flash flooding with little warning. The Blanco River winds through over 200 acres of parkland.



Figure 8: San Marcos | TX - Blanco River



CITY OF SAN MARCOS

Consolidated Fund Balance Statement

FY 2024 Proposed Annual Budget

	FY 2023 <i>Beginning</i> Fund Balance	FY 2023 <i>Estimated</i> Revenues	FY 2023 <i>Estimated</i> Expenses	FY 2024 <i>Beginning</i> Fund Balance	FY 2024 PROPOSED Revenues	FY 2024 PROPOSED Expenses	FY 2024 <i>Ending</i> Fund Balance
Governmental Funds							
General Fund	41,930,414	100,529,464	108,021,018	34,438,860	111,351,806	114,880,338	30,910,328
Debt Service Fund	11,079,359	16,913,107	16,870,779	11,121,687	18,021,814	17,800,599	11,342,902
				-			
Enterprise Funds							
Electric Utility Fund	13,892,861	64,459,494	66,050,296	12,302,059	72,749,545	73,934,172	11,117,432
Water & Wastewater Utility Fund	21,581,356	55,830,451	58,530,521	18,881,286	63,256,984	65,200,822	16,937,448
Stormwater Utility Fund	1,524,355	8,942,039	8,776,884	1,689,510	9,475,184	9,440,380	1,724,314
Transit	418,170	3,151,313	3,011,029	566,309	3,367,290	3,367,290	566,309
Resource Recovery Fund	2,441,873	6,903,390	7,077,368	2,267,895	7,243,073	7,243,073	2,267,895
Regional Airport Fund	52,101	868,772	765,811	75,615	851,387	851,387	75,615
				-			
Special Revenue Funds							
Community Enhancement	731,846	667,571	1,018,415	381,002	1,085,322	1,085,322	381,002
Hotel Occupancy Tax Fund	3,465,056	5,272,281	5,109,458	3,627,879	4,964,188	5,637,788	2,954,279
Cemetery Operations Fund	208,167	225,000	224,713	208,454	212,309	212,309	208,454
WIC Program Fund	-	2,800,497	2,800,497	-	2,745,928	2,745,928	-
TIRZ #2, #3, #4, #5, TRZ #1	1,587,983	7,357,062	6,412,806	2,532,239	8,615,393	7,449,091	3,698,541
All Other Special Revenue Funds	1,915,374	392,525	592,799	1,715,100	354,200	488,403	1,580,897
Internal Service Fund							
Health Insurance Fund	7,005,399	10,346,500	9,948,500	7,403,399	10,890,892	10,813,550	7,480,741
ALL FUNDS	107,834,314	284,659,466	295,210,894	97,211,295	315,185,315	321,150,452	91,246,158

CITY OF SAN MARCOS

Consolidated Summary of Major Revenues & Expenses

FY 2024 Proposed Annual Budget

	GENERAL FUND	DEBT SERVICE FUND	ELECTRIC UTILITY FUND	W/WW UTILITY FUND	STORMWATER UTILITY FUND	Other ENTERPRISE FUNDS	COMMUNITY ENHANCEMENT FUND	HOTEL OCCUPANCY TAX FUND	WIC PROGRAM FUND	CEMETERY FUND	Other SPECIAL REVENUE FUNDS	TOTAL from ALL FUNDS	INTERNAL SERVICE FUND
Beginning Fund Balance													
October 1 2022	34,438,860	11,121,687	12,302,059	18,881,286	1,689,510	3,328,639	381,002	3,627,879	-	208,454	4,247,339	90,226,715	7,403,399
Major Revenues													
Taxes and Franchise Fees	92,216,627	17,721,814	-	-	-	-	-	4,708,215	-	-	8,704,393	123,351,049	-
Licenses and Permits	5,347,527	-	-	-	-	-	-	-	-	-	-	5,347,527	-
Fines and Penalties	975,800	-	690,000	569,069	77,252	100,000	-	5,000	-	-	56,000	2,473,121	-
Interest Income	1,525,000	300,000	425,500	385,000	10,000	70,000	-	40,000	-	-	-	2,755,500	200,000
Cultural and Recreational	777,600	-	-	-	-	-	-	-	-	-	138,900	916,500	-
Current Services	169,800	-	-	-	-	3,156,573	1,085,322	-	-	100,000	-	4,511,695	2,370,000
Grants	-	-	-	-	-	-	-	-	2,745,928	-	-	2,745,928	-
Water Service Revenue	-	-	-	33,300,750	-	-	-	-	-	-	-	33,300,750	-
Wastewater Service Revenue	-	-	-	22,868,737	-	-	-	-	-	-	-	22,868,737	-
Stormwater Service Revenue	-	-	-	-	9,387,932	-	-	-	-	-	-	9,387,932	-
Electric Service Revenue	-	-	69,151,435	-	-	-	-	-	-	-	-	69,151,435	-
Resource Recovery Revenue	-	-	-	-	-	7,015,073	-	-	-	-	-	7,015,073	-
Operating Transfers	8,273,542	-	-	-	-	1,087,104	-	210,973	-	112,309	-	9,683,928	8,305,892
Other Revenues	2,065,910	-	2,482,610	6,133,428	-	33,000	-	-	-	-	70,300	10,785,248	15,000
Total Revenues	111,351,806	18,021,814	72,749,545	63,256,984	9,475,184	11,461,750	1,085,322	4,964,188	2,745,928	212,309	8,969,593	304,294,423	10,890,892
Major Expenses													
Personnel Services	76,009,259	-	8,684,169	8,991,201	1,772,204	1,143,464	443,663	1,236,246	1,741,042	-	18,203	100,039,451	-
Contracted Services	14,444,843	-	47,436,067	18,704,038	1,209,129	8,974,770	98,149	1,078,409	350,153	207,309	161,800	92,664,667	-
Materials and Supplies	7,618,059	-	1,109,352	2,377,285	287,302	66,293	30,135	-	173,854	5,000	50,400	11,717,680	-
Other Charges	5,764,356	-	6,519,068	6,028,454	36,500	178,249	513,375	705,025	75,461	-	7,315,170	27,135,658	10,813,550
Debt Service	98,630	17,800,599	6,946,357	20,786,489	4,340,215	-	-	-	-	-	-	49,972,290	-
Economic Development	2,580,718	-	-	-	-	-	-	-	-	-	-	2,580,718	-
Social Services and Arts Funding	635,000	-	-	-	-	-	-	250,000	-	-	-	885,000	-
Operating Transfers	1,937,196	-	2,061,184	5,554,124	1,795,030	675,426	-	1,457,108	199,718	-	181,921	13,861,707	-
One-Time Non Recurring Expense	5,792,277	-	1,177,975	2,759,231	-	423,548	-	911,000	205,700	-	210,000	11,479,731	-
Total Expenses	114,880,338	17,800,599	73,934,172	65,200,822	9,440,380	11,461,750	1,085,322	5,637,788	2,745,928	212,309	7,937,494	310,336,902	10,813,550
Ending Fund Balance													
September 30 2023	30,910,328	11,342,902	11,117,432	16,937,448	1,724,314	3,328,639	381,002	2,954,279	-	208,454	5,279,438	84,184,236	7,480,741

CITY OF SAN MARCOS

Consolidated Revenue Comparison

FY 2024 Proposed Annual Budget

	FY 2022	FY 2023	FY 2023	FY 2024
	ACTUALS	CURRENT	ESTIMATED	PROPOSED
Governmental Funds				
General Fund	93,722,016	98,436,747	100,529,464	111,351,806
Debt Service Fund	17,306,147	16,913,107	16,913,107	18,021,814
Enterprise Funds				
Electric Utility Fund	66,296,364	65,127,871	64,459,494	72,749,545
Water/Wastewater Utility Fund	56,133,088	57,798,515	55,830,451	63,256,984
Stormwater Utility Fund	7,993,356	8,873,960	8,942,039	9,475,184
Transit Fund	2,348,182	3,159,168	3,151,313	3,367,290
Resource Recovery Fund	6,146,310	7,086,735	6,903,390	7,243,073
Regional Airport Fund	793,513	767,013	789,327	851,387
Special Revenue Funds				
Community Enhancement	685,805	667,000	667,571	1,085,322
PARD Programs	183,818	179,525	179,525	138,900
Municipal Court Efficiency Fee Fund	5,603	5,000	5,000	5,000
Municipal Court Juvenile Fee Fund	19,204	18,000	18,000	18,000
Municipal Court Security Fee Fund	17,110	17,000	19,000	17,000
Municipal Court Technology Fund	12,768	15,000	16,000	16,000
Hotel Occupancy Tax Fund	4,749,898	4,369,418	5,272,281	4,964,188
PEG Funds	92,437	95,000	95,000	89,000
Animal Shelter	45,874	15,000	15,000	30,000
Cemetery Operations Fund	194,861	225,000	225,000	212,309
Seized Assets Fund	197,453	45,000	45,000	40,000
WIC Program Fund	1,529,321	2,800,497	2,800,497	2,745,928
Library Memorial Fund	350	-	-	300
TIRZ #2, #3, #4, #5, TRZ #1	3,916,423	7,357,062	7,357,062	8,615,393
Internal Service Fund				
Health Insurance Fund	9,439,080	10,346,500	10,346,500	10,890,892
TOTAL	271,828,981	284,318,118	284,580,021	315,185,315

CITY OF SAN MARCOS

Consolidated Expense Comparison

FY 2024 Proposed Annual Budget

	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Governmental Funds				
General Fund	85,196,691	110,611,486	108,021,018	114,880,338
Debt Service Fund	16,502,652	16,870,779	16,870,779	17,800,599
Enterprise Funds				
Electric Utility Fund	66,626,178	67,491,283	66,050,296	73,934,172
Water/Wastewater Utility Fund	52,592,836	58,566,371	58,530,521	65,200,822
Stormwater Utility Fund	7,480,793	8,912,602	8,776,884	9,440,380
Transit Fund	2,033,465	3,164,168	3,011,029	3,367,290
Resource Recovery Fund	5,683,626	7,339,914	7,077,368	7,243,073
Regional Airport Fund	724,806	765,811	765,811	851,387
Special Revenue Funds				
Community Enhancement	758,001	1,137,704	1,018,415	1,085,322
PARD Programs	95,883	129,200	129,200	150,200
Municipal Court Efficiency Fee Fund	-	5,000	5,000	5,000
Municipal Court Juvenile Fee Fund	15,722	18,203	15,587	18,203
Municipal Court Security Fee Fund	22,105	31,494	31,494	-
Municipal Court Technology Fund	16,455	41,055	21,228	-
Hotel Occupancy Tax Fund	3,155,083	5,754,418	5,109,458	5,637,788
PEG Funds	7,031	100,000	7,031	100,000
Animal Shelter	7,264	185,000	185,000	30,000
Cemetery Operations Fund	193,368	224,713	224,713	212,309
Seized Assets Fund	79,917	198,259	198,259	185,000
WIC Program Fund	1,529,321	2,800,497	2,800,497	2,745,928
Library Memorial Fund	-	-	-	-
TIRZ #2, #3, #4, #5, TRZ #1	5,322,150	7,497,465	6,412,806	7,449,091
Internal Service Fund				
Health Insurance Fund	9,066,258	9,948,500	9,948,500	10,813,550
TOTAL	257,109,605	301,793,922	295,210,894	321,150,452

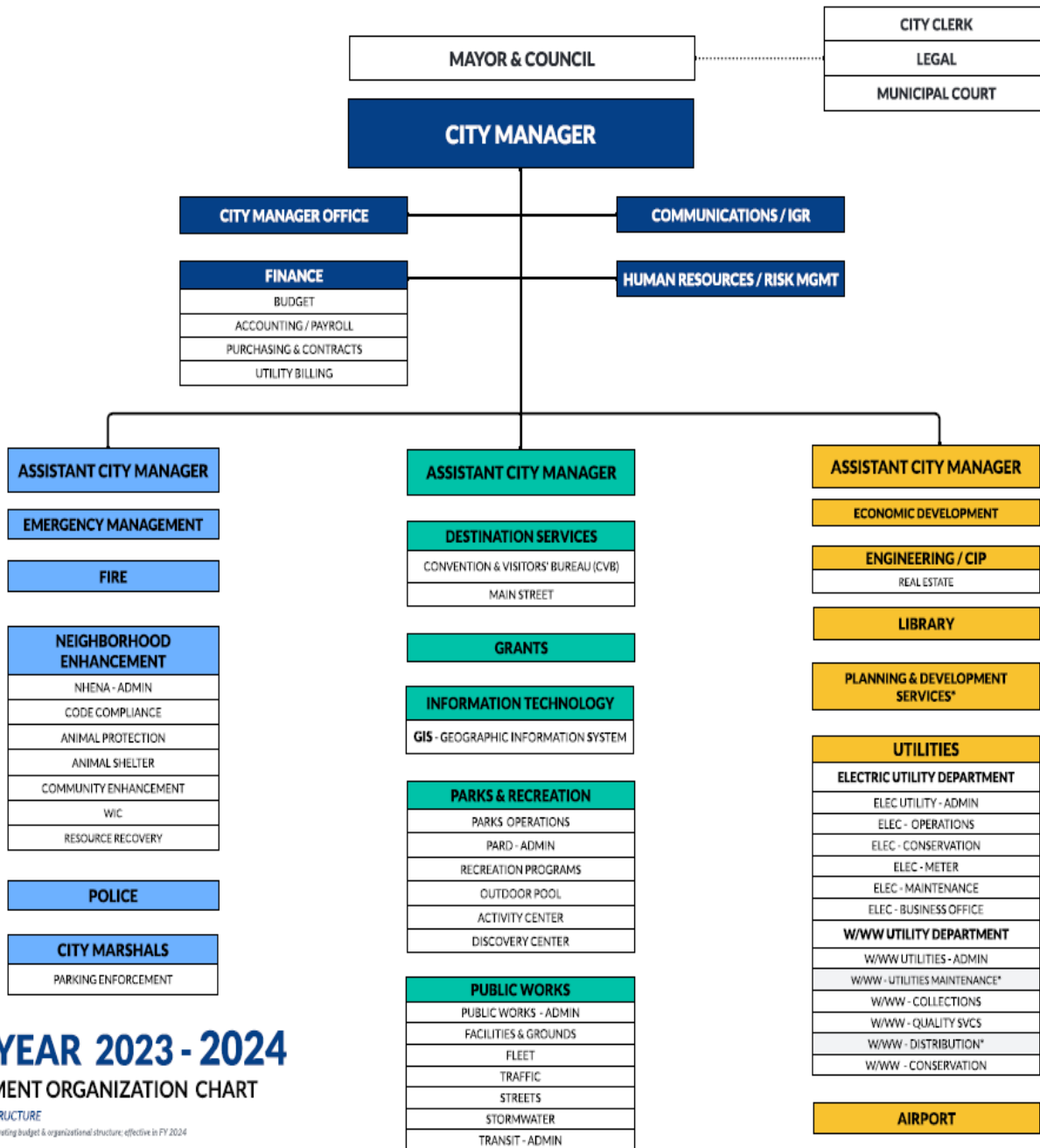
CITY OF SAN MARCOS

Consolidated Fund Balance Comparison

FY 2024 Proposed Annual Budget

	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Governmental Funds				
General Fund	41,930,414	29,755,675	34,438,860	30,910,328
Debt Service Fund	11,079,359	11,121,687	11,121,687	11,342,902
Enterprise Funds				
Electric Utility Fund	13,115,560	11,529,449	12,302,059	11,117,432
Water/Wastewater Utility Fund	18,002,636	20,813,500	18,881,286	16,937,448
Stormwater Utility Fund	1,524,355	1,485,713	1,689,510	1,724,314
Transit Fund	418,170	417,356	985,127	566,309
Resource Recovery Fund	2,445,896	2,188,694	2,267,895	2,267,895
Regional Airport Fund	52,101	53,303	75,615	75,615
Special Revenue Funds				
Community Enhancement	731,846	261,142	381,002	381,002
PARD Programs	383,229	398,652	398,652	387,352
Municipal Court Efficiency Fee Fund	55,426	55,426	55,426	55,426
Municipal Court Juvenile Fee Fund	49,414	49,211	51,827	51,624
Municipal Court Security Fee Fund	102,102	87,608	89,608	106,608
Municipal Court Technology Fund	186,012	159,957	180,785	196,785
Hotel Occupancy Tax Fund	3,465,056	2,080,056	3,627,879	2,954,279
PEG Funds	768,557	763,557	856,526	845,526
Animal Shelter	116,425	(53,575)	(53,575)	(53,575)
Cemetery Operations Fund	208,167	208,454	208,454	208,454
Seized Assets Fund	247,073	93,814	93,814	(51,186)
WIC Program Fund	-	-	-	-
Library Memorial Fund	42,038	42,038	42,038	42,338
TIRZ #2, #3, #4, #5, TRZ #1	1,587,983	1,447,580	2,532,239	3,698,541
Internal Service Fund				
Health Insurance Fund	6,875,942	7,403,399	7,403,399	7,480,741
TOTAL	103,387,760	90,362,696	97,630,112	91,246,157

