



Proposed Budget FY 2016-17

FY 2016-17 Proposed Budget

Budget Goals:

- **Balanced Structurally**
- **Conservative and Responsible**
- **Follows Financial Policies**
- **Maintains Current Service Levels**
- **Focuses on Priorities**

Management Practices

- Focus on priorities
 - Maintain Appropriate Fund Balance
- Team Input
 - Departments, Council, and Citizens
- Forward Looking
 - Planning for Future Revenues & Expenses
 - Consider Project schedules
 - 5 Year Forecast
 - Long Term Debt Model

Key City 5 Year Goals 2015

- Building Repairs
- Fire Station 3
- Compensation Study
- Bond Election
- Strategic Staffing Levels
- Focus on Completing Existing Programs
- Maintain Reserves

Budget Highlights

- Classification & Compensation Study
- Firefighter Ramp Up Program
- Natatorium
- 3 Additional Police Employees
- IT Employee
- Citizen Survey
- 2 Paramedics in EMS
- Drainage Channels Improvements
- Northcliffe Sewer Infiltration Phase II

Upcoming Capital Projects

Additional \$8 Million in bonds proposed to be issued in January 2017 for:

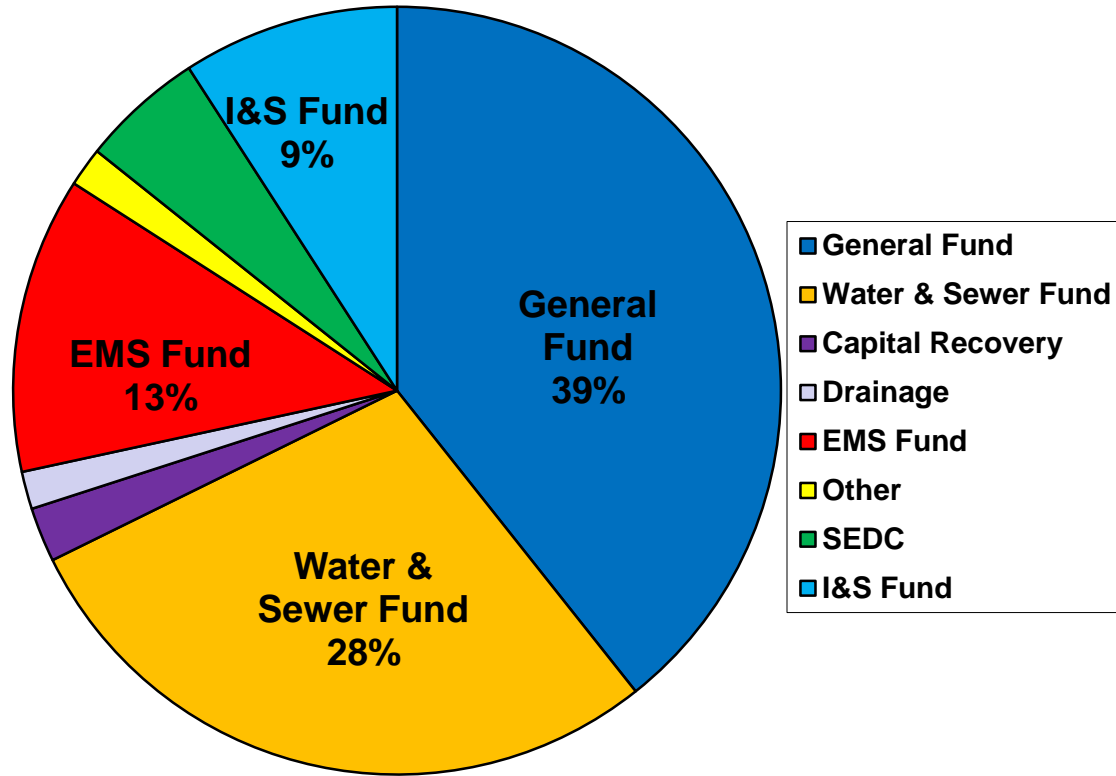
- \$3.75 million = Roadway Maintenance & Municipal Buildings Update
- \$.25 million = Park & Trails improvements
- \$4 million = 2nd half of Fire Station 3 funding

Budget 101

- Funds
- Accounts
- Reserves (Fund Equity, Fund Balance, Retained Earnings)
- Restricted Revenues

