

FY 2025 and FY 2026

Trial Budget



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



Presentation Overview

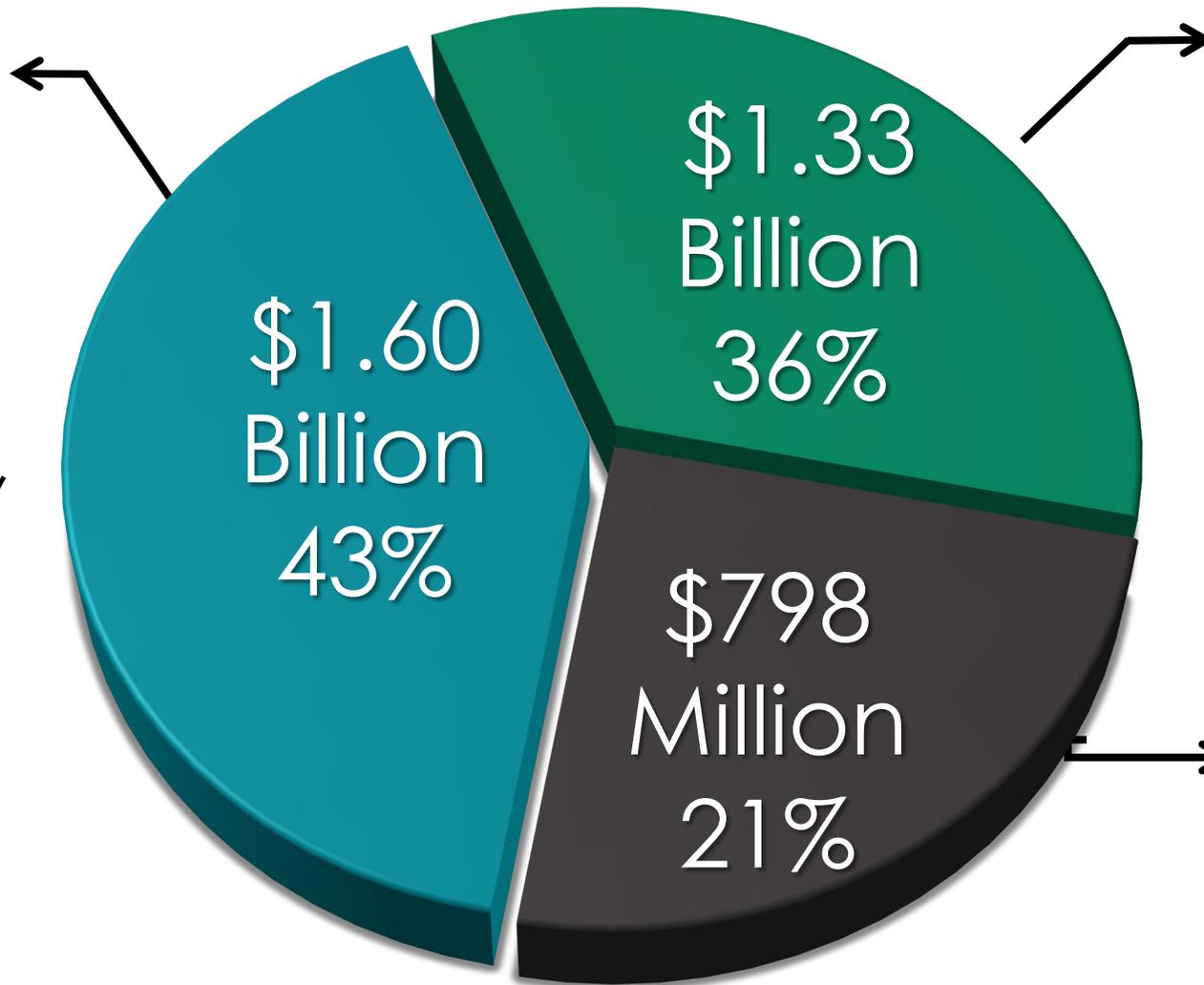
- FY 2025 Trial Budget and FY 2026 Plan
 - General Fund
 - Solid Waste