CITY ORGANIZATIONAL CHART



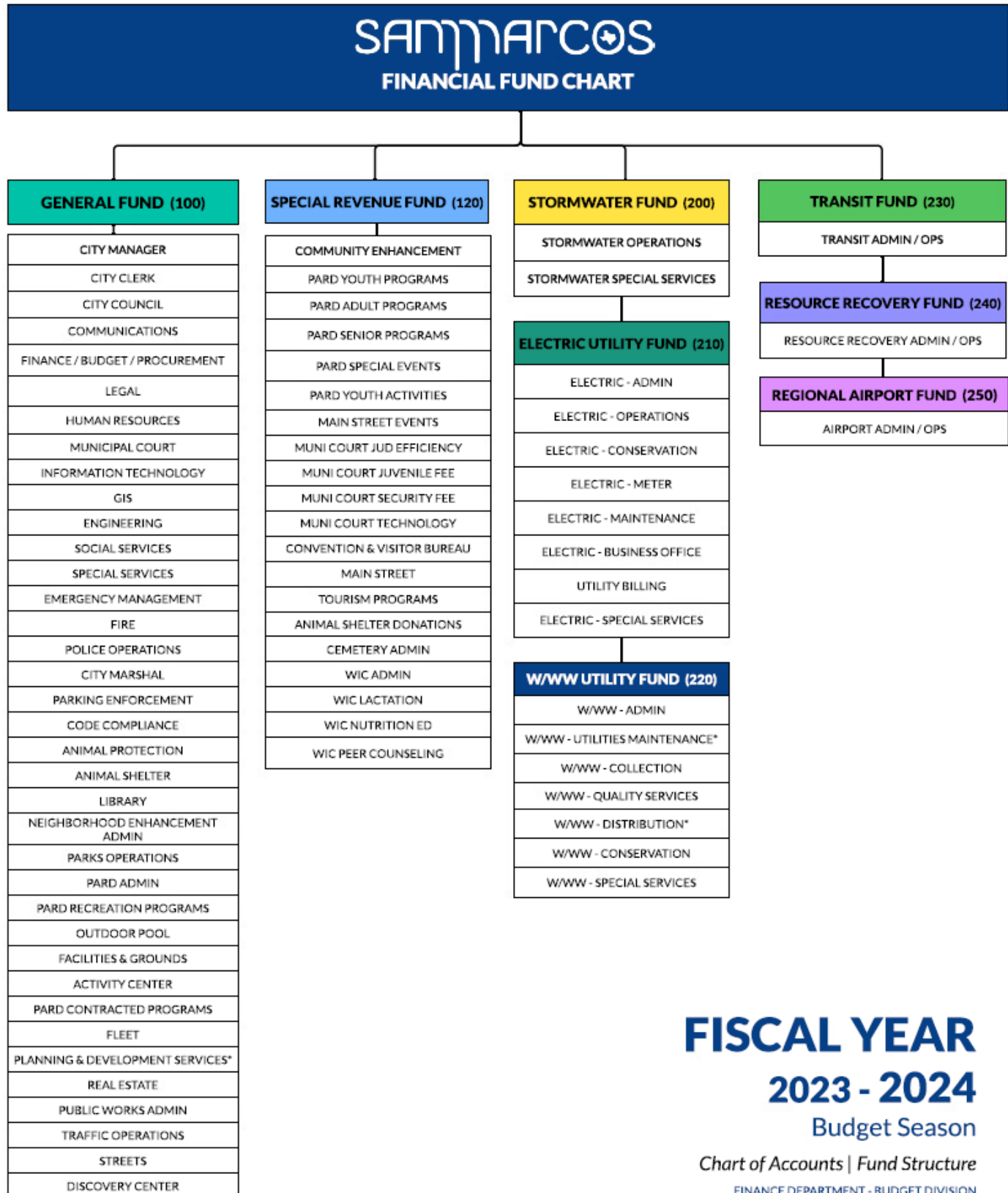
FISCAL YEAR 2023 - 2024

CITY DEPARTMENT ORGANIZATION CHART

BUDGET DEVELOPMENT STRUCTURE

*Denotes change(s) to Department's operating budget & organizational structure, effective in FY 2024

FINANCIAL FUND STRUCTURE CHART





SUMMARY By FUND

GENERAL FUND SUMMARY	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Beginning Unreserved Fund Balance	33,405,089	41,930,414	41,930,414	34,438,860
Operating Revenues				
Sales Tax	37,852,635	41,085,534	41,160,606	42,825,789
Property Taxes	27,416,672	30,000,604	30,348,897	36,983,186
Franchise Taxes and other Fees	11,186,791	11,179,270	11,483,064	12,407,652
Reimbursements from Other Funds	8,900,579	7,027,208	7,021,324	8,273,542
Licenses and Permits	5,515,825	5,182,500	5,351,682	5,347,527
Other Revenue	2,092,919	1,913,756	1,904,772	2,065,910
Interest Income	(843,861)	190,000	1,402,481	1,525,000
Fines and Penalties	810,748	943,175	980,844	975,800
Cultural and Recreational	590,533	743,700	716,557	777,600
Charges for Services	199,175	171,000	159,237	169,800
Total Operating Revenue	93,722,016	98,436,747	100,529,464	111,351,806
Operating Expenditures				
Personnel Services	56,151,381	67,276,480	65,154,102	76,009,259
Contracted Services	8,937,929	13,681,318	13,291,280	14,444,843
Materials and Supplies	5,197,942	6,744,918	6,739,918	7,618,059
Other Charges	3,955,755	5,544,638	5,359,423	5,614,356
Economic Development	495,313	2,467,334	2,467,334	2,580,718
Operating Transfers	4,689,962	1,730,169	1,730,169	1,937,196
Social Services	350,368	669,632	669,632	550,000
Strategic Initiatives	120,061	150,000	150,000	150,000
Bond Payments & Fees	106,772	98,630	98,630	98,630
Arts Funding	28,315	85,000	85,000	85,000
Total Operating Expenditures	80,033,799	98,448,119	95,745,488	109,088,061
Non-Recurring Expenses				
Transfers for One-Time Cost	3,540,000	6,000,000	6,000,000	4,000,000
Capital Outlay	1,622,892	4,895,571	4,895,571	1,792,277
One-Time Retention Incentive	-	1,267,796	1,379,959	-
One-Time Expenditures	5,162,892	12,163,367	12,275,530	5,792,277
Total Expenditures	85,196,691	110,611,486	108,021,018	114,880,338
Ending Unreserved Fund Balance	41,930,414	29,755,675	34,438,860	30,910,328
Fund Balance as a Percentage of Operating Expenditures	52.4%	30.2%	36.0%	28.3%
Days of Operation	191	110	131	103

GENERAL FUND SUMMARY	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
TAXES				
Sales Tax	37,246,053	40,485,534	40,527,945	42,150,789
Current Ad Valorem Taxes	27,176,670	29,750,604	30,112,950	36,750,186
Cosm Elec Utility Franchise	4,655,343	4,732,290	4,732,290	5,436,299
Cosm W/WW Utility Franchise	4,154,514	4,250,000	4,250,000	4,608,703
Other Utility Franchise	1,833,173	1,650,000	1,821,477	1,750,000
Mixed Beverage Tax	606,583	600,000	632,661	675,000
Solid Waste Hauler Permit Fee	514,539	509,230	651,839	586,000
Penalty & Int On Delinq Taxes	128,833	150,000	76,681	130,000
Delinquent Ad Valorem Taxes	111,168	100,000	159,267	103,000
Telephone Franchise	29,223	37,750	27,458	26,650
Total	76,456,098	82,265,408	82,992,567	92,216,627
LICENSES & PERMITS				
Building Permits	3,280,919	3,275,400	3,275,400	3,000,000
Site Development Permit	455,223	402,200	463,769	575,000
Plumbing & Gas Permits	319,569	236,000	347,028	325,000
Food Permits/Food Handler	201,467	208,600	226,140	180,000
Electrical Permit	167,246	118,800	124,988	154,000
Zoning	167,178	143,900	155,539	150,000
Architectural Barrier Review	144,052	61,300	174,860	150,000
Mechanical (Htg/Ac) Permit	104,744	95,100	103,676	145,000
Plat Review-Subdivisions	156,810	149,300	66,491	140,000
Construction Plan Review	134,497	121,600	135,630	137,500
Permit Tech Fee	70,912	55,300	69,878	80,000
Fire Prev & Prot Permit Fee	24,788	22,500	25,621	65,000
Professional & Occupational	58,988	63,800	23,824	60,177
Specific Use Permit	29,396	28,200	17,976	33,000
Sign Permit Fees	29,039	30,200	32,864	31,000
Security Alarm Permit Fee	28,066	28,900	23,856	28,000
Alcohol Permit	79,541	35,100	10,440	25,000
Other Permits/Fees	21,661	22,100	30,873	24,950
Street Closure Permits	13,023	38,800	24,148	20,000
Mobile Food Units	11,556	11,600	11,984	12,500
Cert Of Occupancy	5,702	7,900	6,696	8,900
After Hours Engineering Inspection fee	11,448	25,900	-	2,500
Total	5,515,825	5,182,500	5,351,682	5,347,527

GENERAL FUND SUMMARY	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
FINES & PENALTIES				
Local Traffic Fines	491,925	574,050	628,595	600,000
Parking Meter Fines	160,177	157,125	191,380	200,000
Complaints	37,859	45,000	46,736	38,000
Warrant Fee	34,616	58,300	29,929	37,000
Other-Expunction	30,127	36,100	34,610	36,100
Arrest Fee	17,878	24,600	20,805	23,000
False Alarm Charges	24,093	22,000	8,345	18,000
Defensive Driving Admin Fee	5,789	6,800	7,919	9,000
Child Safety-SB 460	1,124	1,900	5,260	6,000
Dismissal Fee	3,524	6,400	5,040	5,700
Mc-Special Exp Fee	2,351	4,400	1,696	2,000
Traffic Fee	508	5,100	368	500
Other Fines/Penalties	778	1,400	161	500
Total	810,748	943,175	980,844	975,800
INTEREST INCOME				
Interest Income	(843,861)	190,000	1,402,481	1,525,000
Total	(843,861)	190,000	1,402,481	1,525,000
CULTURAL & RECREATIONAL				
Annual Entry Fees	112,907	155,000	197,890	217,500
PARD Building User Fee	112,393	80,000	83,565	100,000
Hays County Library Donations	85,107	85,000	85,000	85,000
Other Facility Rentals	48,088	65,000	137,056	85,000
Instructional Fee	21,539	19,000	37,760	45,000
Daily Entry Fees	19,995	30,000	43,964	40,500
Summer Program Fees	19,199	81,000	-	35,000
Aquatic	31,971	42,000	-	35,000
Athletic Field Rentals	34,521	35,000	39,920	35,000
Library Fees and Fines	29,003	45,500	24,647	28,500
DC-Plant Sales	48,711	45,000	25,000	25,000
Aerobics Fee	12,624	30,000	17,851	22,500
Equipment Rental Fee	4,870	7,000	15,711	9,500
Court Rentals	2,734	6,000	7,497	5,800
Swimming Lessons	5,106	8,000	-	5,500
PARD-Other Revenue	1,764	10,200	696	2,800
Total	590,532	743,700	716,557	777,600

GENERAL FUND SUMMARY	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
CHARGES FOR SERVICES				
Passports	56,140	60,000	61,810	70,000
Adoption Fee	95,045	45,000	53,400	47,500
Births-Vital Stats	19,100	25,000	16,944	25,000
Police Fees-Various	14,853	11,500	13,468	15,000
Parking Space Leases	-	-	3,859	4,000
Pet Vaccinations - Microchip	6,289	8,000	4,868	3,500
Animal Shelter Chrgs (Pound)	5,366	20,000	3,072	2,800
Deaths-Vital Stats	1,776	1,500	1,816	2,000
Fire Dept Rescue	606	-	-	-
Total	199,175	171,000	159,237	169,800
OTHER REVENUES				
Regional Animal Shelter Partnership	643,781	805,000	805,000	805,000
Loan Repayment - JQH	547,820	484,026	484,026	551,810
SMCISD Reimbursement	222,429	234,600	234,600	240,000
Vehicle Sales	120,500	50,000	116,000	125,000
Other Revenues	151,671	104,530	41,354	106,000
Rebates	92,768	75,000	50,000	90,000
TX State Reimbursement	73,693	75,600	75,600	75,600
PILOT	65,256	85,000	85,000	65,000
Auction Sales	-	-	13,192	7,500
Insurance Proceeds	175,000	-	-	-
Total	2,092,919	1,913,756	1,904,772	2,065,910
REIMBURSEMENTS FROM OTHER FUNDS				
Water/Wastewater Utility Fund	3,746,965	3,114,053	3,114,053	3,556,440
Electric Utility Fund	1,908,998	1,969,051	1,969,051	2,061,184
Stormwater Utility Fund	1,015,213	1,138,825	1,138,825	1,593,996
Special Revenue Fund	380,704	495,541	489,657	644,088
Resource Recovery Fund	138,988	204,894	204,894	277,796
Transit Fund	24,907	68,512	68,512	92,841
Airport Fund	30,181	36,332	36,332	47,197
Tax Increment Financing Zone Funds	1,654,622	-	-	-
Total	8,900,579	7,027,208	7,021,324	8,273,542

GENERAL FUND SUMMARY	FY 2022 <i>ACTUALS</i>	FY 2023 <i>CURRENT</i>	FY 2023 <i>ESTIMATED</i>	FY 2024 <i>PROPOSED</i>
RECAP OF REVENUES				
Taxes	76,456,098	82,265,408	82,992,567	92,216,627
Licenses and Permits	5,515,825	5,182,500	5,351,682	5,347,527
Fines and Penalties	810,748	943,175	980,844	975,800
Interest Income	(843,861)	190,000	1,402,481	1,525,000
Cultural and Recreational	590,532	743,700	716,557	777,600
Charges for Services	199,175	171,000	159,237	169,800
Other Revenue	2,092,919	1,913,756	1,904,772	2,065,910
Reimbursements from Other Funds	8,900,579	7,027,208	7,021,324	8,273,542
One-Time Revenues	-	-	-	-
Total Revenues	93,722,014	98,436,747	100,529,463	111,351,806