All Funds - Revenues

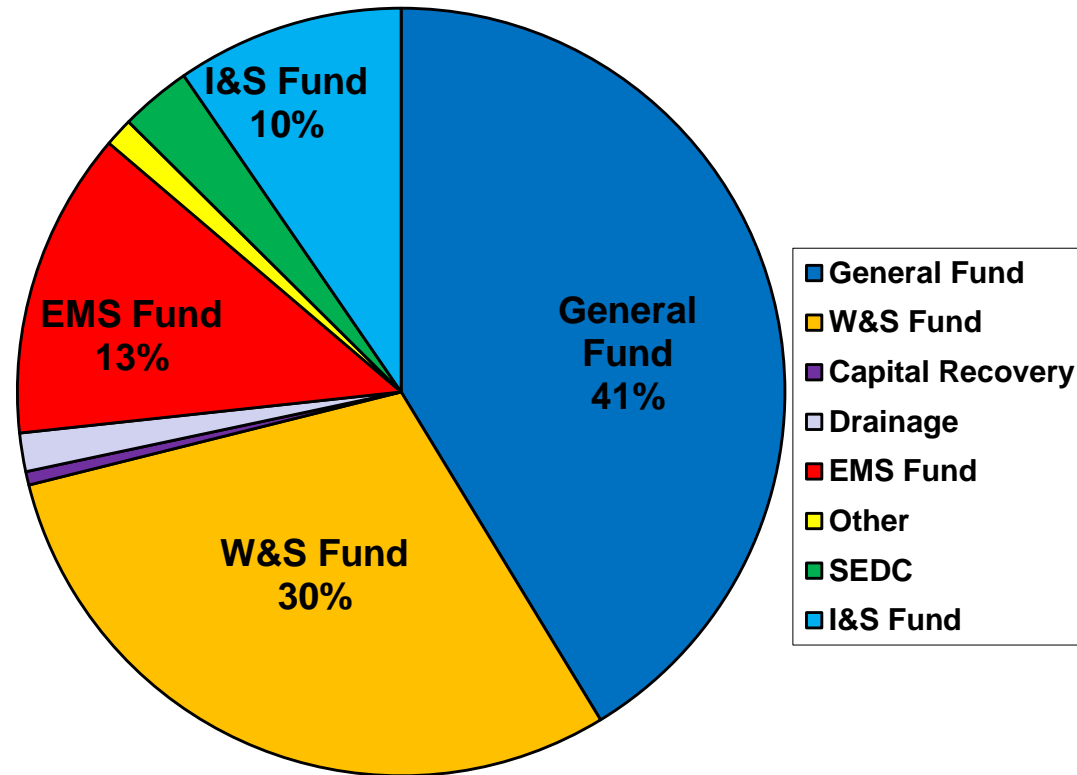
General Fund	\$28,524,850
Special Events Fund	130,350
PEG Fund	113,300
Water & Sewer Fund	20,594,058
EMS Fund	9,044,267
Drainage Fund	1,148,200
Hotel Tax	611,452
Park Fund	155,000
Tree Mitigation	142,000
Capital Recovery Water	1,040,600
Capital Recovery Sewer	625,500
I&S Fund	6,614,581
Other Funds	34,810
SEDC	<u>3,738,260</u>
Grand Total	\$72,517,228



All Funds - Expenses

General Fund	\$28,516,699
Special Events Fund	130,350
PEG Fund	108,600
Water & Sewer Fund	20,574,656
EMS Fund	8,928,351
Drainage Fund	1,122,764
Hotel Tax	260,995
Park Fund	155,000
Tree Mitigation	142,000
Capital Recovery Water	156,000
Capital Recovery Sewer	235,500
I&S Fund	6,614,581
Other Funds	33,750
SEDC	<u>2,062,617</u>
Grand Total	\$69,041,863

