



# **City of San Marcos**

## **FY 2024 Budget and Tax Rate Adoption**

September 19, 2023

# Budget Calendar



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

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

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

# Consolidated Funds Summary



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

*\*Denotes revision from original Proposed Budget*

# Budget Public Hearing and Vote



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

# Ratify Property Tax Revenue Increase



- **Local Government Code 102.007(c)**
  - Adoption of a budget that will require raising more property tax revenue than in the previous year requires a separate vote to ratify the property tax revenue increase
  - Total tax revenue increase is \$5,947,057; New property \$2,756,989
  - Required even though the tax rate is not increasing

# **Ratify Property Tax Revenue Increase**



- **Vote to ratify the property tax revenue increase**

# Setting the Tax Rate (Net of TIRZ)



| <b>Tax Rate Component</b> | <b>Tax Rate</b> | <b>Budgeted Revenue</b> |
|---------------------------|-----------------|-------------------------|
| Maintenance & Operations  | 44.47¢          | \$36,750,186            |

| <b>Tax Rate Component</b> | <b>Tax Rate</b> | <b>Budgeted Revenue</b> |
|---------------------------|-----------------|-------------------------|
| Interest & Sinking (Debt) | 15.83¢          | \$13,081,975            |

| <b>Tax Rate Component</b> | <b>Tax Rate</b> | <b>Budgeted Revenue</b> |
|---------------------------|-----------------|-------------------------|
| Total Tax Rate            | 60.30¢          | \$49,832,161            |

# Setting the Tax Rate (Cont.)



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

“I move that the property tax rate be increased by the adoption of a tax rate of 60.30¢, which is effectively a 13.7 percent increase in the tax rate.”
  - This language is required even though the tax rate is not increasing

# Tax Rate Public Hearing and Vote



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

# Thank You



**Stephanie Reyes**

*City Manager*

**Jonathan Locke**

*Director of Finance*

**Joe Pantalion**

*Assistant City Manager*

**Ismael Garcia**

*Assistant Director of Finance*

**Laurie Moyer**

*Assistant City Manager*

**Trisha Patek**

*Budget Manager*

**Chase Stapp**

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**Brigette Clack**

*Financial/Budget Analyst*