GENERAL FUND SUMMARY	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
ADMINISTRATIVE SERVICES				
City Manager				
Personnel Services	1,557,388	1,852,144	1,755,338	1,761,671
Contracted Services	9,856	13,000	13,000	25,500
Materials and Supplies	14,201	12,000	12,000	16,000
Other Charges	46,554	46,300	44,913	45,000
Capital Outlay	-	1,387	1,387	-
Total	1,627,998	1,924,831	1,826,638	1,848,171
Communications				
Personnel Services	601,372	860,778	752,084	740,885
Contracted Services	17,481	19,251	8,200	50,809
Materials and Supplies	3,862	7,750	5,000	8,350
Other Charges	21,734	34,256	353,800	30,223
Capital Outlay	-	-	-	88,675
Total	644,449	922,035	1,119,084	918,942
City Clerk				
Personnel Services	484,469	569,684	525,420	588,993
Contracted Services	52,505	152,280	152,280	168,871
Materials and Supplies	24,622	53,359	53,359	50,442
Other Charges	19,224	25,408	25,408	25,336
Capital Outlay	-	25,000	25,000	62,863
Total	580,819	825,731	781,467	896,506
City Council				
Personnel Services	11,443	16,870	16,870	12,136
Contracted Services	6,135	8,200	8,200	8,460
Materials and Supplies	1,223	5,000	5,000	5,000
Other Charges	226,046	387,400	353,800	325,950
Total	244,847	417,470	383,870	351,546
Legal				
Personnel Services	759,895	896,487	936,520	982,037
Contracted Services	136,008	134,539	84,539	208,539
Materials and Supplies	2,252	7,300	7,300	11,467
Other Charges	6,301	17,010	17,010	22,262
Total	904,456	1,055,336	1,045,369	1,224,305

GENERAL FUND SUMMARY	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Human Resources				
Personnel Services	1,015,170	1,424,502	1,257,562	1,320,839
Contracted Services	157,764	380,650	380,650	272,985
Materials and Supplies	8,723	15,450	15,450	26,850
Other Charges	119,591	260,067	258,798	406,360
Capital Outlay	-	51,269	51,269	-
Total	1,301,249	2,131,938	1,963,729	2,027,034
Finance				
Personnel Services	1,872,693	2,418,999	2,148,541	2,359,945
Contracted Services	42,168	449,806	449,806	562,472
Materials and Supplies	27,013	26,120	26,120	36,263
Other Charges	35,740	63,405	61,959	81,545
Capital Outlay	-	69,446	69,446	251,020
Total	1,977,614	3,027,775	2,755,871	3,291,245
Total Administrative Services	7,281,433	10,305,116	9,876,029	10,557,749

TECHNOLOGY SERVICES

Technology Services				
Personnel Services	1,856,283	2,374,354	2,500,768	2,265,634
Contracted Services	136,619	363,838	363,838	385,478
Materials and Supplies	23,098	46,622	46,622	43,817
Other Charges	93,694	114,734	112,434	133,744
Capital Outlay	294,693	955,511	955,511	218,514
Total	2,404,387	3,855,058	3,979,172	3,047,186
GIS Division				
Personnel Services	367,404	628,905	552,179	671,172
Contracted Services	18,636	153,400	153,400	159,959
Materials and Supplies	7,514	8,350	8,350	8,600
Other Charges	10,958	25,350	23,458	33,250
Capital Outlay	-	1,892	1,892	-
Total	404,511	817,897	739,279	872,981
Total Technology Services	2,808,898	4,672,955	4,718,451	3,920,167

GENERAL FUND SUMMARY	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
COMMUNITY DEVELOPMENT				
Engineering				
Personnel Services	2,709,445	3,017,945	2,952,131	2,912,405
Contracted Services	175,994	415,160	315,160	235,167
Materials and Supplies	34,966	41,870	41,870	58,700
Other Charges	21,752	51,109	51,109	77,272
Capital Outlay	-	1,892	1,892	112,937
Total	2,942,158	3,527,976	3,362,162	3,396,482
Real Estate				
Personnel Services	209,454	242,876	241,411	243,462
Contracted Services	8,992	20,992	20,992	31,192
Materials and Supplies	1,198	1,750	1,750	1,400
Other Charges	3,984	17,355	17,355	9,370
Total	223,628	282,973	281,508	285,424
Economic Development				
Personnel Services	-	-	-	-
Contracted Services	-	200,334	200,334	250,000
Materials and Supplies	-	-	-	-
Other Charges	495,313	2,267,000	2,267,000	2,519,384
Capital Outlay	-	-	-	-
Total	495,313	2,467,334	2,467,334	2,769,384
Development Services Admin				
Personnel Services	2,410,334	3,263,883	2,589,039	3,345,697
Contracted Services	219,042	291,904	261,904	278,351
Materials and Supplies	46,726	101,170	101,170	93,600
Other Charges	57,704	89,683	89,683	97,483
Capital Outlay	-	5,527	5,527	131,466
Total	2,733,806	3,752,167	3,047,323	3,946,597
Library				
Personnel Services	1,567,338	1,827,809	1,890,843	1,835,841
Contracted Services	59,553	69,305	69,305	73,330
Materials and Supplies	183,546	200,850	200,850	206,815
Other Charges	30,178	24,920	24,920	27,545
Total	1,840,615	2,122,884	2,185,918	2,143,531
Total Community Development	8,235,520	12,153,335	11,344,245	12,541,417

GENERAL FUND SUMMARY	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
PUBLIC SAFETY				
Fire Operations				
Personnel Services	12,004,229	14,052,217	13,367,937	15,556,295
Contracted Services	228,258	374,347	374,347	432,777
Materials and Supplies	624,061	1,054,988	1,054,988	994,640
Other Charges	208,598	248,068	229,270	250,899
Capital Outlay	-	679,017	679,017	386,970
Total	13,065,146	16,408,636	15,705,558	17,621,581
Police Operations				
Personnel Services	17,495,003	20,416,363	19,940,253	21,475,890
Contracted Services	832,808	1,205,996	1,205,996	1,160,578
Materials and Supplies	935,294	1,137,945	1,137,945	1,194,370
Other Charges	154,888	158,490	145,813	169,742
Capital Outlay	526,285	355,384	355,384	591,000
Total	19,944,279	23,274,179	22,785,392	24,591,580
Municipal Court				
Personnel Services	790,129	951,335	946,127	976,331
Contracted Services	12,679	58,468	58,468	362,952
Materials and Supplies	6,908	17,500	17,500	21,000
Other Charges	2,621	13,500	13,500	21,200
Total	812,337	1,040,803	1,035,595	1,381,483
Office of Emergency Management				
Personnel Services	253,373	318,867	336,354	325,279
Contracted Services	24,263	38,500	38,500	32,110
Materials and Supplies	12,809	12,550	12,550	22,500
Other Charges	6,960	7,900	7,900	22,900
Capital Outlay	25,980	-	-	6,820
Total	323,385	377,817	395,304	409,609
City Marshal				
Personnel Services	679,022	1,113,748	1,125,276	1,202,916
Contracted Services	105,456	124,144	124,144	121,482
Materials and Supplies	135,486	156,513	156,513	200,700
Other Charges	14,332	24,700	24,700	47,500
Capital Outlay	34,940	115,694	115,694	155,917
Total	969,237	1,534,799	1,546,327	1,728,515

GENERAL FUND SUMMARY	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Parking Enforcement				
Personnel Services	-	127,763	7,715	141,810
Contracted Services	-	500	500	85,002
Materials and Supplies	-	11,500	11,500	28,200
Other Charges	-	-	-	2,250
Total	-	139,763	19,715	257,262
Total Public Safety	35,114,384	42,775,997	41,487,891	45,990,030

PUBLIC WORKS

Public Works Administration				
Personnel Services	764,680	1,043,014	975,119	1,097,565
Contracted Services	50,835	608,173	508,173	356,657
Materials and Supplies	22,752	39,385	39,385	33,576
Other Charges	22,727	39,515	35,219	52,716
Capital Outlay	117,492	104,296	104,296	-
Operating Transfer	409,377	-	-	-
Total	1,387,863	1,834,384	1,662,192	1,540,513
Traffic Operations				
Personnel Services	814,716	944,723	881,424	938,766
Contracted Services	105,712	100,760	100,760	158,987
Materials and Supplies	413,820	408,458	408,458	432,816
Other Charges	7,912	19,650	16,027	25,800
Capital Outlay	262,500	123,623	123,623	114,528
Total	1,604,659	1,597,214	1,530,292	1,670,896
Streets				
Personnel Services	1,136,025	1,455,726	1,291,799	1,482,291
Contracted Services	210,468	286,173	286,173	320,792
Materials and Supplies	1,856,746	2,208,831	2,208,831	2,507,951
Other Charges	9,631	11,074	11,074	32,980
Capital Outlay	90,909	22,609	22,609	-
Total	3,303,779	3,984,413	3,820,486	4,344,014

GENERAL FUND SUMMARY	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Fleet Services				
Personnel Services	671,051	864,553	822,324	879,492
Contracted Services	39,282	22,540	22,540	47,358
Materials and Supplies	62,683	72,887	72,887	86,291
Other Charges	15,571	24,500	22,800	19,584
Capital Outlay	22,055	114,309	114,309	20,099
Total	810,642	1,098,789	1,054,860	1,052,824
Facilities & Grounds				
Personnel Services	541,214	660,148	589,283	667,519
Contracted Services	1,578,013	2,153,277	2,153,277	2,930,720
Materials and Supplies	63,419	87,070	87,070	106,400
Other Charges	11,442	14,910	10,964	14,500
Capital Outlay	-	3,946	3,946	197,766
Total	2,194,088	2,919,351	2,844,540	3,916,905
Total Public Works Department	9,301,032	11,434,151	10,912,369	12,525,152

NEIGHBORHOOD ENHANCEMENT

Neighborhood Enhancement Admin

Personnel Services	453,008	490,718	515,408	474,378
Contracted Services	14,622	51,840	51,840	37,144
Materials and Supplies	25,964	37,900	37,900	37,200
Other Charges	8,687	17,570	17,570	23,700
Total	502,280	598,028	622,718	572,422

Community Enhancement

Personnel Services	-	-	-	-
Contracted Services	-	-	-	-
Materials and Supplies	-	-	-	-
Other Charges	(150)	-	-	-
Total	(150)	-	-	-

GENERAL FUND SUMMARY	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Code Compliance				
Personnel Services	531,410	664,102	582,306	612,714
Contracted Services	38,315	67,639	67,639	79,444
Materials and Supplies	19,892	31,573	31,573	35,373
Other Charges	2,108	7,750	7,750	11,300
Capital Outlay	-	-	-	95,015
Total	591,725	771,064	689,268	833,846
Animal Services-Protection				
Personnel Services	436,883	386,074	351,087	380,533
Contracted Services	18,509	33,382	33,382	29,391
Materials and Supplies	24,436	40,107	37,107	37,912
Other Charges	1,274	6,250	6,250	9,580
Capital Outlay	-	17,450	17,450	77,426
Total	481,101	483,263	445,276	534,842
Animal Services- Shelter				
Personnel Services	745,637	1,365,598	1,242,982	1,144,778
Contracted Services	287,013	195,012	195,012	127,920
Materials and Supplies	166,080	225,796	223,796	213,520
Other Charges	36,437	87,350	32,030	94,800
Capital Outlay	-	219,120	219,120	70,000
Total	1,235,166	2,092,876	1,912,940	1,651,018
Total Neighborhood Enhancement	2,810,122	3,945,231	3,670,202	3,592,128

PARKS & RECREATION SERVICES

PARD Administration

Personnel Services	527,646	674,854	357,628	653,961
Contracted Services	6,500	23,265	23,265	52,971
Materials and Supplies	2,539	2,500	2,500	3,300
Other Charges	1,926	2,250	2,250	27,250
Capital Outlay	-	-	-	135,000
Total	538,610	702,869	385,643	872,482

GENERAL FUND SUMMARY	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Parks Operations				
Personnel Services	1,317,031	1,788,836	1,816,761	1,906,394
Contracted Services	429,794	464,283	464,283	474,125
Materials and Supplies	307,524	471,458	471,458	463,539
Other Charges	7,833	6,750	6,750	11,250
Capital Outlay	131,548	305,000	305,000	150,000
Total	2,193,730	3,036,328	3,064,253	3,005,308
PARD Recreation Programs				
Personnel Services	480,248	783,976	569,701	817,265
Contracted Services	26,811	90,300	90,300	95,800
Materials and Supplies	34,334	58,200	58,200	43,000
Other Charges	23,890	48,000	48,000	46,150
Capital Outlay	-	50,000	50,000	-
Total	565,283	1,030,476	816,201	1,002,215
Activity Center				
Personnel Services	847,747	1,029,455	1,014,527	1,043,245
Contracted Services	54,528	80,500	80,500	78,450
Materials and Supplies	21,097	37,815	37,815	39,000
Other Charges	166	2,750	2,750	4,250
Capital Outlay	39,265	134,599	134,599	-
Total	962,803	1,285,119	1,270,191	1,164,945
Outdoor Pool				
Personnel Services	49,847	147,222	68,881	162,870
Contracted Services	-	-	-	-
Materials and Supplies	31,718	52,000	52,000	52,000
Other Charges	-	-	-	-
Total	81,565	199,222	120,881	214,870
Discovery Center				
Personnel Services	187,761	213,002	229,044	246,427
Contracted Services	13,598	182,000	182,000	188,000
Materials and Supplies	51,868	52,350	52,350	51,400
Other Charges	26,831	30,450	30,450	48,053
Total	280,057	477,802	493,844	533,880
Total Parks and Recreation Services	4,622,049	6,731,815	6,151,012	6,793,700

GENERAL FUND SUMMARY	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
GOVERNMENT SERVICES				
Social Services				
Social Services	350,368	669,632	669,632	550,000
Total	350,368	669,632	669,632	550,000
Special Services				
Personnel Services	2,033	(1,498,887)	3,462	3,117,087
Contracted Services	3,817,776	4,847,560	4,847,560	4,561,071
Materials and Supplies	791	-	-	-
Other Charges	2,819,387	3,998,172	3,651,594	3,566,009
Debt Service	106,772	98,630	98,630	98,630
Arts Funding	28,315	85,000	85,000	85,000
Operating Transfers	7,820,585	7,930,169	7,930,169	5,937,196
One -Time Retention Incentive	-	1,267,796	1,379,959	-
Capital Outlay	77,226	1,194,814	1,194,814	1,045,000
Total	14,672,885	17,923,254	19,191,188	18,409,993
Total Government Services	15,023,252	18,592,886	19,860,820	18,959,993
Total General Fund Expenditures	85,196,691	110,611,486	108,021,018	114,880,337

SUMMARY OF EXPENDITURES BY SERVICE

Government Services	15,023,252	18,592,886	19,860,820	18,959,993
Administrative Services	7,281,433	10,305,116	9,876,029	10,557,749
Technology Services	2,808,898	4,672,955	4,718,451	3,920,167
Community Development	8,235,520	12,153,335	11,344,245	12,541,417
Parks & Recreation	4,622,049	6,731,815	6,151,012	6,793,700
Neighborhood Enhancement	2,810,122	3,945,231	3,670,202	3,592,128
Public Safety	35,114,384	42,775,997	41,487,891	45,990,030
Public Works	9,301,032	11,434,151	10,912,369	12,525,152
Total General Fund Expenditures	85,196,691	110,611,486	108,021,018	114,880,337