Budget

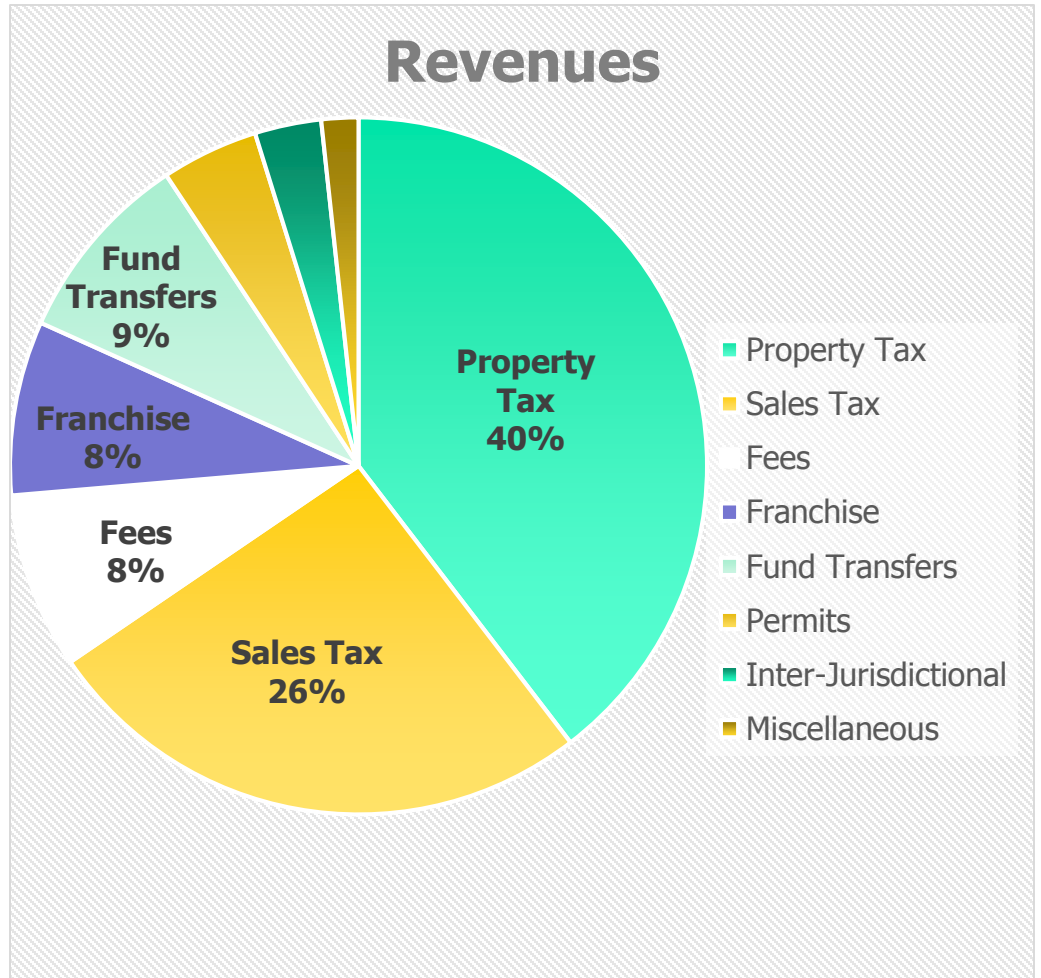


Fund Balance/Equity

FY 2016-17	Estimated Beginning Balance	Net Change	Budgeted Ending Balance
General Fund	\$9,295,054	(\$35,127)	\$9,259,927
Special Events Fund	55,825	(10,750)	45,075
PEG Fund	574,075	4,700	578,775
I&S Fund	1,084,340	(40,860)	1,043,480
Water & Sewer Fund	2,716,775	(825,598)	1,891,177
Capital Recovery-Water	6,048,600	884,600	6,933,200
Capital Recovery-Sewer	1,807,401	390,000	2,197,401
Drainage Fund	1,579,772	25,436	1,605,208
EMS Fund	2,095,322	104,916	2,200,238
SEDC	10,758,426	1,675,643	12,434,069
Hotel Tax Fund	1,201,918	350,457	1,552,375
Park Fund	347,187	(8,750)	338,437
Tree Mitigation	301,998	(54,950)	247,048
Library Fund	68,557	1,060	69,617
Historical Committee	10,004	0	10,004
ALL FUNDS	\$37,945,254	\$2,460,777	\$40,406,031