FY 2024 Adopted Budget

Total City Budget \$3.7 Billion

General Fund

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



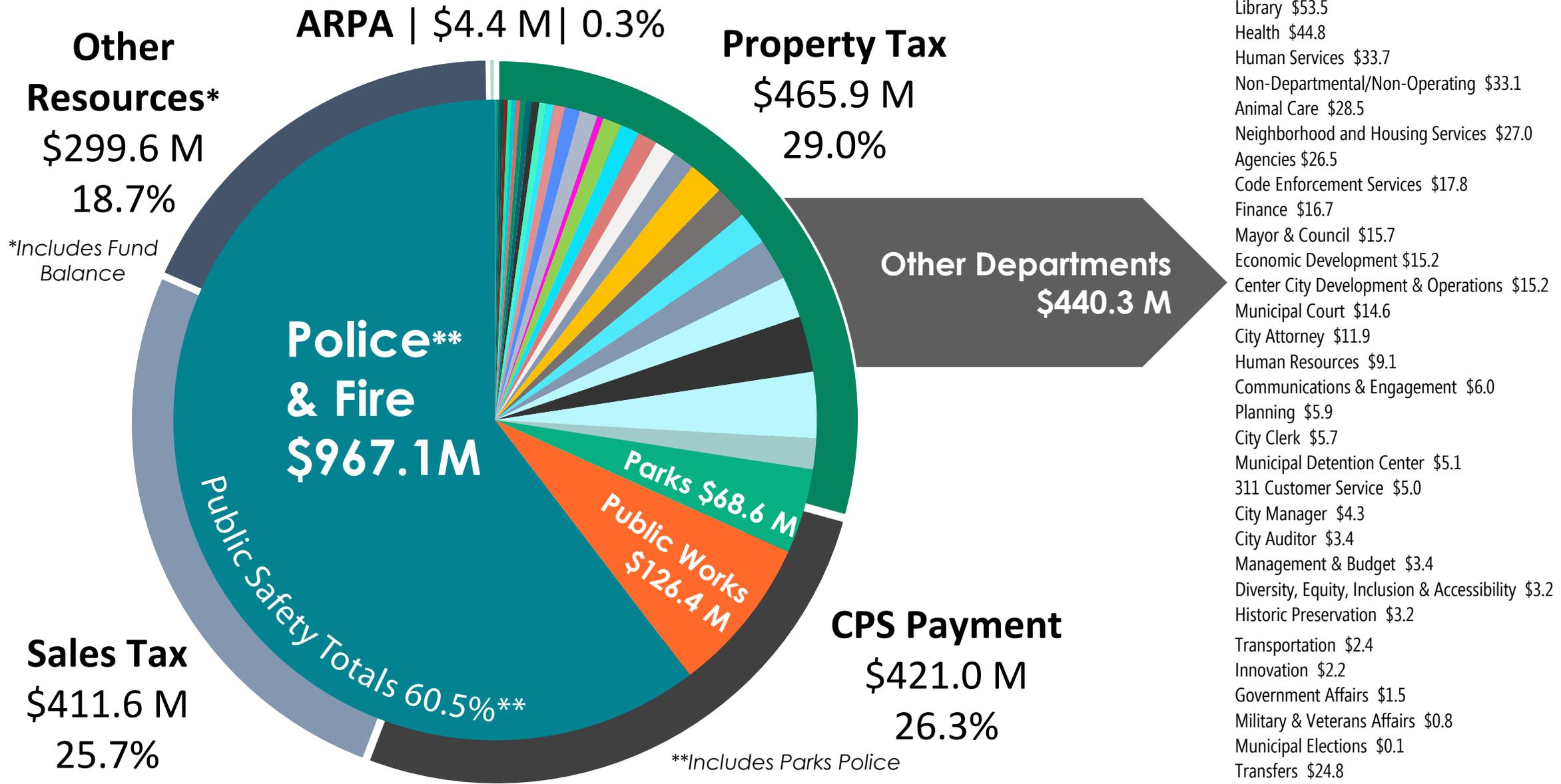
Restricted Funds

- 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

FIVE YEAR

**FINANCIAL
FORECAST**

FY2025-2029

A current and long-range assessment of financial conditions and costs for City Services



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	\$2.5
2026	\$514.6	\$517.3	\$2.7
Total Additional Revenue over 2-years			\$5.2

- 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
	Total	\$1.05	\$5.4	\$6.45

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
Net Expense	(\$5.1)	(\$5.5)	(\$10.6)