CITY OF SAN MARCOS

Debt Service Fund Summary

FY 2024 Proposed Annual Budget

	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Beginning Unreserved Fund Balance	10,275,864	11,079,359	11,079,359	11,121,687
Operating Revenues				
Current Ad Valorem	12,067,473	12,393,422	12,398,722	13,081,975
Delinquent Ad Valorem	53,879	100,000	100,000	50,000
Penalties and Interest	64,108	75,000	75,000	60,000
Interest Income	(128,723)	15,000	15,000	300,000
Hammon's Transfer	502,760	484,026	484,026	551,810
Pass Thru Toll Revenue	3,590,271	2,750,000	2,750,000	2,750,000
TIRZ Transfer	132,750	154,659	154,659	181,921
Venue Tax Transfer	1,015,639	935,700	935,700	1,046,108
Other Revenue	7,990	5,300	-	-
Total Operating Revenues	17,306,147	16,913,107	16,913,107	18,021,814
Operating Expenditures				
Principal Payments	10,485,000	11,025,000	11,025,000	11,750,000
Interest Payments	6,007,801	5,835,029	5,835,029	6,038,159
Fiscal Agent Fees	9,851	10,750	10,750	12,440
Total Operating Expenditures	16,502,652	16,870,779	16,870,779	17,800,599
Ending Fund Balance	11,079,359	11,121,687	11,121,687	11,342,902
Fund Balance as a Percentage of Total Expenditures	67.14%	65.92%	65.92%	63.72%

Outstanding Tax Supported Debt	Outstanding Principal
Series 2008A Combination Tax and Revenue Certificates of Obligation	2,660,000
Series 2012 General Obligation Refunding Bonds	455,000
Series 2014 Combination Tax & Revenue Bonds	2,685,000
Series 2014 General Obligation Refunding Bonds	2,460,000
Series 2014A General Obligation Refunding Bonds	3,625,000
Series 2015 Combination Tax & Revenue Bonds	1,275,000
Series 2016 GO Refunding Bonds	4,220,000
Series 2016 Combination Tax & Revenue Bonds	7,405,000
Series 2017 Combination Tax & Revenue Bonds	5,520,000
Series 2018 Combination Tax & Revenue Bonds	7,740,000
Series 2018 General Obligation Bonds	20,275,000
Series 2018 Combination Tax & Revenue Bonds TWDB	1,480,000
Series 2019 GO Refunding Bonds	3,335,000
Series 2019 Combination Tax & Revenue Bonds	8,035,000
Series 2020 Combination Tax & Revenue Bonds	11,105,000
Series 2021 Refunding Bonds	8,320,000
Series 2021 General Obligation Bonds	4,290,000
Series 2021A Combination Tax & Revenue Bonds	6,170,000
Series 2021B Combination Tax & Revenue Bonds	10,745,000
Series 2022 Combination Tax & Revenue Bonds	5,910,000
Series 2023 Combination Tax & Revenue Bonds- Inlids SW	12,840,000
Total	130,550,000
Fund Balance as a Percentage of Total Principal Amount for Outstanding Tax Supported Debt	8.69%

CITY OF SAN MARCOS

Electric Utility Fund Summary

FY 2024 Proposed Annual Budget

	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Beginning Unreserved Fund Balance	14,222,675	13,892,861	13,892,861	12,302,059
Operating Revenues				
Interest Income	47,621	87,030	417,000	425,500
Sales Tax Discount	8,709	26,260	8,868	8,900
Electric Service Revenue	58,196,078	59,488,025	58,544,820	67,956,735
Connections - Electric	473,740	539,700	528,741	539,700
Reconnection Charges	152,215	199,000	153,247	155,000
Penalties	734,838	695,000	683,201	690,000
Pole Attachment Contracts	483,036	500,000	545,000	500,000
Ferguson Revenue	3,276,740	1,197,792	1,197,792	-
Service Charges	4,510	5,380	4,332	7,500
Other Revenue	377,785	74,150	60,959	34,900
Reimbursement from Other Funds	2,541,092	2,315,534	2,315,534	2,431,310
Total Operating Revenues	66,296,364	65,127,871	64,459,494	72,749,545
Operating Expenses				
Personnel Services	6,115,920	8,283,928	6,872,941	8,684,169
Purchased Power	40,951,946	36,300,284	36,300,284	41,924,989
Contracted Services	3,362,007	5,438,796	5,438,796	5,511,078
Materials and Supplies	924,536	965,235	965,235	1,109,352
Other Charges	1,670,385	1,076,175	1,046,175	1,082,769
Franchise Fee	4,655,343	4,730,000	4,730,000	5,436,299
Debt Service	5,135,693	6,311,583	6,311,583	6,946,357
Operating Transfers	1,908,998	1,969,051	1,969,051	2,061,184
Total Operating Expenses	64,724,828	65,075,052	63,634,065	72,756,197
One-Time Expenses				
Capital Outlay	230,850	1,277,453	1,277,453	1,177,975
One-Time Retention Incentive	-	138,778	138,778	-
Transfer to Capital Reserves	1,670,500	1,000,000	1,000,000	-
Total One-Time Expenses	1,901,350	2,416,231	2,416,231	1,177,975
Total Expenses	66,626,178	67,491,283	66,050,296	73,934,172
Ending Fund Balance	13,892,861	11,529,449	12,302,059	11,117,432
Fund Balance Reserve-Revenue Stabilization	777,301			
Ending Unreserved Fund Balance	13,115,560	11,529,449	12,302,059	11,117,432
 Fund Balance as a % of Total Expenditures	 20%	 18%	 19%	 15%
Days of Operation	78.60	68.78	75.19	59.45

**ELECTRIC UTILITY
DETAIL BY DEPARTMENT**
FY 2022
ACTUALS

FY 2023
CURRENT

FY 2023
ESTIMATED

FY 2024
PROPOSED

Conservation

Personnel Services	68,531	103,571	108,422	104,872
Contracted Services	77,897	137,864	137,864	137,920
Materials and Supplies	5,139	20,750	20,750	21,000
Other Charges	643	6,230	6,230	4,680
Capital Outlay	-	-	-	-

Total	152,210	268,415	273,266	268,472
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Meter Operations

Personnel Services	1,551,081	1,664,865	1,573,826	1,798,769
Contracted Services	136,885	215,200	215,200	148,200
Materials and Supplies	114,624	396,354	396,354	425,898
Other Charges	23,072	48,100	48,100	62,700
Capital Outlay	3,935	393,032	393,032	2,975

Total	1,829,597	2,717,551	2,626,512	2,438,542
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Operations

Personnel Services	1,047,066	1,643,229	1,145,306	1,564,444
Contracted Services	418,979	837,470	837,470	458,500
Materials and Supplies	48,458	40,694	40,694	46,054
Other Charges	69,687	87,700	87,700	54,000
Capital Outlay	17,963	366,000	366,000	-

Total	1,602,153	2,975,093	2,477,170	2,122,998
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Maintenance

Personnel Services	2,077,542	3,041,492	2,369,864	2,971,787
Contracted Services	1,714,534	1,873,379	1,873,379	1,883,800
Materials and Supplies	716,298	447,287	447,287	553,750
Other Charges	111,803	125,700	125,700	135,500
Capital Outlay	200,272	518,421	518,421	1,150,000

Total	4,820,449	6,006,279	5,334,651	6,694,837
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Utility Business Office

Personnel Services	1,136,027	1,352,550	1,224,012	1,335,913
Contracted Services	335,633	656,735	656,735	665,641
Materials and Supplies	26,348	50,600	50,600	51,600
Other Charges	466	20,745	20,745	17,350
Capital Outlay	-	-	-	-

Total	1,498,474	2,080,630	1,952,092	2,070,504
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ELECTRIC UTILITY DETAIL BY DEPARTMENT

FY 2022
ACTUALS

FY 2023
CURRENT

FY 2023
ESTIMATED

FY 2024
PROPOSED

Electric Utility Administration

Personnel Services	235,673	419,896	451,511	908,384
Contracted Services	91,096	211,200	211,200	276,300
Materials and Supplies	12,443	9,550	9,550	11,050
Other Charges	3,553	9,700	9,700	69,000
Capital Outlay	8,680	-	-	-
Total	351,445	650,346	681,961	1,264,734

Special Services

Personnel Services	-	58,325	-	-
Purchased Power	40,951,946	36,300,284	36,300,284	41,924,989
Contracted Services	586,983	1,506,948	1,506,948	1,940,717
Materials and Supplies	1,226	-	-	-
Other Charges	1,461,161	778,000	748,000	739,539
Franchise Fee	4,655,343	4,730,000	4,730,000	5,436,299
Debt Service	-	-	-	-
Operating Transfers	1,908,998	1,969,051	1,969,051	2,061,184
Capital Outlay	-	-	-	25,000
One-Time Retention Incentive	-	138,778	138,778	-
Transfer to Capital Reserves	1,670,500	1,000,000	1,000,000	-
Total	51,236,157	46,481,386	46,393,061	52,127,728

Debt Service

Principal Payments	2,741,855	4,155,400	4,155,400	4,385,000
Interest Payments	2,390,230	2,151,883	2,151,883	2,557,697
Fiscal Agent Fees	3,608	4,300	4,300	3,660
Total	5,135,693	6,311,583	6,311,583	6,946,357

Total Electric Utility Fund Expenses

66,626,178 67,491,283 66,050,296 73,934,172

Summary of Expenses by Department

Conservation	152,210	268,415	273,266	268,472
Meter Operations	1,829,597	2,717,551	2,626,512	2,438,542
Operations	1,602,153	2,975,093	2,477,170	2,122,998
Maintenance	4,820,449	6,006,279	5,334,651	6,694,837
Utility Business Office	1,498,474	2,080,630	1,952,092	2,070,504
Electric Utility Administration	351,445	650,346	681,961	1,264,734
Special Services	51,236,157	46,481,386	46,393,061	52,127,728
Debt Service	5,135,693	6,311,583	6,311,583	6,946,357

Total Electric Utility Fund Expenses

66,626,178 67,491,283 66,050,296 73,934,172

CITY OF SAN MARCOS

Water / Wastewater Utility Fund Summary

FY 2024 Proposed Annual Budget

	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Beginning Unreserved Fund Balance	18,041,104	21,581,356	21,581,356	18,881,286
Operating Revenues				
Interest Income	93,715	114,915	384,000	385,000
Water Service Revenue	30,137,570	30,908,500	29,072,443	33,000,750
Wastewater Service Revenue	20,809,878	21,544,200	21,024,149	22,858,737
Pretreatment Program	1,083,161	1,134,300	1,237,869	1,287,384
Connections-Water	442,175	593,100	179,943	300,000
Connections-Sewer	21,611	30,600	16,796	10,000
Reuse Water Revenue	643,959	676,600	633,994	700,000
Wholesale Water Sales	983,914	989,400	989,400	2,632,095
Alliance Water Revenue	266,440	265,900	542,318	570,000
Penalties	690,400	696,200	563,435	569,069
Other Revenue	265,218	129,000	509,537	262,100
Service Charges	245,545	265,800	225,464	231,849
Debt Service Reimbursement (Series 2006 and 2006A)	449,502	450,000	451,103	450,000
Total Operating Revenues	56,133,088	57,798,515	55,830,451	63,256,984
Operating Expenses				
Personnel Services	5,273,548	7,000,547	6,078,228	8,991,201
Contracted Services	12,426,851	16,312,716	16,282,716	18,704,038
Materials and Supplies	1,290,539	1,713,460	1,713,460	2,377,285
Other Charges	2,302,043	1,326,669	2,243,138	1,419,751
Franchise fee	4,154,514	4,250,000	4,250,000	4,608,703
Debt Service	17,977,568	21,107,879	21,107,879	20,786,489
Operating Transfers	5,490,304	5,017,800	5,017,800	5,554,124
Total Operating Expenses	48,915,367	56,729,071	56,693,221	62,441,591.00
Non-Recurring Expenses				
Capital Outlay	317,469	1,690,196	1,690,196	2,759,231
One-Time Retention Incentive	-	147,104	147,104	-
Transfer to Capital Reserves	3,360,000	-	-	-
Total One-Time Expenses	3,677,469	1,837,300	1,837,300	2,759,231
Total Expenses	52,592,836	58,566,371	58,530,521	65,200,822.00
Ending Fund Balance	21,581,356	20,813,500	18,881,286	16,937,448
Fund Balance Reserve-Revenue Stabilization	3,578,720	-	-	-
Ending Unreserved Fund Balance	18,002,636	20,813,500	18,881,286	16,937,448
Fund Balance as a Percentage of Total Expenses	36.8%	36.7%	33.3%	27.1%
	134	134	122	99

W/WW UTILITY DETAIL BY DEPARTMENT

FY 2022
ACTUALS

FY 2023
CURRENT

FY 2023
ESTIMATED

FY 2024
ADOPTED

Wastewater Collection

Personnel Services	1,348,308	1,757,288	1,557,857	1,938,986
Contracted Services	63,298	83,495	53,495	96,150
Materials and Supplies	496,720	578,700	578,700	698,390
Other Charges	38,324	51,387	51,387	86,850
Capital Outlay	19,819	538,110	538,110	435,416
Total	1,966,469	3,008,980	2,779,549	3,255,792

Water Quality Services

Personnel Services	681,716	861,929	795,449	870,214
Contracted Services	229,154	311,686	311,686	351,113
Materials and Supplies	54,958	83,126	83,126	119,656
Other Charges	10,384	28,091	28,462	26,780
Capital Outlay	-	45,000	45,000	132,000
Total	976,212	1,329,832	1,263,723	1,499,763

Water Maintenance

Personnel Services	-	-	-	1,040,973
Contracted Services	-	-	-	104,500
Materials and Supplies	-	-	-	413,750
Other Charges	-	-	-	28,250
Capital Outlay	-	-	-	737,491
Total	-	-	-	2,324,964

Water Distribution Maintenance

Personnel Services	2,513,334	3,388,672	2,882,142	3,563,369
Contracted Services	133,632	274,147	274,147	284,527
Materials and Supplies	717,545	988,022	988,022	1,082,427
Other Charges	74,075	79,020	79,020	111,570
Capital Outlay	47,650	704,586	704,586	1,156,235
Total	3,486,236	5,434,447	4,927,917	6,198,128

Water Conservation

Personnel Services	68,866	183,722	111,922	192,584
Contracted Services	12,515	135,540	135,540	135,540
Materials and Supplies	4,808	32,912	32,912	33,162
Other Charges	1,629	3,260	3,260	3,270
Capital Outlay	-	-	-	-
Total	87,818	355,434	283,634	364,556

W/WW UTILITY DETAIL BY DEPARTMENT

FY 2022
ACTUALS

FY 2023
CURRENT

FY 2023
ESTIMATED

FY 2024
ADOPTED

Water/Wastewater Administration

Personnel Services	661,324	707,503	730,858	1,385,075
Contracted Services	250,309	324,500	324,500	386,020
Materials and Supplies	15,943	28,700	28,700	29,900
Other Charges	9,025	28,610	28,610	42,860
Capital Outlay	250,000	402,500	402,500	273,089
Total	1,186,601	1,491,813	1,515,168	2,116,944

Special Services

Personnel Services	-	101,433	101,433	-
Contracted Services	11,737,943	15,183,348	15,183,348	17,346,188
Materials and Supplies	565	2,000	2,000	-
Other Charges	2,039,486	1,136,301	1,950,966	1,120,171
Franchise fee	4,154,514	4,250,000	4,250,000	4,608,703
Debt Service	129,120	-	-	-
Operating Transfers	5,490,304	5,017,800	5,017,800	5,554,124
Capital Outlay	-	-	-	25,000
One-Time Retention Incentive	-	147,104	147,104	-
Transfer to Capital Reserves	3,360,000	-	-	-
Total	26,911,932	25,837,986	26,652,651	28,654,186

Debt Service

Principal Payments	12,735,000	13,657,170	13,657,170	14,760,000
Interest Payments	5,234,095	7,440,959	7,440,959	6,019,124
Fiscal Agent Fees	8,473	9,750	9,750	7,365
Total	17,977,568	21,107,879	21,107,879	20,786,489