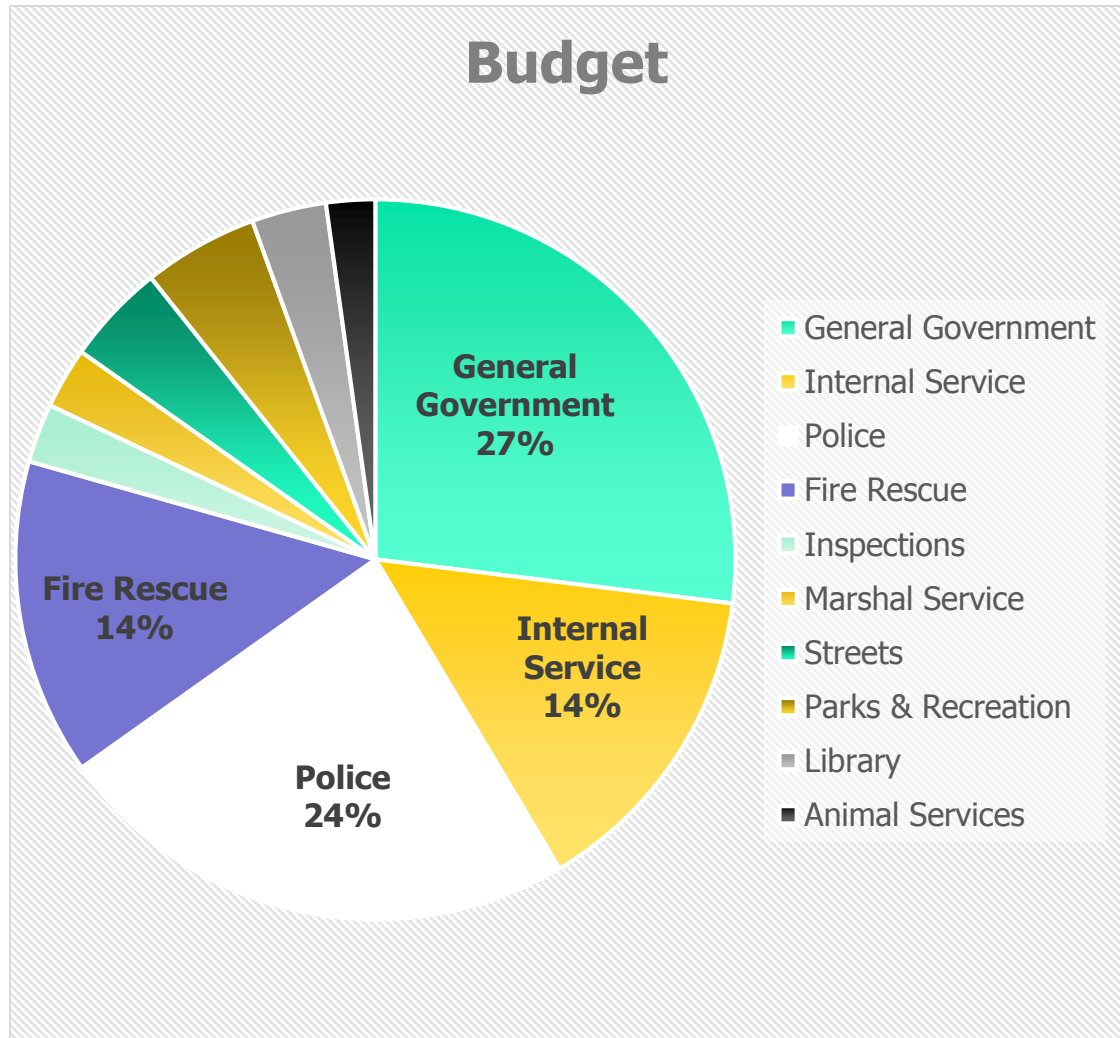
General Fund Revenues

Property Taxes	\$ 11,288,881
Sales Taxes	7,385,419
Fund Transfers	2,566,400
Fees/Fines/Other Tax	2,325,682
Franchises	2,306,600
Permits & Licenses	1,283,660
Inter-Jurisdictional	879,508
Miscellaneous	<u>488,700</u>
Total Revenues	\$28,524,850



General Fund - Expenses

General Government	\$ 6,973,937
Internal Service	4,883,615
Police	6,956,312
Fire Rescue	3,961,060
Inspections	638,929
Marshal Service	503,837
Streets	1,133,776
Parks & Recreation	1,814,217
Library	863,161
Animal Services	568,209
Environmental Health	<u>219,645</u>
Total Expenses	\$28,516,699



General Fund

Revenues	\$28,524,850
Expenditures	28,516,699
Increase of Fund Balance	8,151
Beginning Fund Balance	9,295,054
Use of Vehicle Replacement	-43,278
Ending Fund Balance	9,259,927
<i>25% Reserve Policy</i>	<i>\$6,932,745</i>

M&O \$0.3168

Total Change in Expenditures

\$508,000 New Employees

38,000 Large Expanded Programs (over 10,000)

