

# FY 2025 and FY 2026

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# Trial Budget



Presented by: Justina Tate, Budget Director  
City Council "B" Session  
May 8, 2024



# Presentation Overview

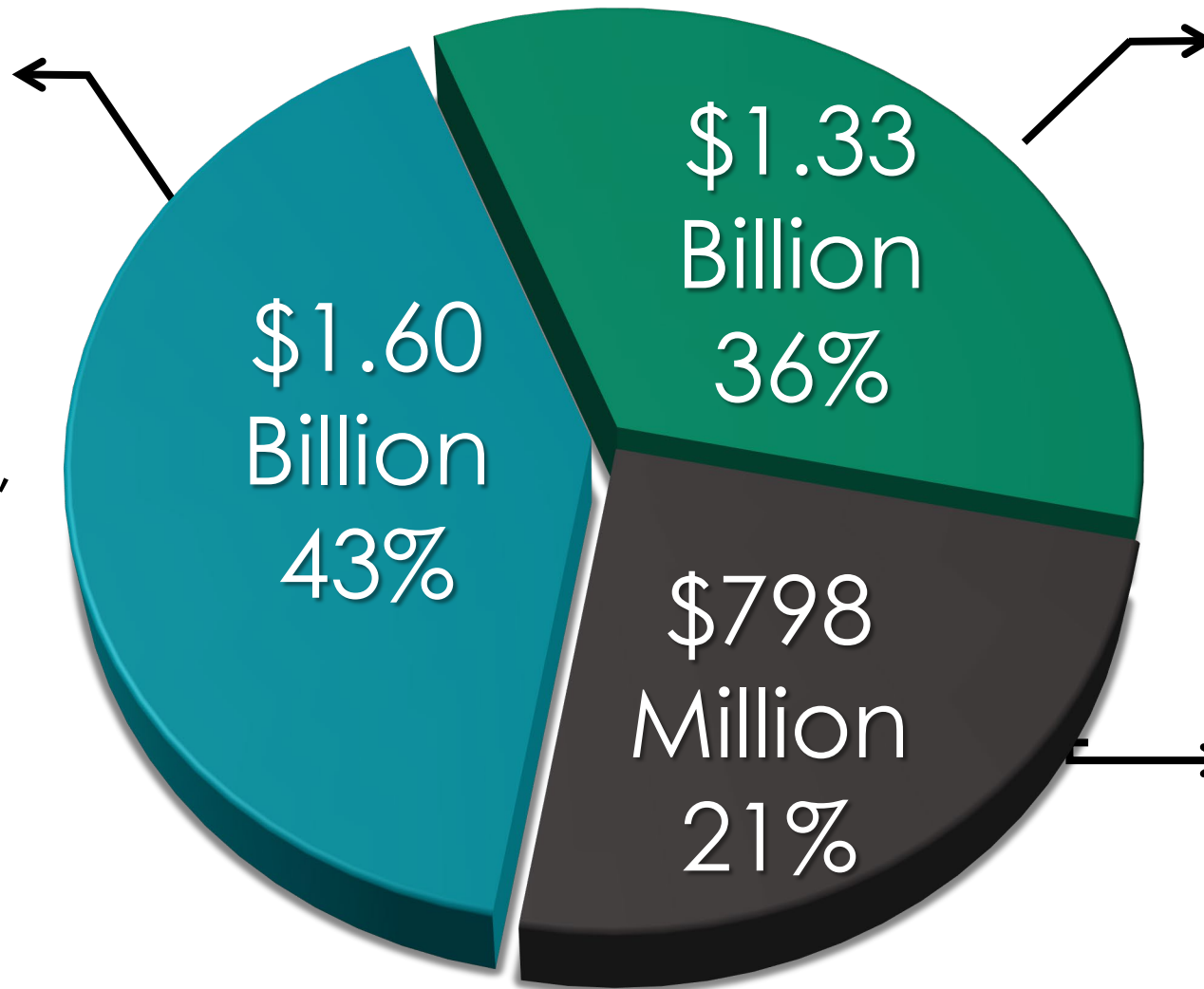
- FY 2025 Trial Budget and FY 2026 Plan
  - General Fund
  - Solid Waste