Total Water/Wastewater Utility Fund Expenses

52,592,836 58,566,371 58,530,521 62,875,858

Summary of Expenses by Department

Wastewater Collection	1,966,469	3,008,980	2,779,549	3,255,792
Water Quality Services	976,212	1,329,832	1,263,723	1,499,763
Water Maintenance	-	-	-	2,324,964
Water Distribution Maintenance	3,486,236	5,434,447	4,927,917	6,198,128
Water Conservation	87,818	355,434	283,634	364,556
Water/ Wastewater Administration	1,186,601	1,491,813	1,515,168	2,116,944
Special Services	26,911,932	25,837,986	26,652,651	28,654,186
Debt Service	17,977,568	21,107,879	21,107,879	20,786,489

Total Water/Wastewater Utility Fund Expenses

52,592,836 58,566,371 58,530,521 65,200,822

CITY OF SAN MARCOS

Stormwater Utility Fund Summary

FY 2024 Proposed Annual Budget

	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Beginning Unreserved Fund Balance	1,011,792	1,524,355	1,524,355	1,689,510
Operating Revenues				
Interest Income	-	10,000	9,000	10,000
Stormwater Utility Fee	7,888,938	8,773,960	8,856,539	9,387,932
Penalties	93,385	90,000	76,500	77,252
Other Revenue	11,033	-	-	-
Total Operating Revenues	7,993,356	8,873,960	8,942,039	9,475,184
Operating Expenses				
Personnel Services	1,152,539	1,547,542	1,453,324	1,772,204
Contracted Services	674,631	1,361,150	1,361,150	1,209,129
Materials and Supplies	209,768	267,602	267,602	287,302
Other Charges	328,676	70,321	28,821	36,500
Debt Service	3,871,829	4,335,701	4,335,701	4,340,215
Operating Transfer	1,183,400	1,330,286	1,330,286	1,795,030
Total Operating Expenses	7,420,843	8,912,602	8,776,884	9,440,380
One-Time Expenses				
Capital Outlay	59,950	-	-	-
One-Time Retention Incentive	-	-	-	-
Total One-Time Expenses	59,950	-	-	-
Total Expenses	7,480,793	8,912,602	8,776,884	9,440,380
Ending Unreserved Fund Balance	1,524,355	1,485,713	1,689,510	1,724,314
Fund Balance as a Percentage of Total Expenses	20.5%	16.7%	19.2%	18.3%
Fund Balance in Days of Operation	75	61	70	67

CITY OF SAN MARCOS

Transit Fund Summary

FY 2024 Proposed Annual Budget

	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Beginning Fund Balance	103,453	418,170	418,170	566,309
Operating Revenues				
Federal Transit Funds	1,164,499	1,398,605	1,398,605	1,445,716
State Transit Funds	287,401	257,257	257,257	385,886
Fare Revenue	56,337	50,000	42,145	50,000
Other Sources	7,730	439,881	439,881	423,584
Operating Transfers	832,215	1,013,425	1,013,425	1,062,104
Total Operating Revenue	2,348,182	3,159,168	3,151,313	3,367,290
Operating Expenses				
Personnel Services	160,369	340,722	188,644	371,422
Contracted Services	1,840,006	2,308,160	2,308,160	2,434,105
Materials and Supplies	913	9,765	9,765	15,535
Other Charges	7,270	9,275	9,275	29,839
Operating Transfers	24,907	68,512	68,512	92,841
Total Operating Expenses	2,033,465	2,736,434	2,584,356	2,943,742
Capital Improvements	-	423,548	422,487	423,548
One-Time Retention Incentives	-	4,186	4,186	-
Total One-Time Expense	-	427,734	426,673	423,548
Total Expenses	2,033,465	3,164,168	3,011,029	3,367,290
Ending Unreserved Fund Balance	418,170	417,356	985,127	566,309
Fund Balance as a Percentage of Operating Expenses	20.56%	15.25%	38.12%	19.24%

CITY OF SAN MARCOS

Resource Recovery Utility Fund Summary

FY 2024 Proposed Annual Budget

	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Beginning Fund Balance - Reserved and Unreserved	1,983,212	2,441,873	2,441,873	2,267,895
Operating Revenues				
Interest Income	6,442	-	70,000	70,000
Residential Garbage Collection Fee	4,062,228	4,837,500	4,757,544	5,000,800
Recycling Collection Fee	1,884,156	2,083,500	1,947,611	2,014,273
Penalties	92,045	107,275	100,402	100,000
Other Revenue	76,439	33,460	2,833	33,000
Operating Transfers	25,000	25,000	25,000	25,000
Total Operating Revenue	6,146,310	7,086,735	6,903,390	7,243,073
Operating Expenses				
Personnel Services	355,905	664,010	664,010	772,042
Contracted Services	4,823,256	5,949,674	5,688,793	5,861,385
Materials and Supplies	36,979	45,345	45,345	50,758
Other Charges	83,309	21,500	21,500	23,500
Operating Transfers	384,177	450,220	450,220	535,388
Total Operating Expenses	5,683,626	7,130,749	6,869,868	7,243,073
One-Time; Non-Recurring Expenses	-	196,665	195,000	-
One-Time Retention Incentives	-	12,500	12,500	-
	-	209,165	207,500	-
Total Expenses	5,683,626	7,339,914	7,077,368	7,243,073
Ending Unreserved Fund Balance	2,445,896	2,188,694	2,267,895	2,267,895
Fund Balance as a Percentage of Operating Expenses	43.0%	30.7%	33.0%	31.3%
Fund Balance in Days of Operation	157	112	120	114

CITY OF SAN MARCOS

Regional Airport Fund Summary

FY 2024 Proposed Annual Budget

	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Beginning Unreserved Fund Balance	(16,606)	52,101	52,101	75,617
Operating Revenues				
Interest Income	-	-	-	-
City-Owned T-Hangar Rentals	80,560	86,400	86,400	93,600
City-Owned Shelter Rentals	20,150	21,000	21,000	25,200
Agricultural Land Lease	55,496	61,245	45,808	45,808
Fuel Flowage Fees	82,050	80,000	91,700	94,800
City-Owned Storage Area Rentals	5,250	6,000	6,000	6,000
Private Hangar/Land Rentals	118,121	159,795	157,995	166,275
Commercial Land/Facility Rentals	369,919	314,802	328,694	375,176
Tie-Down Rent	12,475	16,500	11,720	10,920
Commercial Gross Receipts	28,253	20,400	28,955	29,960
Other Sources	90,500	90,500	90,500	90,500
Total Operating Revenues	862,774	856,642	868,772	938,239
Non-Operating Revenues				
Commercial Land/Facility Improvement Credits	(69,261)	(89,629)	(79,445)	(86,852)
Transfer from General Fund	-	-	-	-
Total Non-Operating Revenues	(69,261)	(89,629)	(79,445)	(86,852)
Total Revenue	793,513	767,013	789,327	851,387
Operating Expenses				
Contracted Services	579,500	589,280	589,280	679,280
Materials and Supplies	50	-	-	-
Other Charges	115,075	120,000	120,000	124,910
Operating Transfers	30,181	36,332	36,332	47,197
Total Operating Expenses	724,806	745,612	745,612	851,387
One-Time Expenses				
Capital Outlay	-	20,199	20,199	-
Total One-Time Expenses	-	20,199	20,199	-
Total Expenses	724,806	765,811	765,811	851,387
Ending Unreserved Fund Balance	52,101	53,303	75,617	75,617
Fund Balance as a Percentage of Operating Expenses	7.2%	7.1%	10.1%	8.9%
Fund Balance in Days of Operation	26	26	37	32

CITY OF SAN MARCOS

Health Insurance Fund Summary

FY 2024 Proposed Annual Budget

	FY 2022 <i>ACTUALS</i>	FY 2023 <i>CURRENT</i>	FY 2023 <i>ESTIMATED</i>	FY 2024 <i>PROPOSED</i>
Beginning Unreserved Fund Balance	6,503,119	7,005,399	7,005,399	7,403,399
Operating Revenues				
Interest Income	48,080	20,000	20,000	200,000
Employee Contributions	1,905,204	1,996,750	1,996,750	2,015,000
Employer Contributions	7,101,323	7,994,750	7,994,750	8,305,892
Retiree Contributions	369,156	320,000	320,000	355,000
Pharmacy Rebates	15,317	15,000	15,000	15,000
Other Refunds	-	-	-	-
Total Operating Revenues	9,439,080	10,346,500	10,346,500	10,890,892
Operating Expenditures				
Health Claims	9,066,258	9,948,500	9,948,500	10,813,550
Total Operating Expenditures	9,066,258	9,948,500	9,948,500	10,813,550
Ending Unreserved Fund Balance	7,005,399	7,403,399	7,403,399	7,480,741
Fund Balance as a Percentage of Total Expenditures	77.3%	74.4%	74.4%	69.2%
Fund Balance in Days of Operation	282	272	272	253

CITY OF SAN MARCOS

Community Enhancement Fund Summary

FY 2024 Proposed Annual Budget

	FY 2022 <i>ACTUALS</i>	FY 2023 <i>CURRENT</i>	FY 2023 <i>ESTIMATED</i>	FY 2024 <i>PROPOSED</i>
Beginning Unreserved Fund Balance	804,042	731,846	731,846	381,002
Operating Revenues				
Community Enhancement Services	652,133	667,000	667,571	1,085,322
Other Revenue	33,672	-	-	-
Total Operating Revenues	685,805	667,000	667,571	1,085,322
Operating Expenditures				
Personnel Services	298,320	367,744	342,930	443,663
Contracted Services	67,460	112,269	112,269	98,149
Materials and Supplies	5,651	24,835	24,835	30,135
Other Charges	386,570	620,356	525,881	513,375
Total Operating Expenditures	758,001	1,125,204	1,005,915	1,085,322
One-Time Expenditures				
One-Time Non-recurring expenditures	-	12,500	12,500	-
Total One-Time Expenditures	-	12,500	12,500	-
Ending Unreserved Fund Balance	731,846	261,142	381,002	381,002
Fund Balance as a Percentage of Total				35.1%

CITY OF SAN MARCOS

PARD Special Revenue Fund Summary

FY 2024 Proposed Annual Budget

	FY 2022 <i>ACTUALS</i>	FY 2023 <i>CURRENT</i>	FY 2023 <i>ESTIMATED</i>	FY 2024 <i>PROPOSED</i>
Beginning Unreserved Fund Balance	295,294	348,327	348,327	398,652
Operating Revenues				
Charges for Services	173,184	179,525	179,525	138,900
Other Revenue	10,634	-	-	-
Transfer from General fund	-	-	-	-
Total Operating Revenues	183,818	179,525	179,525	138,900
Operating Expenditures				
Contracted Services	50,333	68,600	68,600	81,800
Materials and Supplies	38,373	43,100	43,100	50,400
Other Charges	7,177	17,500	17,500	18,000
Total Operating Expenditures	95,883	129,200	129,200	150,200
Ending Unreserved Fund Balance	383,229	398,652	398,652	387,352
Fund Balance as a Percentage of Total Expenditures	399.7%	308.6%	308.6%	257.9%

MUNICIPAL COURT EFFICIENCY FUND SUMMARY

MUNICIPAL COURT <i>Efficiency Fund Summary</i>	FY 2022 <i>ACTUALS</i>	FY 2023 <i>CURRENT</i>	FY 2023 <i>ESTIMATED</i>	FY 2024 <i>PROPOSED</i>
Beginning Unreserved Fund Balance	49,823	55,426	55,426	55,426
Operating Revenues				
Efficiency Fee	5,603	5,000	5,000	5,000
Other Revenue	-	-	-	-
Total Operating Revenues	5,603	5,000	5,000	5,000
Operating Expenditures				
Contracted Services	-	5,000	5,000	5,000
Total Operating Expenditures	-	5,000	5,000	5,000
Ending Unreserved Fund Balance	55,426	55,426	55,426	55,426
 Fund Balance as a Percentage of Total Expenditures	 100.0%	 1108.5%	 1108.5%	 1108.5%

MUNICIPAL COURT JUVENILE FEE FUND SUMMARY

MUNICIPAL COURT <i>Juvenile Fee Fund Summary</i>	FY 2022 <i>ACTUALS</i>	FY 2023 <i>CURRENT</i>	FY 2023 <i>ESTIMATED</i>	FY 2024 <i>PROPOSED</i>
Beginning Unreserved Fund Balance	45,932	49,414	49,414	51,827
Operating Revenues				
Juvenile Court Fees	19,204	18,000	18,000	18,000
Total Operating Revenues	19,204	18,000	18,000	18,000
Operating Expenditures				
Personnel Services	15,722	18,203	15,587	18,203
Total Operating Expenditures	15,722	18,203	15,587	18,203
Ending Unreserved Fund Balance	49,414	49,211	51,827	51,624
 Fund Balance as a Percentage of Total Expenditures	 314.3%	 270.3%	 332.5%	 283.6%

MUNICIPAL COURT SECURITY FEE FUND SUMMARY

MUNICIPAL COURT Security Fee Fund Summary	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Beginning Unreserved Fund Balance	107,097	102,102	102,102	89,608
Operating Revenues				
Security Fee	17,110	17,000	19,000	17,000
Total Operating Revenues	17,110	17,000	19,000	17,000
Operating Expenditures				
Personnel	22,105	31,494	31,494	-
Contracted Services	-	-	-	-
Total Operating Expenditures	22,105	31,494	31,494	-
Ending Unreserved Fund Balance	102,102	87,608	89,608	106,608
Fund Balance as a Percentage of Total Expenditures	461.9%	278.2%	284.5%	100.0%

MUNICIPAL COURT TECHNOLOGY FUND SUMMARY

MUNICIPAL COURT Technology Fund Summary	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Beginning Unreserved Fund Balance	189,699	186,012	186,012	180,785
Operating Revenues				
Technology Fee	12,768	15,000	16,000	16,000
Total Operating Revenues	12,768	15,000	16,000	16,000
Operating Expenditures				
Contracted Services	16,455	39,055	19,528	-
Materials and Supplies	-	2,000	1,700	-
Total Operating Expenditures	16,455	41,055	21,228	-
One-Time Expenditures				
Capital Outlay	-	-	-	-
Total One-Time Expenditures	-	-	-	-
Ending Unreserved Fund Balance	186,012	159,957	180,785	196,785
Fund Balance as a Percentage of Total Expenditures	1130.4%	389.6%	851.7%	100.0%

HOTEL OCCUPANCY TAX FUND SUMMARY	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Beginning Fund Balance - Reserved and Unreserved	1,870,241	3,465,056	3,465,056	3,627,879
Operating Revenues				
Hotel Occupancy Tax	2,868,739	2,615,000	3,194,025	2,954,801
Embassy Tax Revenue	686,705	660,000	761,911	707,306
Venue Tax-2%	1,015,639	935,700	1,130,000	1,046,108
Penalties	4,678	10,000	5,127	5,000
Interest Income	7,287	1,000	33,500	40,000
Other Revenue	-	-	-	-
Operating Transfer from General Fund	166,850	147,718	147,718	210,973
Total Operating Revenues	4,749,898	4,369,418	5,272,281	4,964,188
Operating Expenditures				
Tanger Marketing Program	41,745	50,000	50,000	25,000
Downtown Mrktng Coop	12,330	20,000	20,000	20,000
Eco Tourism	7,276	27,630	27,630	29,100
Contracted Services	-	-	-	25,000
Special Events	-	187,000	187,000	129,000
Mural Funding	13,600	60,000	60,000	60,000
Wayfinding	-	500,000	500,000	500,000
Arts Project Funding	112,690	200,000	150,000	100,000
Permanent Art	33,027	370,000	200,000	150,000
Facility Maintenance	10,000	644,400	516,900	561,000
Main Street Program	397,700	535,676	490,367	730,346
Convention & Visitor Bureau (City Department)	1,511,076	2,001,512	1,949,361	2,182,234
Total Operating Expenditures	2,139,444	4,596,218	4,151,258	4,511,680
Operating Transfers and One-Time Expense				
Transfer of Venue Tax	1,015,639	935,700	935,700	1,046,108
One-Time Retention Incentive	-	22,500	22,500	-
Capital Outlay	-	200,000	-	80,000
Total Transfers and One-Time Expense	1,015,639	1,158,200	958,200	1,126,108
Reserved for Unspent Allocations - Arts Funding (Permanent Art)	-	-	-	-
Reserved for Unspent Allocations - Mural Funding	-	-	-	-
Reserved for Unspent Allocations - Conference Ctr Repairs	-	-	-	411,000
Total Reserves for Unspent Allocations	-	-	-	411,000
Ending Unreserved Fund Balance	3,465,056	2,080,056	3,627,879	2,954,279
Fund Balance as a Percentage of Total Expenditures	162.0%	45.3%	87.4%	65.5%
Fund Balance in Days of Operation	591	165	319	239