Steps over next 2-years

- Reduce spending
- Reduce new improvements
- Increase revenues



Trial Budget

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



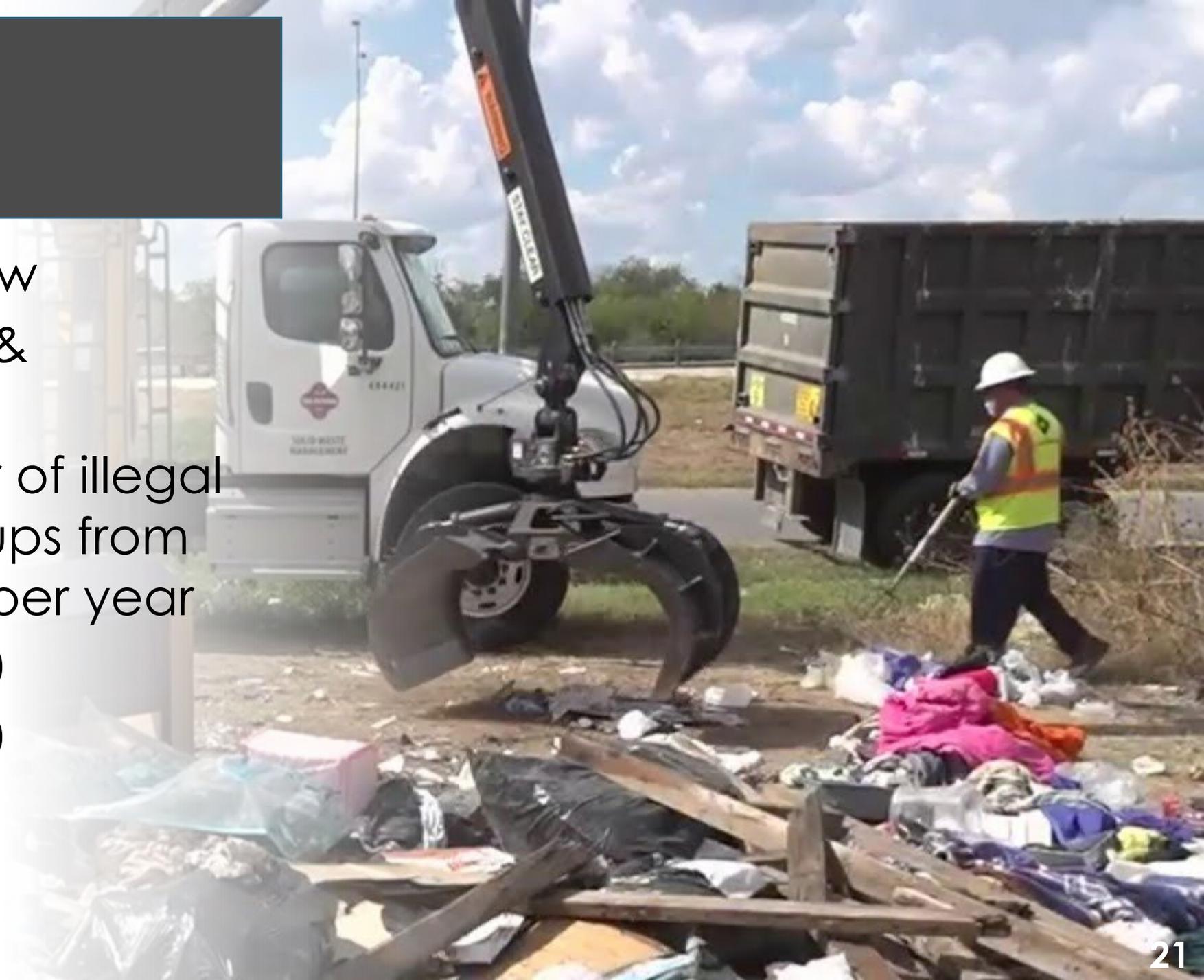
Solid Waste Trial Budget

- 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	\$0.50	
Large	\$30.25	\$0.75	
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

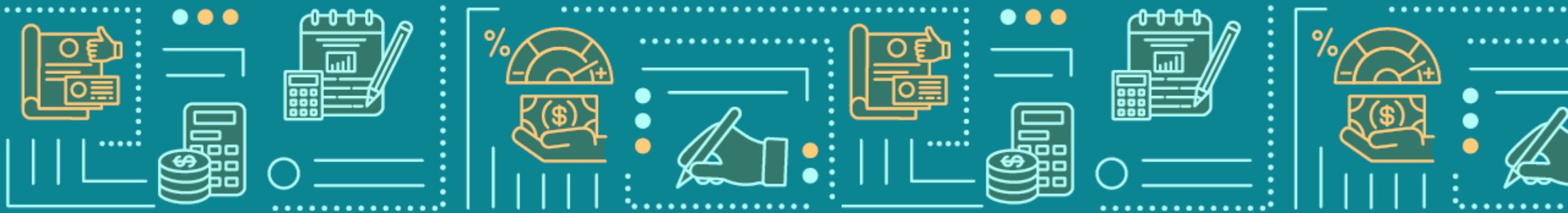
- City Manager proposes budget: August 15

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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