# FY 2024 Adopted Budget

## Total City Budget \$3.7 Billion

### General Fund

Supports most basic City services: Police, Fire, Public Works, Parks, Library



### Restricted Funds

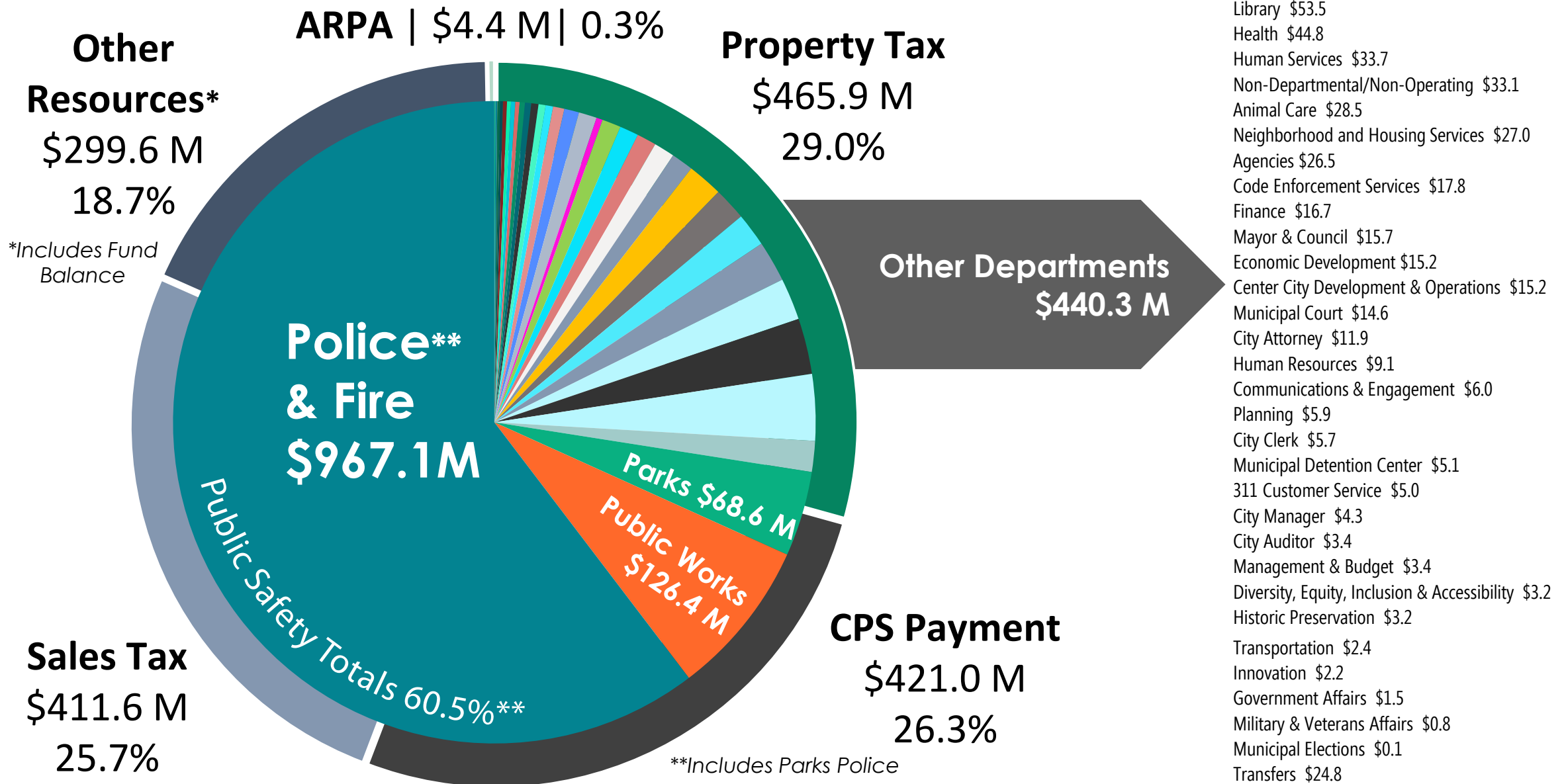
- Airport Fund
- Development Services
- Hotel Occupancy Tax
- Solid Waste
- Grants

### Capital Program

- 2022 bond projects
- Airport projects

# FY 2024 General Fund

## Total Budget \$1.6 Billion



# Trial Budget



- Preliminary allocation of resources for next fiscal year
- Builds on Five Year Forecast presented on April 17
- Serves as tool leading to more refined Proposed Budget