PUBLIC EDUCATION GRANT FUND SUMMARY	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Beginning Unreserved Fund Balance	683,151	768,557	768,557	856,526
Operating Revenues				
Public Education Governmental Fee	92,437	95,000	95,000	89,000
Total Operating Revenues	92,437	95,000	95,000	89,000
Expenditures				
Equipment and Supplies	7,031	100,000	7,031	100,000
Total One-Time Expenditures	7,031	100,000	7,031	100,000
Ending Unreserved Fund Balance	768,557	763,557	856,526	845,526

ANIMAL SHELTER DONATIONS	FY 2022 <i>ACTUALS</i>	FY 2023 <i>CURRENT</i>	FY 2023 <i>ESTIMATED</i>	FY 2024 <i>PROPOSED</i>
Beginning Unreserved Fund Balance	77,815	116,425	116,425	(53,575)
Operating Revenues				
Animal Shelter Restricted Donations	45,874	15,000	15,000	30,000
Total Operating Revenues	45,874	15,000	15,000	30,000
Operating Expenses				
Other Charges	7,264	185,000	185,000	30,000
Total Operating Expenses	7,264	185,000	185,000	30,000
Ending Unreserved Fund Balance	116,425	(53,575)	(53,575)	(53,575)

CEMETERY OPERATIONS FUND SUMMARY	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Beginning Unreserved Fund Balance	206,674	208,167	208,167	208,454
Operating Revenues				
Sale of Cemetery Lots	169,861	140,000	140,000	100,000
Other Revenue	-	-	-	-
Total Operating Revenues	169,861	140,000	140,000	100,000
One-Time Operating Revenues				
Operating Transfer - General Fund	25,000	85,000	85,000	112,309
Total One-Time Operating Revenues	25,000	85,000	85,000	112,309
Operating Expenditures				
Contracted Services	192,847	219,713	219,713	207,309
Materials and Supplies	521	5,000	5,000	5,000
Total Operating Expenditures	193,368	224,713	224,713	212,309
Ending Unreserved Fund Balance	208,167	208,454	208,454	208,454
Fund Balance as a Percentage of Total Expenditures	107.7%	92.8%	92.8%	98.2%

SEIZED ASSETS FUND SUMMARY	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Beginning Unreserved Fund Balance	129,537	247,073	247,073	93,814 
Operating Revenues				
Seized Assets	197,453	45,000	45,000	40,000
Total Operating Revenues	197,453	45,000	45,000	40,000
Operating Expenditures				
Contracted Services	-	87,000	87,000	75,000
Materials and Supplies	-	-	-	-
Other Charges	-	-	-	-
Total Operating Expenditures	-	87,000	87,000	75,000
One-Time Expenditures				
Capital Outlay	79,917	111,259	111,259	110,000
Total One-Time Expenditures	79,917	111,259	111,259	110,000
Ending Unreserved Fund Balance	247,073	93,814	93,814	(51,186)
Fund Balance as a Percentage of Total Expenditures	100.0%	107.8%	107.8%	-68.2%

LIBRARY MEMORIAL FUND SUMMARY	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Beginning Unreserved Fund Balance	41,688	42,038	42,038	42,038
Operating Revenues				
Restricted Donations	350	-	-	300
Total Operating Revenues	350	-	-	300
Operating Expenditures				
Materials and Supplies	-	-	-	-
Operating Transfers	-	-	-	-
Total Operating Expenditures	-	-	-	-
One-Time Expenditures				
Capital Outlay	-	-	-	-
Total One-Time Expenditures	-	-	-	-
Ending Unreserved Fund Balance	42,038	42,038	42,038	42,338
Fund Balance as a Percentage of Total Expenditures	100.00%	100.00%	100.00%	100.00%

WIC PROGRAM FUND SUMMARY WOMEN, INFANT, & CHILDREN (WIC)	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Beginning Unreserved Fund Balance	-	-	-	-
Operating Revenues				
Grant Revenue	1,529,321	2,800,497	2,800,497	2,745,928
Total Operating Revenues	1,529,321	2,800,497	2,800,497	2,745,928
Operating Expenditures				
Personnel Services	1,083,391	1,895,174	1,895,174	1,741,042
Contract Services	177,240	333,857	333,857	350,153
Materials and Supplies	57,267	188,872	188,872	173,854
Other Charges	17,008	76,739	76,739	75,461
Operating Transfers	194,415	209,855	209,855	199,718
Total Operating Expenditures	1,529,321	2,704,497	2,704,497	2,540,228
One-Time Expenditures				
Capital Outlay	-	96,000	96,000	257,674
Total One-Time Expenditures	-	96,000	96,000	257,674
Ending Unreserved Fund Balance	-	-	-	-
Fund Balance as a Percentage of Total Expenditures	0.0%	0.0%	0.0%	0.0%

CITY OF SAN MARCOS

Tax Increment Financing Summary

FY 2024 Proposed Annual Budget

	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Beginning Unreserved Fund Balance	2,993,710	1,587,983	1,587,983	2,532,239
Operating Revenues				
TIRZ Revenue City	3,305,350	5,819,951	5,819,951	7,236,908
TIRZ Revenue County	611,073	1,537,111	1,537,111	1,378,485
Interest	-	-	-	-
Other Sources	-	-	-	-
Total Operating Revenues	3,916,423	7,357,062	7,357,062	8,615,393
Operating Expenditures				
Distribution	3,534,778	7,344,439	6,259,780	7,267,170
Debt Service Transfer	132,750	153,026	153,026	181,921
Transfer on Dissolution	1,654,622	-	-	-
Total Operating Expenditures	5,322,150	7,497,465	6,412,806	7,449,091
Ending Unreserved Fund Balance	1,587,983	1,447,580	2,532,239	3,698,541

TAX INCREMENT REINVESTMENT ZONE #2

BLANCO VISTA DEVELOPMENT

	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Beginning Unreserved Fund Balance	5,046	-	-	-
Operating Revenues				
TIRZ Revenue City	-	-	-	-
TIRZ Revenue County	-	-	-	-
Interest	-	-	-	-
Other Resources	-	-	-	-
Total Operating Revenues	-	-	-	-
Operating Expenditures				
Distributions	-	-	-	-
Transfer on Dissolution	1,654,622	-	-	-
Total Operating Expenditures	1,654,622	-	-	-
Ending Unreserved Fund Balance	1,654,622	-	-	-

TAX INCREMENT REINVESTMENT ZONE #3**CONFERENCE CENTER**

	FY 2022 <i>ACTUALS</i>	FY 2023 <i>CURRENT</i>	FY 2023 <i>ESTIMATED</i>	FY 2024 <i>PROPOSED</i>
Beginning Unreserved Fund Balance	(2,434)	44,594	44,594	44,594
Operating Revenues				
TIRZ Revenue City	86,485	96,812	96,812	126,932
TIRZ Revenue County	43,831	56,214	56,214	54,989
Total Operating Revenues	130,316	153,026	153,026	181,921
Operating Expenditures				
Operating Transfers To Debt Service Fund	132,750	153,026	153,026	181,921
Total Operating Expenditures	132,750	153,026	153,026	181,921
Ending Unreserved Fund Balance	(4,868)	44,594	44,594	44,594

TAX INCREMENT REINVESTMENT ZONE #4**KISSING TREE**

	FY 2022 <i>ACTUALS</i>	FY 2023 <i>CURRENT</i>	FY 2023 <i>ESTIMATED</i>	FY 2024 <i>PROPOSED</i>
Beginning Unreserved Fund Balance	1,086,738	925,056	925,056	(26,035)
Operating Revenues				
TIRZ Revenue City	589,170	885,579	885,579	1,288,406
TIRZ Revenue County	335,886	582,272	582,272	630,315
Total Operating Revenues	925,056	1,467,851	1,467,851	1,918,721
Operating Expenditures				
Distributions	1,086,738	2,418,942	2,418,942	1,500,000
Total Operating Expenditures	1,086,738	2,418,942	2,418,942	1,500,000
Ending Unreserved Fund Balance	925,056	(26,035)	(26,035)	392,686

TAX INCREMENT REINVESTMENT ZONE #5

DOWNTOWN

	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Beginning Unreserved Fund Balance	1,902,746	2,315,757	2,315,757	4,211,104
Operating Revenues				
TIRZ Revenue City	384,987	1,366,722	1,366,722	1,416,908
TIRZ Revenue County	231,356	898,625	898,625	693,181
Total Operating Revenues	616,343	2,265,347	2,265,347	2,110,089
Operating Expenditures				
Contracted Services	378	1,027,613	-	517,869
Capital Outlay	-	-	270,000	-
Projects	202,954	427,046	100,000	652,164
Total Operating Expenditures	203,332	1,454,659	370,000	1,170,033
Ending Unreserved Fund Balance	2,315,757	3,126,445	4,211,104	5,151,160

TRANSPORTATION REINVESTMENT ZONE

LOOP 110

	FY 2022 ACTUALS	FY 2023 CURRENT	FY 2023 ESTIMATED	FY 2024 PROPOSED
Beginning Unreserved Fund Balance	1,614	1,614	1,614	1,614
Operating Revenues				
TRZ Revenue City	2,244,708	3,470,838	3,470,838	4,404,662
Total Operating Revenues	2,244,708	3,470,838	3,470,838	4,404,662
Operating Expenditures				
Distributions	2,244,708	3,470,838	3,470,838	4,597,137
Total Operating Expenditures	2,244,708	3,470,838	3,470,838	4,597,137
Ending Unreserved Fund Balance	1,614	1,614	1,614	(190,861)



TAX RATE CALCULATION WORKSHEET

2023 Tax Rate Calculation Worksheet Taxing Units Other Than School Districts or Water Districts

Form 50-856

San Marcos, City of

Taxing Unit Name

(512) 393-8170

Phone (area code and number)

630 E Hopkins, San Marcos, TX, 78666

Taxing Unit's Address, City, State, ZIP Code

<https://www.sanmarcostx.gov>

Taxing Unit's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue (NNR) tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 Tax Rate Calculation Worksheet, School District without Chapter 313 Agreements or Comptroller Form 50-884 Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements.

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts or Comptroller Form 50-860 Developed Water District Voter-Approval Tax Rate Worksheet.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

SECTION 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
1.	2022 total taxable value. Enter the amount of 2022 taxable value on the 2022 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17). ¹	\$ 6,717,629,279
2.	2022 tax ceilings. Counties, cities and junior college districts. Enter 2022 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2022 or a prior year for homeowners age 65 or older or disabled, use this step. ²	\$ 0
3.	Preliminary 2022 adjusted taxable value. Subtract Line 2 from Line 1.	\$ 6,717,629,279
4.	2022 total adopted tax rate.	\$ 0.6030 /\$100
5.	2022 Taxable Value lost because court appeals of ARB decisions reduced 2022 appraised Value.	
	A. Original 2022 ARB values:.....	\$ 519,452,313
	B. 2022 values resulting from final court decisions:.....	- \$ 477,663,108
	C. 2022 value loss. Subtract B from A. ³	\$ 41,789,205
6.	2022 taxable value subject to an appeal under Chapter 42, as of July 25.	
	A. 2022 ARB certified value:.....	\$ 1,329,474,296
	B. 2022 disputed value:.....	- \$ 132,947,430
	C. 2022 undisputed value. Subtract B from A. ⁴	\$ 1,196,526,866
7.	2022 Chapter 42 related adjusted values. Add Line 5C and Line 6C.	\$ 1,238,316,071

¹ Tax, Tax Code § 26.012(a)² Tax, Tax Code § 26.012(a)³ Tax, Tax Code § 26.012(b)⁴ Tax, Tax Code § 26.012(b)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
8.	2022 taxable value, adjusted for actual and potential court-ordered adjustments. Add Line 3 and Line 7.	\$ 7,955,945,350
9.	2022 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2022. Enter the 2022 value of property in deannexed territory. ¹	\$ 0
10.	2022 taxable value lost because property first qualified for an exemption in 2023. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in 2023 does not create a new exemption or reduce taxable value. A. Absolute exemptions. Use 2022 market value: \$ 5,600,974 B. Partial exemptions. 2023 exemption amount or 2023 percentage exemption times 2022 value: + \$ 15,070,739 C. Value loss. Add A and B. ²	\$ 20,671,713
11.	2022 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2023. Use only properties that qualified in 2023 for the first time; do not use properties that qualified in 2022. A. 2022 market value: \$ 0 B. 2023 productivity or special appraised value: - \$ 0 C. Value loss. Subtract B from A. ³	\$ 0
12.	Total adjustments for lost value. Add Lines 9, 10C and 11C.	\$ 20,671,713
13.	2022 captured value of property in a TIF. Enter the total value of 2022 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which 2022 taxes were deposited into the tax increment fund. ⁴ If the taxing unit has no captured appraised value in line 18D, enter 0.	\$ 950,144,941
14.	2022 total value. Subtract Line 12 and Line 13 from Line 8.	\$ 6,985,128,698
15.	Adjusted 2022 total levy. Multiply Line 4 by Line 14 and divide by \$100.	\$ 42,120,326
16.	Taxes refunded for years preceding tax year 2022. Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2022. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2022. This line applies only to tax years preceding tax year 2022. ⁵	\$ 148,022
17.	Adjusted 2022 levy with refunds and TIF adjustment. Add Lines 15 and 16. ⁶	\$ 42,268,348
18.	Total 2023 taxable value on the 2023 certified appraisal roll today. This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled. ¹¹ A. Certified values: \$ 9,431,344,481 B. Counties: Include railroad rolling stock values certified by the Comptroller's office: + \$ 0 C. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: - \$ 0 D. Tax increment financing: Deduct the 2023 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2023 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 23 below. ¹² - \$ 1,068,056,304 E. Total 2023 value. Add A and B, then subtract C and D.	\$ 8,363,288,177

¹ Tex. Tax Code § 26.012(1)(1)
² Tex. Tax Code § 26.012(1)(1)
³ Tex. Tax Code § 26.012(1)(1)
⁴ Tex. Tax Code § 26.012(1)(1)
⁵ Tex. Tax Code § 26.012(1)(1)
⁶ Tex. Tax Code § 26.012(1)(1)
¹¹ Tex. Tax Code § 26.012(1)(1)
¹² Tex. Tax Code § 26.012, 26.046(2-2)
¹³ Tex. Tax Code § 26.012(1)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
19.	Total value of properties under protest or not included on certified appraisal roll. ¹⁸	
	A. 2023 taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. ¹⁸	\$ 232,059,468
	B. 2023 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll. ¹⁸	+ \$ 0
	C. Total value under protest or not certified. Add A and B.	\$ 232,059,468
20.	2023 tax ceilings. Counties, cities and junior colleges enter 2023 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2022 or a prior year for homeowners age 65 or older or disabled, use this step. ¹⁹	\$ 0
21.	2023 total taxable value. Add Lines 18E and 19C. Subtract Line 20. ¹⁷	\$ 8,595,347,645
22.	Total 2023 taxable value of properties in territory annexed after Jan. 1, 2022. Include both real and personal property. Enter the 2023 value of property in territory annexed. ¹⁸	\$ 76,091,115
23.	Total 2023 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2022. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2022 and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2023. ¹⁸	\$ 553,105,668
24.	Total adjustments to the 2023 taxable value. Add Lines 22 and 23.	\$ 629,196,783
25.	Adjusted 2023 taxable value. Subtract Line 24 from Line 21.	\$ 7,966,150,862
26.	2023 NNR tax rate. Divide Line 17 by Line 25 and multiply by \$100. ²⁰	\$ 0.5305 /\$100
27.	COUNTIES ONLY. Add together the NNR tax rates for each type of tax the county levies. The total is the 2023 county NNR tax rate. ²¹	\$ 0.0000 /\$100

