



City of San Marcos

FY 2025 Budget and Tax Rate Adoption

September 17, 2024

Budget Calendar



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

**PRELIMINARY
TAX ROLL:
APRIL 30th**

**CERTIFIED
TAX ROLL:
JULY 25th**

Fund Summary



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

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

Budget Public Hearing and Vote



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

Ratify Property Tax Revenue Increase



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

Ratify Property Tax Revenue Increase



- Vote to ratify the property tax revenue increase

Setting the Tax Rate (Net of TIRZ)



Tax Rate Component	Tax Rate	Budgeted Revenue
Operations	45.00¢	\$38,861,814

Tax Rate Component	Tax Rate	Budgeted Revenue
Debt	15.30¢	\$13,213,017

Tax Rate Component	Tax Rate	Budgeted Revenue
Total Tax Rate	60.30¢	\$52,074,831



Setting the Tax Rate (Cont.)

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

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

Tax Rate Public Hearing and Vote



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



Stephanie Reyes
City Manager

Joe Pantalione
Assistant City Manager

Lonzo Anderson
Assistant City Manager

Rodney Gonzales
Assistant City Manager

Jon Locke
Finance Director/CFO

Trisha Patek
Budget Manager

Thank You