# General Fund Trial Budget

- Reflects implementation of property tax increment
- Continues FY 2024 City Council priorities
- Adds improvements discussed at Goal Setting Session





# City Council Budget Priorities

## April 18, 2024 Goal Setting Session

- Public Safety
- Infrastructure
- Homeless Services
- Housing Strategic Plan
- Animal Care Services
- Small Business support
- Employees



# Trial Budget – Property Tax Update

- Preliminary values from Bexar Appraisal District (BCAD) indicate an estimated 8.3% increase in 2025
- Taxable Value and Tax Rate are preliminary
  - Pending 2024 personal property noticed values
  - Majority of protests have not been filed
  - 2024 Truth In Taxation forms have not been issued by the Comptroller to incorporate new legislative changes
- Update expected from BCAD in late May after protest deadline with additional updates received periodically
- Certified Roll provided on July 25th



# PRELIMINARY Taxable Value Growth

	FY 2023	FY 2024	FY 2025*
	<u>Taxable Value Increase</u>		
Existing Value	8.6%	5.3%	6.7%
New Improvements	1.9%	2.1%	1.6%
Total Taxable Value Growth	10.5%	7.4%	8.3%
Total Taxable Value	\$141.7 Billion	\$152.2 Billion	\$164.8 Billion

\* Information based on preliminary data from the Bexar Appraisal District with estimated adjustment for historical value loss which will change through certification July 2024.

# PRELIMINARY

## Property Tax Revenue Growth

	FY 2024*	FY 2025
Existing Value	3.5%	3.5%
New Improvements	2.1%	1.6%
Use of increment/Other Changes	2.1%	1.0%
Total Revenue Growth	7.7%	6.1%

\* FY 2024 growth is compared to FY 2023 Actuals

# Property Tax Rate

	FY 2022	FY 2023	Current FY 2024
M&O Tax Rate	\$0.34677	\$0.33011	\$0.33009*
Debt Service Rate	\$0.21150	\$0.21150	\$0.21150
Total Tax Rate	\$0.55827	\$0.54161	\$0.54159

\*FY 2024 incorporated \$0.0098 of the \$0.01475 unused increment available from prior years

# Trial Budget – Property Tax Revenue

- \$5.5 Million in unused property tax rate increment discussed at Goal Setting Session
- No change to city property tax rate
- Trial Budget uses **\$2.7 Million** of unused tax rate increment for FY 2025

Fiscal Year	5-Year Forecast	Trial Budget	Change
\$ in Millions			
2025	\$487.8	\$490.3	<b>\$2.5</b>
2026	\$514.6	\$517.3	<b>\$2.7</b>
Total Additional Revenue over 2-years			<b>\$5.2</b>

- All other General Fund revenues consistent with Five Year Forecast



# FY 2025 to FY 2026 Trial Budget Mandates - 2022 Bond Program

Item #	Description – (\$ in Millions)	FY 2025	FY 2026	2-Year Total
1	Parks Development Maintenance	\$1.0	\$2.4	\$3.4
2	Linear Creekway Maintenance		1.4	1.4
3	D1 Multigenerational Center		0.1	0.1
4	Ella Austin Community Center		0.1	0.1
5	ACS Veterinary Hospital		0.9	0.9
6	Carver Branch Library		0.4	0.4
7	Las Palmas Library	0.05	0.1	0.15
	<b>Total</b>	<b>\$1.05</b>	<b>\$5.4</b>	<b>\$6.45</b>

# FY 2025 to FY 2026 Trial Budget Mandates - Other

Item #	Description (\$ in Millions)	FY 2025	FY 2026	2-Year Total
1	Police Contract (4%)	\$12.9	\$27.0	\$39.9
2	2023 COPS Grant	1.3	2.6	3.9
3	State Legislative Contracts	0.3	0.0	0.3
4	High Volume Pet Partners	0.3	0.3	0.6
	Total	\$14.8	\$29.9	\$44.7

# FY 2025 & FY 2026 Trial Budget

## Improvements included in Five Year Forecast

Item #	Program – (\$ in Millions)	FY 2025	FY 2026	2-Year Total
1	Fire Contract – City proposal (4.0%/year) – Forecast	\$6.8	\$16.1	\$22.9
1a	Fire Contract – Current City Proposal (additional cost)	3.6	4.2	7.8
2	Civilian Compensation (3.1%/Year)	10.6	19.9	30.5
3	130 New Police Officers (65 each year)	6.3	15.5	21.8
4	ACS – Year 2 of Strategic Plan	3.9	3.9	7.8
5	Fire enhancements to address medical calls	1.3	2.5	3.8
	Total	\$32.5	\$62.1	\$94.6