SECTION 2: Voter-Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

- Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.
- Debt Rate:** The debt rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
28.	2022 M&O tax rate. Enter the 2022 M&O tax rate.	\$ 0.4256 /\$100
29.	2022 taxable value, adjusted for actual and potential court-ordered adjustments. Enter the amount in Line 8 of the No-New-Revenue Tax Rate Worksheet.	\$ 7,955,945,350

¹⁸ Tex. Tax Code § 36.01(c) and (d)

¹⁹ Tex. Tax Code § 36.01(c)

²⁰ Tex. Tax Code § 36.01(d)

²¹ Tex. Tax Code § 36.013(a)(3)

²² Tex. Tax Code § 36.013(a)

²³ Tex. Tax Code § 36.013(17)

²⁴ Tex. Tax Code § 36.013(17)

²⁵ Tex. Tax Code § 36.04(c)

²⁶ Tex. Tax Code § 36.04(d)

Line	Voter Approval Tax Rate Worksheet	Amount/Rate
30.	Total 2022 M&O levy. Multiply Line 28 by Line 29 and divide by \$100	\$ 33,860,503
31.	Adjusted 2022 levy for calculating NNR M&O rate. A. M&O taxes refunded for years preceding tax year 2022. Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2022. This line applies only to tax years preceding tax year 2022. + \$ 101,070 B. 2022 taxes in TIF. Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2023 captured appraised value in Line 18D, enter 0. - \$ 4,063,690 C. 2022 transferred function. If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0. +/- \$ 0 D. 2022 M&O levy adjustments. Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function. \$ -3,962,620 E. Add Line 30 to 31D.	\$ 29,897,883
32.	Adjusted 2023 taxable value. Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 7,966,150,862
33.	2023 NNR M&O rate (unadjusted). Divide Line 31E by Line 32 and multiply by \$100.	\$ 0.3753 /\$100
34.	Rate adjustment for state criminal justice mandate.²¹ If not applicable or less than zero, enter 0. A. 2023 state criminal justice mandate. Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. \$ 0 B. 2022 state criminal justice mandate. Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies. - \$ 0 C. Subtract B from A and divide by Line 32 and multiply by \$100. \$ 0.0000 /\$100 D. Enter the rate calculated in C. If not applicable, enter 0.	\$ 0.0000 /\$100
35.	Rate adjustment for indigent health care expenditures.²² If not applicable or less than zero, enter 0. A. 2023 indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2022 and ending on June 30, 2023, less any state assistance received for the same purpose. \$ 0 B. 2022 indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2021 and ending on June 30, 2022, less any state assistance received for the same purpose. - \$ 0 C. Subtract B from A and divide by Line 32 and multiply by \$100. \$ 0.0000 /\$100 D. Enter the rate calculated in C. If not applicable, enter 0.	\$ 0.0000 /\$100

²¹ [Reserved for expansion]²² Tex. Tax Code § 26.044²³ Tex. Tax Code § 26.044

2023 Tax Rate Calculation Worksheet – Taxing Units Other Than School Districts or Water Districts

Form 50-856

Line	Vote-Approval Tax Rate Worksheet	Amount/Rate
36.	Rate adjustment for county indigent defense compensation. ²⁶ If not applicable or less than zero, enter 0. A. 2023 indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2022 and ending on June 30, 2023, less any state grants received by the county for the same purpose. \$ <u>0</u> B. 2022 indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2021 and ending on June 30, 2022, less any state grants received by the county for the same purpose. \$ <u>0</u> C. Subtract B from A and divide by Line 32 and multiply by \$100. \$ <u>0.0000</u> /\$100 D. Multiply B by 0.05 and divide by Line 32 and multiply by \$100. \$ <u>0.0000</u> /\$100 E. Enter the lesser of C and D. If not applicable, enter 0. \$ <u>0.0000</u> /\$100	
37.	Rate adjustment for county hospital expenditures. ²⁶ If not applicable or less than zero, enter 0. A. 2023 eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2022 and ending on June 30, 2023. \$ <u>0</u> B. 2022 eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2021 and ending on June 30, 2022. \$ <u>0</u> C. Subtract B from A and divide by Line 32 and multiply by \$100. \$ <u>0.0000</u> /\$100 D. Multiply B by 0.08 and divide by Line 32 and multiply by \$100. \$ <u>0.0000</u> /\$100 E. Enter the lesser of C and D, if applicable. If not applicable, enter 0. \$ <u>0.0000</u> /\$100	
38.	Rate adjustment for defunding municipality. This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code Section 26.0444 for more information. A. Amount appropriated for public safety in 2022. Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year. \$ <u>0</u> B. Expenditures for public safety in 2022. Enter the amount of money spent by the municipality for public safety during the preceding fiscal year. \$ <u>0</u> C. Subtract B from A and divide by Line 32 and multiply by \$100. \$ <u>0.0000</u> /\$100 D. Enter the rate calculated in C. If not applicable, enter 0. \$ <u>0.0000</u> /\$100	
39.	Adjusted 2023 NNR M&O rate. Add Lines 33, 34D, 35D, 36E, and 37E. Subtract Line 38D. \$ <u>0.3753</u> /\$100	
40.	Adjustment for 2022 sales tax specifically to reduce property taxes. Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in 2022 should complete this line. These entities will deduct the sales tax gain rate for 2023 in Section 3. Other taxing units, enter zero. A. Enter the amount of additional sales tax collected and spent on M&O expenses in 2022, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent. \$ <u>13,173,860</u> B. Divide Line 40A by Line 32 and multiply by \$100. \$ <u>0.1653</u> /\$100 C. Add Line 40B to Line 39. \$ <u>0.5406</u> /\$100	
41.	2023 voter-approval M&O rate. Enter the rate as calculated by the appropriate scenario below. Special Taxing Unit. If the taxing unit qualifies as a special taxing unit, multiply Line 40C by 1.08. - or - Other Taxing Unit. If the taxing unit does not qualify as a special taxing unit, multiply Line 40C by 1.035. \$ <u>0.5595</u> /\$100	

²⁶ Tax. Tax Code §26.0442²⁶ Tax. Tax Code §26.0443For additional copies, visit: comptroller.texas.gov/taxes/property-tax

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Line	Voter Approval Tax Rate Worksheet	Amount/Rate
D41.	Disaster Line 41 (D41): 2023 voter-approval M&O rate for taxing unit affected by disaster declaration. If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of 1) the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred, or 2) the third tax year after the tax year in which the disaster occurred If the taxing unit qualifies under this scenario, multiply Line 40C by 1.08. ²⁷ If the taxing unit does not qualify, do not complete Disaster Line 41 (Line D41).	\$ _____ /\$100
42.	Total 2023 debt to be paid with property taxes and additional sales tax revenue. Debt means the interest and principal that will be paid on debts that: (1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year, and (4) are not classified in the taxing unit's budget as M&O expenses. A. Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here. ²⁸ Enter debt amount \$ 17,788,160 B. Subtract unencumbered fund amount used to reduce total debt. - \$ 0 C. Subtract certified amount spent from sales tax to reduce debt (enter zero if none) - \$ 0 D. Subtract amount paid from other resources - \$ 3,941,410 E. Adjusted debt. Subtract B, C and D from A.	\$ 13,846,750
43.	Certified 2022 excess debt collections. Enter the amount certified by the collector. ²⁹	\$ 190,496
44.	Adjusted 2023 debt. Subtract Line 43 from Line 42E.	\$ 13,656,254
45.	2023 anticipated collection rate. A. Enter the 2023 anticipated collection rate certified by the collector. ³⁰ 100.35 % B. Enter the 2022 actual collection rate. 100.42 % C. Enter the 2021 actual collection rate. 100.62 % D. Enter the 2020 actual collection rate. 100.35 % E. If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%. ³¹	100.35 %
46.	2023 debt adjusted for collections. Divide Line 44 by Line 45E.	\$ 13,608,623
47.	2023 total taxable value. Enter the amount on Line 21 of the No-New-Revenue Tax Rate Worksheet.	\$ 8,595,347,645
48.	2023 debt rate. Divide Line 46 by Line 47 and multiply by \$100.	\$ 0.1583 /\$100
49.	2023 voter-approval tax rate. Add Lines 41 and 48.	\$ 0.7178 /\$100
D49.	Disaster Line 49 (D49): 2023 voter-approval tax rate for taxing unit affected by disaster declaration. Complete this line if the taxing unit calculated the voter-approval tax rate in the manner provided for a special taxing unit on Line D41. Add Line D41 and 48.	\$ _____ /\$100

²⁷ Tex. Tax Code § 26.042(a)

²⁸ Tex. Tax Code § 26.012(7)

²⁹ Tex. Tax Code § 26.012(10) and 26.04(b)

³⁰ Tex. Tax Code § 26.04(b)

³¹ Tex. Tax Code §§ 26.04(b), (b-1) and (b-2)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
50.	COUNTIES ONLY. Add together the voter-approval tax rates for each type of tax the county levies. The total is the 2023 county voter-approval tax rate.	\$ <u>0.0000</u> /\$100

SECTION 3: NNR Tax Rate and Voter-Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
51.	Taxable Sales. For taxing units that adopted the sales tax in November 2022 or May 2023, enter the Comptroller's estimate of taxable sales for the previous four quarters. ¹² Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2022, enter 0.	\$ <u>0</u>
52.	Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. ¹³ Taxing units that adopted the sales tax in November 2022 or in May 2023. Multiply the amount on Line 51 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. ¹⁴ - or - Taxing units that adopted the sales tax before November 2022. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	\$ <u>13,173,860</u>
53.	2023 total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>8,595,347,645</u>
54.	Sales tax adjustment rate. Divide Line 52 by Line 53 and multiply by \$100.	\$ <u>0.1532</u> /\$100
55.	2023 NNR tax rate, unadjusted for sales tax. ¹⁵ Enter the rate from Line 26 or 27, as applicable, on the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>0.5305</u> /\$100
56.	2023 NNR tax rate, adjusted for sales tax. Taxing units that adopted the sales tax in November 2022 or in May 2023. Subtract Line 54 from Line 55. Skip to Line 57 if you adopted the additional sales tax before November 2022.	\$ _____ /\$100
57.	2023 voter-approval tax rate, unadjusted for sales tax. ¹⁶ Enter the rate from Line 49, Line D49 (disaster) or Line 50 (counties) as applicable, of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ <u>0.7178</u> /\$100
58.	2023 voter-approval tax rate, adjusted for sales tax. Subtract Line 54 from Line 57.	\$ <u>0.5646</u> /\$100

SECTION 4: Voter-Approval Tax Rate Adjustment for Pollution Control

Not Applicable

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
59.	Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ. ¹⁷ The taxing unit shall provide its tax assessor-collector with a copy of the letter. ¹⁸	\$ _____
60.	2023 total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ _____
61.	Additional rate for pollution control. Divide Line 59 by Line 60 and multiply by \$100.	\$ _____ /\$100
62.	2023 voter-approval tax rate, adjusted for pollution control. Add Line 61 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties) or Line 58 (taxing units with the additional sales tax).	\$ _____ /\$100

¹² Tex. Tax Code § 26.041(d)

¹³ Tex. Tax Code § 26.041(f)

¹⁴ Tex. Tax Code § 26.041(d)

¹⁵ Tex. Tax Code § 26.041(c)

¹⁶ Tex. Tax Code § 26.041(c)

¹⁷ Tex. Tax Code § 26.041(d)

¹⁸ Tex. Tax Code § 26.041(f)

2023 Tax Rate Calculation Worksheet – Taxing Units Other Than School Districts or Water Districts

Form 50-856

SECTION 5: Voter-Approval Tax Rate Adjustment for Unused Increment Rate

The unused increment rate is the rate equal to the difference between the adopted tax rate and voter-approval tax rate adjusted to remove the unused increment rate for the prior three years.⁴⁰ In a year where a taxing unit adopts a rate by applying any portion of the unused increment rate, the portion of the unused increment rate must be backed out of the calculation for that year.

The difference between the adopted tax rate and adjusted voter-approval tax rate is considered zero in the following scenarios:

- a tax year before 2020;⁴¹
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a);⁴² or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval.⁴³

Individual components can be negative, but the overall rate would be the greater of zero or the calculated rate.

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit.⁴⁴

Line	Unused Increment Rate Worksheet	Amount/Rate
63. Year 3 component.	Subtract the 2022 actual tax rate and the 2022 unused increment rate from the 2022 voter-approval tax rate.	
A.	Voter-approval tax rate (Line 67).....	\$ <u>0.7270</u> /\$100
B.	Unused increment rate (Line 66).....	\$ <u>0.1522</u> /\$100
C.	Subtract B from A.....	\$ <u>0.5748</u> /\$100
D.	Adopted Tax Rate.....	\$ <u>0.6030</u> /\$100
E.	Subtract D from C.....	\$ <u>-0.0281</u> /\$100
64. Year 2 component.	Subtract the 2021 actual tax rate and the 2021 unused increment rate from the 2021 voter-approval tax rate.	
A.	Voter-approval tax rate (Line 67).....	\$ <u>0.7554</u> /\$100
B.	Unused increment rate (Line 66).....	\$ <u>0.0194</u> /\$100
C.	Subtract B from A.....	\$ <u>0.7360</u> /\$100
D.	Adopted Tax Rate.....	\$ <u>0.6030</u> /\$100
E.	Subtract D from C.....	\$ <u>0.1330</u> /\$100
65. Year 1 component.	Subtract the 2020 actual tax rate and the 2020 unused increment rate from the 2020 voter-approval tax rate.	
A.	Voter-approval tax rate (Line 65).....	\$ <u>0.6122</u> /\$100
B.	Unused increment rate (Line 64).....	\$ <u>0.0000</u> /\$100
C.	Subtract B from A.....	\$ <u>0.6122</u> /\$100
D.	Adopted Tax Rate.....	\$ <u>0.5930</u> /\$100
E.	Subtract D from C.....	\$ <u>0.0192</u> /\$100
66. 2023 unused increment rate.	Add Lines 63E, 64E and 65E.	\$ <u>0.1241</u> /\$100
67. Total 2023 voter-approval tax rate, including the unused increment rate.	Add Line 66 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax) or Line 62 (taxing units with pollution control).	\$ <u>0.6887</u> /\$100

⁴⁰ Tax, Tax Code §26.011(a)

⁴¹ Tax, Tax Code §26.011(c)

⁴² Tax, Tax Code §26.0501(a) and (c)

⁴³ Tax, Local Gov't Code §120.002(a), effective Jan. 1, 2022

⁴⁴ Tax, Tax Code §26.061(a)(1)

⁴⁵ Tax, Tax Code §26.012(b)(4)

⁴⁶ Tax, Tax Code §26.061(a)(1)

2023 Tax Rate Calculation Worksheet – Taxing Units Other Than School Districts or Water Districts

Form 50-856

SECTION 6: De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit.⁴⁶ This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit.⁴⁷

Line	De Minimis Rate Worksheet	Amount/Rate
68.	Adjusted 2023 NNR M&O tax rate. Enter the rate from Line 39 of the Voter-Approval Tax Rate Worksheet	\$ <u>0.3753</u> /\$100
69.	2023 total taxable value. Enter the amount on Line 21 of the No-New-Revenue Tax Rate Worksheet.	\$ <u>8,595,347,645</u>
70.	Rate necessary to impose \$500,000 in taxes. Divide \$500,000 by Line 69 and multiply by \$100.	\$ <u>0.0058</u> /\$100
71.	2023 debt rate. Enter the rate from Line 48 of the Voter-Approval Tax Rate Worksheet.	\$ <u>0.1583</u> /\$100
72.	De minimis rate. Add Lines 68, 70 and 71.	\$ <u>0.5394</u> /\$100

SECTION 7: Voter-Approval Tax Rate Adjustment for Emergency Revenue Rate

Not Applicable

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year.⁴⁸

Similarly, if a taxing unit adopted a tax rate that exceeded its voter-approval tax rate, calculated normally, without holding an election to respond to a disaster, as allowed by Tax Code Section 26.042(d), in the prior year, it must also reduce its voter-approval tax rate for the current tax year.⁴⁹

This section will apply to a taxing unit other than a special taxing unit that:

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago. This section will apply to a taxing unit in a disaster area that adopted a tax rate greater than its voter-approval tax rate without holding an election in the prior year.