337,000 Act on Compensation Study

480,000 Natatorium Opening

362,000 EDC Service Contract Update

301,000 Engineering Personnel Reorganization

1,197,962 Continue Existing Staffing Levels & Programs*

\$3,223,962 Total Increase

*Includes Health Insurance Estimate; Final by 8/23/2016

M&O \$0.3168

New Personnel

\$177,000 3 Firefighters – Ramp Up Program Station #3

80,000 School Resource Officer

80,000 DEA Task Force Officer

80,000 Patrol Officer

55,000 IT Personnel

13,000 Scheduled Part Time Employee Holiday Pay

23,000 Police & Fire Vacation Policy Update

\$508,000 Total New Employees

M&O \$0.3168

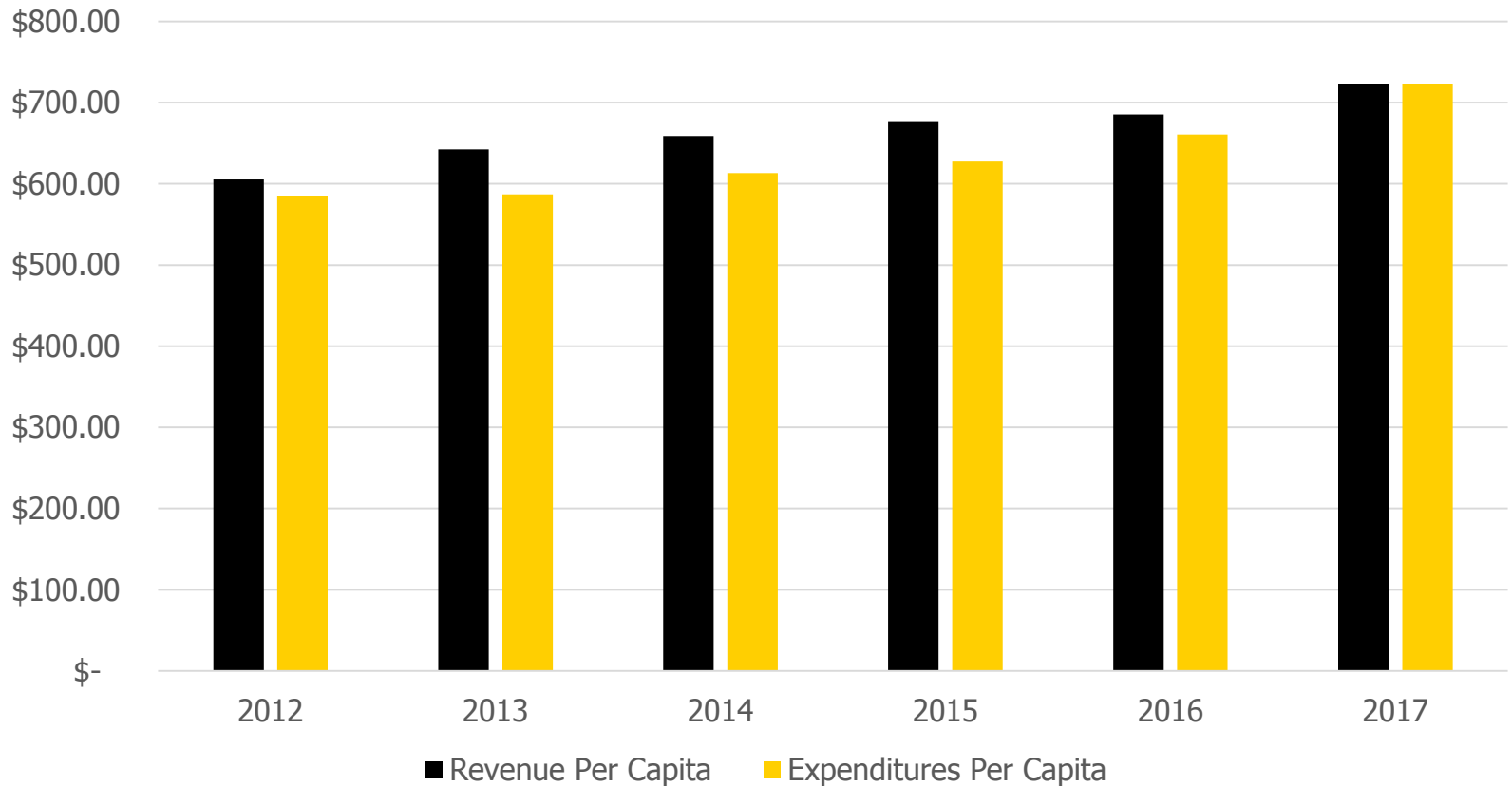
Large Expanded Programs

\$25,000 Citizen Survey

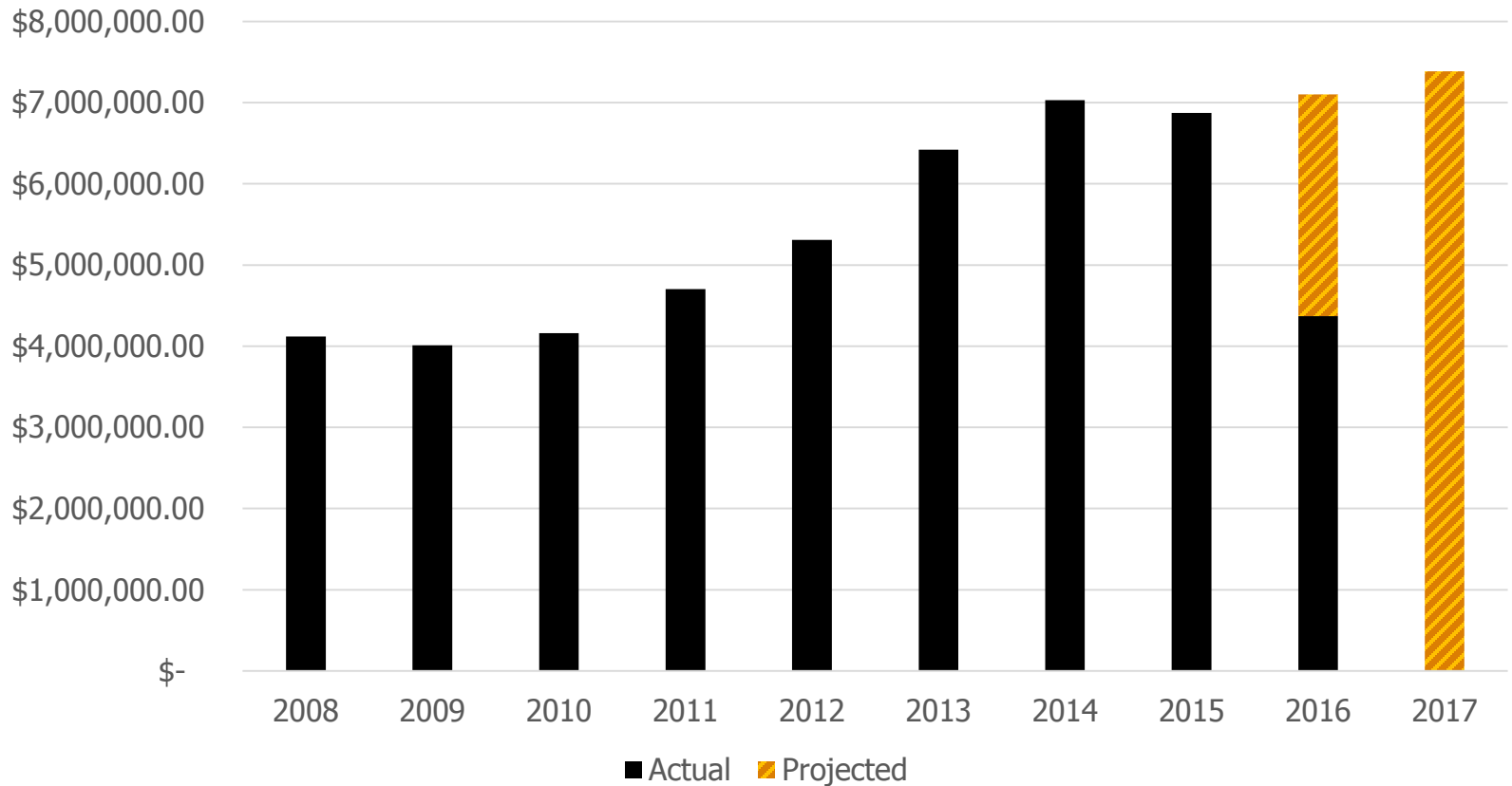
13,000 Data System Fire Suppression

\$38,000 Total Large Expanded Programs

Budget Per Capita



Historic Sales Tax



Sales Tax

	FY 2014-15 Actual	FY 2015-16 Estimate	FY 2016-17 Budget
General Fund	\$6,872,306	\$7,101,364 +3.3%	\$7,385,419 +4%

2016 - 5 Year Forecast

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Revenue	26,523,587	28,481,572	29,658,342	30,808,595	32,017,014	33,456,752
Expense	25,293,887	28,516,669	29,837,859	30,719,131	31,752,872	32,883,265
Reserve Funding	1,229,700	(35,127)	(179,517)	89,464	264,141	573,487
M&O Fund Balance	9,294,904	9,259,777	9,080,260	9,169,724	9,433,865	10,007,352
25% Goal	6,233,322	7,105,737	7,435,715	7,676,033	7,913,218	8,182,066
Over/Under	3,061,582	2,154,040	1,644,545	1,493,691	1,520,647	1,825,286

5 Year Model Input

■ Revenues

- Taxes growth between 5% to 6% based on recent historical averages and estimated population growth

5 Year Model Input

■ Expenses

- Operational costs are grown at rates based on a prior 3 years average
- Includes following programs:
 - ◆ Aquatic Center Operations
 - ◆ 12 Firefighters for new Station
 - ◆ Estimates on the Compensation Study Action
 - ◆ Continued Merit program throughout all years
 - ◆ Between 2 and 5 additional employees (not including Firefighters) each year

Long Term Debt Model

- For I&S Fund

- Purpose:

- To avoid large tax increases in the future

- Design:

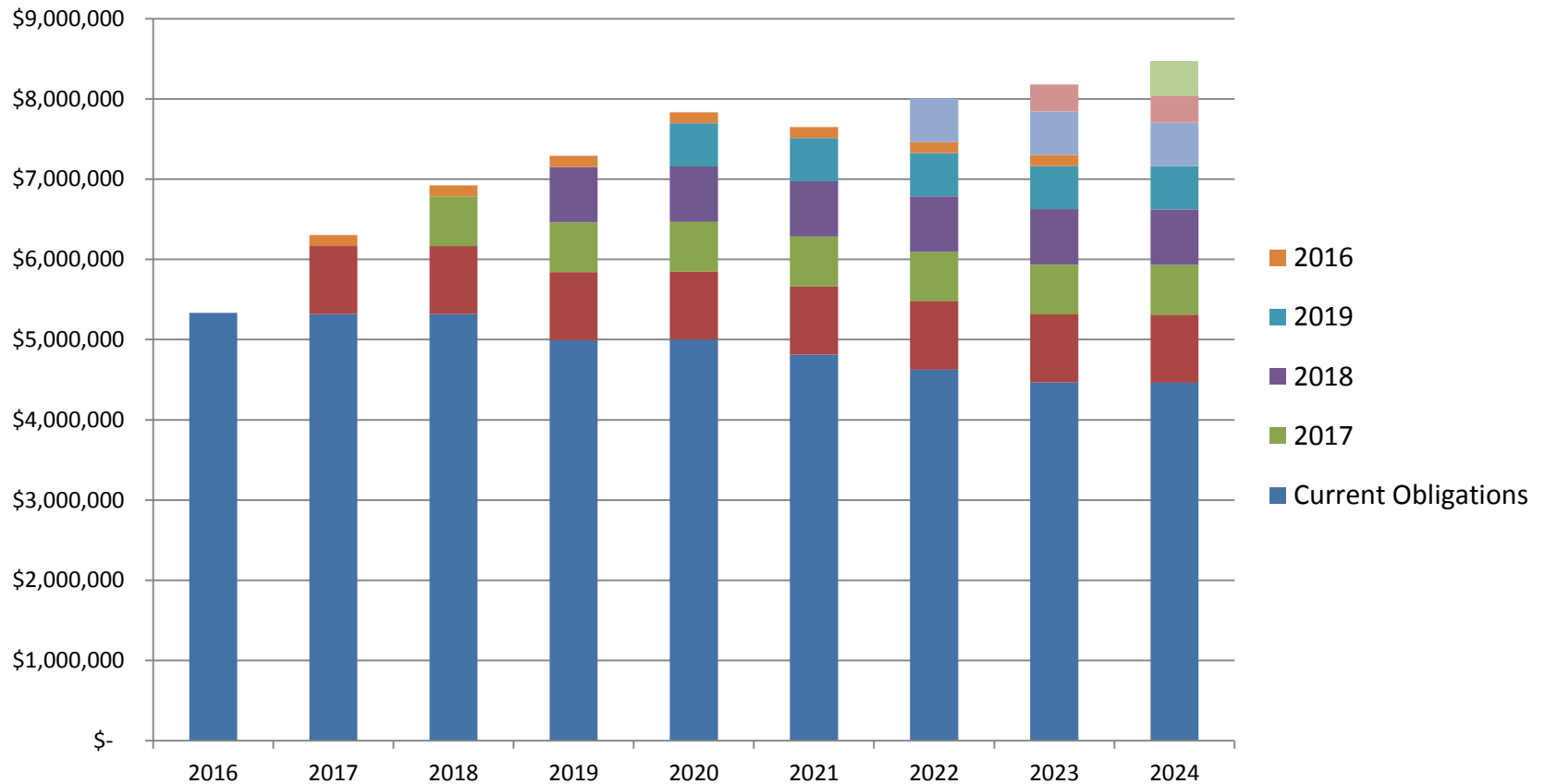
- Model is long term in nature
- Includes all current debt obligations
- Takes into account the growth of the tax base
- Ensures fund balance never falls below a certain level
- Includes bond elections every 5 years

5 Year Summary – I&S Fund

- At I&S Rate of \$0.1743:
 - Includes \$15 million bond package from elections in 2015
 - Includes additional CO Bonds for Infrastructure
 - Rate could fluctuate based on the actual growth of the tax base and the results from the bond election but at a reduced rate due to the model

Graph of Debt Service

General Fund Debt Service





FY 2016-17 Proposed Tax Rate

2016 Property Values

2015 Adjusted Taxable value	\$3,065,479,181
2016 Equivalent Taxable Value	\$3,137,907,999
2016 New Improvements	<u>+\$118,070,907</u>
2016 Adjusted Taxable Value	\$3,255,978,906
Difference	\$190,499,725

Tax Rate

Effective:	Is a calculated rate that would provide the taxing unit with about the same amount of revenue it received in the year before on properties taxed in both years.
Rollback:	Is a calculated maximum rate allowed by law without voter approval.
Current:	The rate currently adopted by the City.
Proposed Max:	The maximum rate set at which the final adopted rate cannot exceed.