# FY 2025 & FY 2026 Trial Budget

## Improvements from Goal Setting Session

Item #	Program – (\$ in Millions)	FY 2025	FY 2026	2-Year Total
1	Continue construction mitigation grant	\$1.4	\$1.4	\$2.8
2	NAMP at \$550,000 per Council District	1.0	1.0	2.0
3	Continue additional speed traffic signs (100 total)	0.7	0.7	1.4
4	Enhance Spay/Neuter Services	0.5	0.5	1.0
5	Continue additional flashing signs at key accident locations (100 total)	0.3	0.3	0.6
6	Continue Senior Assistance Program	0.1	0.1	0.2
	Total	\$4.0	\$4.0	\$8.0



# FY 2025 & FY 2026 Trial Budget

## Summary of Changes since Forecast

(\$ in Millions)	FY 2025 Change	FY 2026 Change	2-Year Total
Additional property tax revenue	\$2.5	\$2.7	\$5.2
Added improvements	4.0	4.0	8.0
Increase in City's Fire CBA Proposal	3.6	4.2	7.8
Added Expenses	\$7.6	\$8.2	\$15.8
<b>Net Expense</b>	<b>(\$5.1)</b>	<b>(\$5.5)</b>	<b>(\$10.6)</b>

Steps over next 2-years

- Reduce spending
- Reduce new improvements
- Increase revenues



# Trial Budget

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## Solid Waste

# Solid Waste Fund

\$148.7 Million Enterprise Fund

- Provides curbside collection services to approximately 375,000 residential customers
- Provides City-Wide Services to include
  - Illegal dumping
  - Bulky drop off sites
  - Household Hazardous Waste Sites
  - Brush Grinding



# Solid Waste Trial Budget

- Includes Rate increase to address increasing costs of labor, disposal and equipment
- Provides for new illegal dumping crew based on Goal Setting Session discussion





# Trial Budget Improvement

- Illegal dumping crew
  - Adds 5 positions & equipment
  - Increase number of illegal dumping clean ups from 11,000 to 13,000 per year
  - FY 2025: \$803,000
  - FY 2026: \$493,000



# Trial Budget – Solid Waste Fee Increase

- With no rate increase, fund balance in FY 2025 falls to \$467,000
- Recommended fee increases in 2025 for rising labor, disposal and equipment costs

Cart Size	Current Fee	FY 2025 Proposed increase	FY 2026 Plan increase
Monthly Amounts			
Small	\$14.76		
Medium	\$19.76	<b>\$0.50</b>	
Large	\$30.25	<b>\$0.75</b>	
Environmental Fee	\$3.00		

# Next Steps in FY 2025 Budget Process

## Community Input

May and June

- Budget Survey
- Survey results presentation to City Council: June 20

## FY 2025 Budget Development

July

## FY 2025 Proposed Budget Presentation

August

- City Manager proposes budget: August 15

## City Council & Community Input

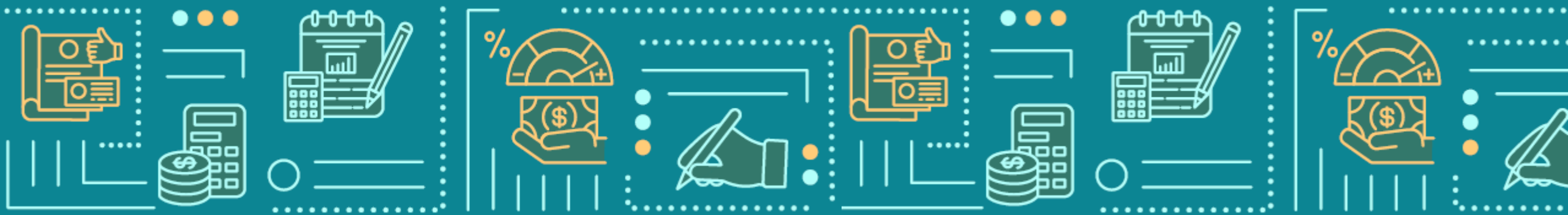
August and September

- Budget Worksessions
- Budget Townhalls

## FY 2025 Budget Adoption

September

- City Council approves budget: September 19



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