Note: This section does not apply if a taxing unit is continuing to calculate its voter-approval tax rate in the manner provided for a special taxing unit because it is still within the disaster calculation time period detailed in Tax Code Section 26.042(a) because it has not met the conditions in Tax Code Section 26.042(a)(1) or (2).

Line	Emergency Revenue Rate Worksheet	Amount/Rate
73.	2022 adopted tax rate. Enter the rate in Line 4 of the No-New-Revenue Tax Rate Worksheet.	\$ _____/\$100
74.	Adjusted 2022 voter-approval tax rate. Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line. If a disaster occurred in 2022 and the taxing unit calculated its 2022 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) of the 2022 worksheet due to a disaster, complete the applicable sections or lines of Form 50-856-a, Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet. - or - If a disaster occurred prior to 2022 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) in 2022, complete the separate Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet to recalculate the voter-approval tax rate the taxing unit would have calculated in 2022 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the year(s) following the disaster. ⁵⁰ Enter the final adjusted 2022 voter-approval tax rate from the worksheet. - or - If the taxing unit adopted a tax rate above the 2022 voter-approval tax rate without calculating a disaster tax rate or holding an election due to a disaster, no recalculation is necessary. Enter the voter-approval tax rate from the prior year's worksheet.	\$ _____/\$100
75.	Increase in 2022 tax rate due to disaster. Subtract Line 74 from Line 73.	\$ _____/\$100
76.	Adjusted 2022 taxable value. Enter the amount in Line 14 of the No-New-Revenue Tax Rate Worksheet.	\$ _____
77.	Emergency revenue. Multiply Line 75 by Line 76 and divide by \$100.	\$ _____
78.	Adjusted 2023 taxable value. Enter the amount in Line 25 of the No-New-Revenue Tax Rate Worksheet.	\$ _____
79.	Emergency revenue rate. Divide Line 77 by Line 78 and multiply by \$100. ⁵¹	\$ _____/\$100

⁴⁶ Tex. Tax Code §26.042(b).⁴⁷ Tex. Tax Code §26.042(f).⁴⁸ Tex. Tax Code §26.042(c).⁴⁹ Tex. Tax Code §26.042(b).

2023 Tax Rate Calculation Worksheet – Taxing Units Other Than School Districts or Water Districts

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Line	Emergency Revenue Rate Worksheet	Amount/Rate
80.	2023 voter-approval tax rate, adjusted for emergency revenue. Subtract Line 79 from one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax), Line 62 (taxing units with pollution control) or Line 67 (taxing units with the unused increment rate).	\$ _____ /\$100

SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-new-revenue tax rate. \$ 0.5305 /\$100

As applicable, enter the 2023 NNR tax rate from: Line 26, Line 27 (counties), or Line 56 (adjusted for sales tax).

Indicate the line number used: 26

Voter-approval tax rate. \$ 0.6887 /\$100

As applicable, enter the 2023 voter-approval tax rate from: Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (adjusted for sales tax),

Line 62 (adjusted for pollution control), Line 67 (adjusted for unused increment), or Line 80 (adjusted for emergency revenue).

Indicate the line number used: 67

De minimis rate. \$ 0.5394 /\$100

If applicable, enter the 2023 de minimis rate from Line 72.

SECTION 9: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in the Tax Code.¹⁰

print
here

Jenifer O'Kane

Printed Name of Taxing Unit Representative

sign
here

Jenifer O'Kane, PCC

Taxing Unit Representative

7.28.23

Date

¹⁰Tex. Tax Code §§26.04(c)-2) and (d)-2)

APPENDIX

List Of Acronyms

CA	Current Assets
CAFR	Comprehensive Annual Financial Report
CDBG	Community Development Block Program
CIP	Capital Improvement Program
CL	Current Liabilities
CO's	Certificates of Obligation Debt
CUAB	Citizen's Utility Advisory Board
CVB	Convention & Visitor's Bureau
FTE	Full-Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GBRA	Guadalupe-Blanco River Authority
GFOA	Government Finance Officers Association
GO's	General Obligation Debt
HCTAD	Hays County Tax Appraisal District
I&S	Interest and Sinking
LCRA	Lower Colorado River Authority
NRMSIRs	Nationally Recognized Municipal Securities Information Repositories
O&M	Operations and Maintenance
OPS	Operations
P&Z	Planning and Zoning Commission
PARD	Parks and Recreation Department
RB's	Revenue Bonds
SEC	Securities and Exchange Commission
SMCISD	San Marcos Independent School District
SMPD	San Marcos Police Department
TML	Texas Municipal League
TSUSM	Texas State University – San Marcos
WIC	Women, Infants and Children Program Fund
W/WW	Water/ Wastewater Utility Fund

Glossary Of Terms

ACCOUNT - A code made up of numbers used to classify how specific dollar amounts come into the City or how they are being spent.

ACCRUAL BASIS OF ACCOUNTING – A method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

AD VALOREM TAX - A tax levied on the assessed value of real property (also known as "property taxes").

AMORTIZE - To provide for the gradual extinguishment of (as a mortgage) usually by contribution to a sinking fund at the time of each periodic payment.

APPROPRIATION - A specific amount of money authorized by City Council to make expenditures and incur obligations for specific purposes, frequently used interchangeable with "expenditures".

ASSESSED VALUATION - A value that is established for real and personal property for use as a basis for levying property taxes.

AUDIT - A comprehensive examination as to the manner in which the government's resources were actually utilized, concluding in a written report. A financial audit is a review of the accounting system and financial information to determine how government funds were spent and whether expenditures were in compliance with the legislative body's appropriations. A performance audit consists of a review of how well the government met its stated goals.

BALANCE SHEET - A financial statement that discloses the assets, liabilities, reserves and

balances of a specific governmental fund as of a specific date.

BASIS DIFFERENCES – Differences that arise through the employment of a basis of accounting for budgetary purposes that differs from the basis of accounting prescribed by GAAP for a given fund type.

BASIS OF ACCOUNTING – The timing of recognition, that is, when the effects of transactions or events should be recognized for financial reporting purposes. For example, the effects of transactions or events can be recognized on an accrual basis (that is, when the transactions or events take place), or on a cash basis (that is, when cash is received or paid). Basis of accounting is an essential part of measurement focus because a particular timing of recognition is necessary to accomplish a particular measurement focus.

BOND - A written promise to pay a specific sum of money, called the face value or principal amount, at a specific date or dates in the future, called the maturity date, together with periodic interest at a specified rate.

BONDED DEBT - The portion of indebtedness represented by outstanding bonds.

BUDGET - A plan of financial operation specifying expenditures to be incurred for a given period to accomplish specific goals, and the means of financing them.

BUDGET CALENDAR - The schedule of key dates or milestones which the City departments follow in preparation, specific goals, and the means of financing them.

BUDGETARY BASIS OF ACCOUNTING – The method used to determine when revenues and expenses are recognized for budgetary purposes.

BUDGET DOCUMENT - The official plan showing how the City finances all of its services.

BUDGET YEAR - From October 1st through September 30th, which is the same as the fiscal year.

BUDGETARY CONTROL - The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

CAPITAL EXPENDITURE – An expense for a major asset or improvement as shown in the Capital Improvement Program. The amount usually exceeds \$50,000.

CAPITAL IMPROVEMENTS PROGRAM - A plan for capital expenditures to provide long-lasting physical improvements to be incurred over a fixed period of several future years. Examples include land, improvements to land, easements, buildings, building improvements, and infrastructure.

CASH BASIS OF ACCOUNTING – Basis of accounting that recognizes transactions or events when related cash amounts are received or disbursed.

CASH MANAGEMENT - The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining

banking relationships, and investing funds in order to achieve the highest interest and return available for temporary cash balances.

CDBG - Community Development Block Grant - Federal HUD entitlement funds to meet a variety of needs of low income citizens including housing, infrastructure, equipment, facilities and public services.

CERTIFICATE OF OBLIGATION (C.O.) - Legal debt instruments used to finance capital improvement projects. Certificates of obligation are backed by the full faith and credit of the government entity and are fully payable from a property tax levy. Certificates of obligation differ from general obligation debt in that they are approved by the City Council and are not voter approved.

CERTIFIED TAX ROLL - A list of all-taxable properties, values and exemptions in the City. The Hays County Appraisal District establishes this roll.

CONTINGENCY - The appropriation of reserve funds for future allocation in the event specific budget allotments have expired and additional funds are needed.

CURRENT TAXES - Taxes that are levied and due within the ensuing fiscal year.

DEBT SERVICE - The payment of principal and interest on borrowed funds.

DEBT SERVICE FUNDS - Used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

DELINQUENT TAXES - Taxes remaining unpaid after January 31st.

DEPARTMENT - An administrative division of the City having management responsibility for an operation or a group of related operations within a functional area.

DEPRECIATION - The decrease in value of physical assets due to use and the passage of time.

ENCUMBRANCE – Commitments related to unperformed (executory) contracts for goods or services.

ENTERPRISE FUND - A fund used to account for operations financed and operated in a manner similar to private business enterprises in that they are self supported by user fees. These funds use full accrual accounting.

ESTIMATED REVENUE - The amount of revenue expected to be collected during the year.

EXPENDITURE - The incurring of liability, payment of cash, or the transfer of property for the purpose of acquiring an asset or service or settling a loss.

EXPENSE - A charge incurred in an accounting period, whether actually paid in that accounting period or not.

FISCAL YEAR - October 1st through September 30th of each year.

FIXED ASSETS - Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

FRANCHISE FEE - A fee paid by public service businesses for use of City streets, alleys and property in providing their services to the citizens of a community. Services requiring franchises include electricity, telephone, natural gas, water, wastewater, and cable

television.

FULL ACCRUAL ACCOUNTING - A basis of accounting in which revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period in which they are incurred.

FULL FAITH AND CREDIT - A pledge of the general taxing power of the City to repay debt obligations. This term is typically used in reference to general obligations bonds.

FULL TIME EQUIVALENT (F.T.E.) - A quantifiable unit of measure utilized to convert hours worked by part-time, seasonal or temporary employees into hours worked by full-time employees. Full-time employees work 2080 hours annually. A part-time employee working 1040 hours annually represents a .5 FTE.

FUND - A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein. Funds are usually established to account for activities of a certain type.

FUND BALANCE - The excess of assets over liabilities for governmental funds.

GAAP - Generally Accepted Accounting Principles.

GENERAL FUND - The general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

GENERAL OBLIGATION BONDS - Bonds that finance a variety of public projects such as streets, buildings, and capital improvements. The repayment of these bonds is usually made from the General Fund. They are backed by the full faith and credit of the City.

GENERAL OBLIGATION DEBT - The supported bonded debt, which is backed by the full faith and credit of the City.

GOAL - A long-term, attainable target for an organization Vision of the future.

GOVERNMENTAL FUND - It refers to the General Fund, all Special Revenue Funds and the Debt Service Fund.

GRANT - Contributions or gifts of cash or other assets from another government to be used for a specific purpose, activity or facility.

INDIRECT COSTS – Those costs that are fully expensed within one fund or division that can be allocated to another fund or division. i.e., Human Resources is fully expensed to the General Fund but services relate to the Electric Utility Fund as well.

INFRASTRUCTURE - Substructure or underlying foundation of the City (e.g. streets, utility lines, water and wastewater facilities, etc.)

INTERGOVERNMENTAL REVENUES - Revenues received from another governmental entity, such as county, state or federal governments.

INVENTORY - A detailed listing of property currently held by the City.

LEVY - To impose taxes, special assessments, or service charges for the support of City activities.

LINE ITEM BUDGET - A budget that lists each expenditure category (salary, materials,

telephone service, travel, etc.) Separately along with the dollar amount budgeted for each specified category.

LIMITED TAX NOTES – Short-term, interest-bearing note issued by a government in anticipation of tax revenues to be received at a later date. The note is retired from the tax revenues to which it is related.

LONG-TERM DEBT - Any unmatured debt that is not a fund liability with a maturity of more than one year.

MODIFIED ACCRUAL ACCOUNTING – Basis of accounting according to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.

NON-OPERATING EXPENDITURES - The costs of government services which are not directly attributable to a specific City program or operation. An example includes debt service obligations.

NON-OPERATING REVENUES - The incomes received by the government which are not directly attributable to providing a service. An example would be interest on investments.

O & M - Operations and Maintenance

OBJECTIVES - A specific, measurable and observable result of an organization's activity which advances the organization toward a goal.

OPERATING BUDGET - A financial plan that presents expenditures for the fiscal year and estimates of revenue to finance them.

OPERATING TRANSFERS - Legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended.

POLICY - A plan, course of action or guiding principle, designed to set parameters for decisions and actions.

PROPERTY TAX - Taxes that are levied on both real and personal property according to the Property's valuation and tax.

RESERVE - An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

RETAINED EARNINGS - The accumulated earnings of an Enterprise or Internal Service Fund which have been retained in the fund and which are not reserved for any specific purpose.

REVENUE - All money received by a government other than expense refunds, capital contributions, and residual equity transfers.

REVENUE BONDS - Bonds whose principle and interest are payable exclusively from user fees.

RISK MANAGEMENT - An organized effort to protect the City's assets against loss, utilizing the most economical methods.

ROUTINE CAPITAL OUTLAY - Vehicles and other equipment with a value in excess of \$5,000 and an expected life of more than three years.

SOURCES OF REVENUE - Revenues are classified according to their source or where they originate.

SPECIAL REVENUE FUNDS - Funds used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes.

TAX BASE - The total value of all real and personal property in the City as of January 1st of each year, as certified by the Appraisal Review Board.

TAX LEVY - The total amount of taxes imposed by the City on taxable property, as determined by the Hays County Tax Appraisal District.

TAX RATE - The tax rate is set by Council and is made up of two components; debt service and operations rates.

TIMING DIFFERENCES - Differences between the budgetary basis of accounting and GAAP that occur when the period used for budgeting differs from the period used for GAAP reporting (e.g., a special revenue fund that uses a grant-year budget rather than a fiscal-year budget).

TRUST AND AGENCY FUNDS - Funds used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

UNEARNED REVENUE - A type of deferred revenue account used in connection with resources that have not yet been earned.

UNENCUMBERED FUND BALANCE - For budget purposes, the unencumbered fund balance is the amount of undesignated fund balance of a fund, which is available for allocation.

UNREALIZED REVENUES – Term used in

connection with budgeting. The difference between estimated revenues and actual revenues.

WORKING CAPITAL – Current assets less current liabilities.