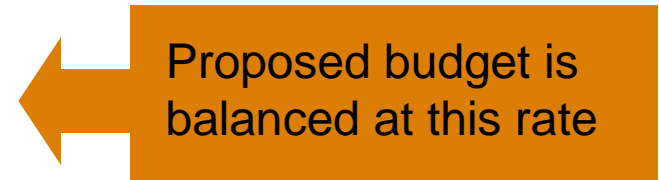
Tax Rate

Effective: \$0.4803

Rollback: \$0.5080

Current: \$0.4911

Proposed Max: \$0.4911



Proposed budget is balanced at this rate

\$0.01 is equal to \$325,598 revenue or \$20.00 on the average home

Target Tax Rate

<u>Tax Rate</u>	Current	Proposed Maximum	
M&O	\$0.3159	\$0.3168	For day to day operations
I&S	\$0.1752	\$0.1743	To pay the City's debt
Total	<u>\$0.4911</u>	<u>\$0.4911</u>	

FY 2015-16 City Tax Rate

■ At \$0.4911

Existing Residents Average Tax Bill

2015 Tax Bill = \$913.45 Avg Home Value \$186,000

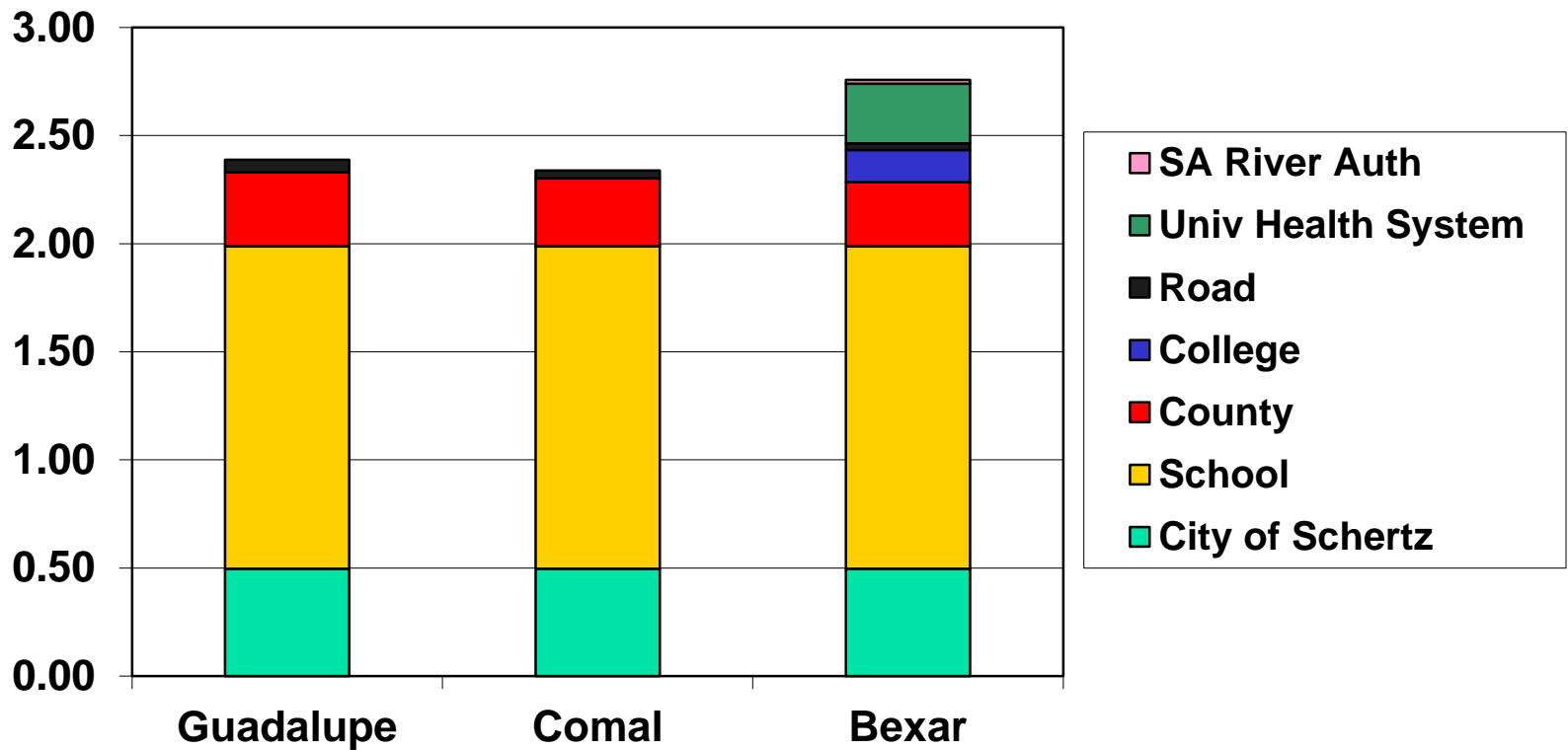
2016 Tax Bill = \$934.32 Avg Home Value \$190,250

Increase = \$ 20.87

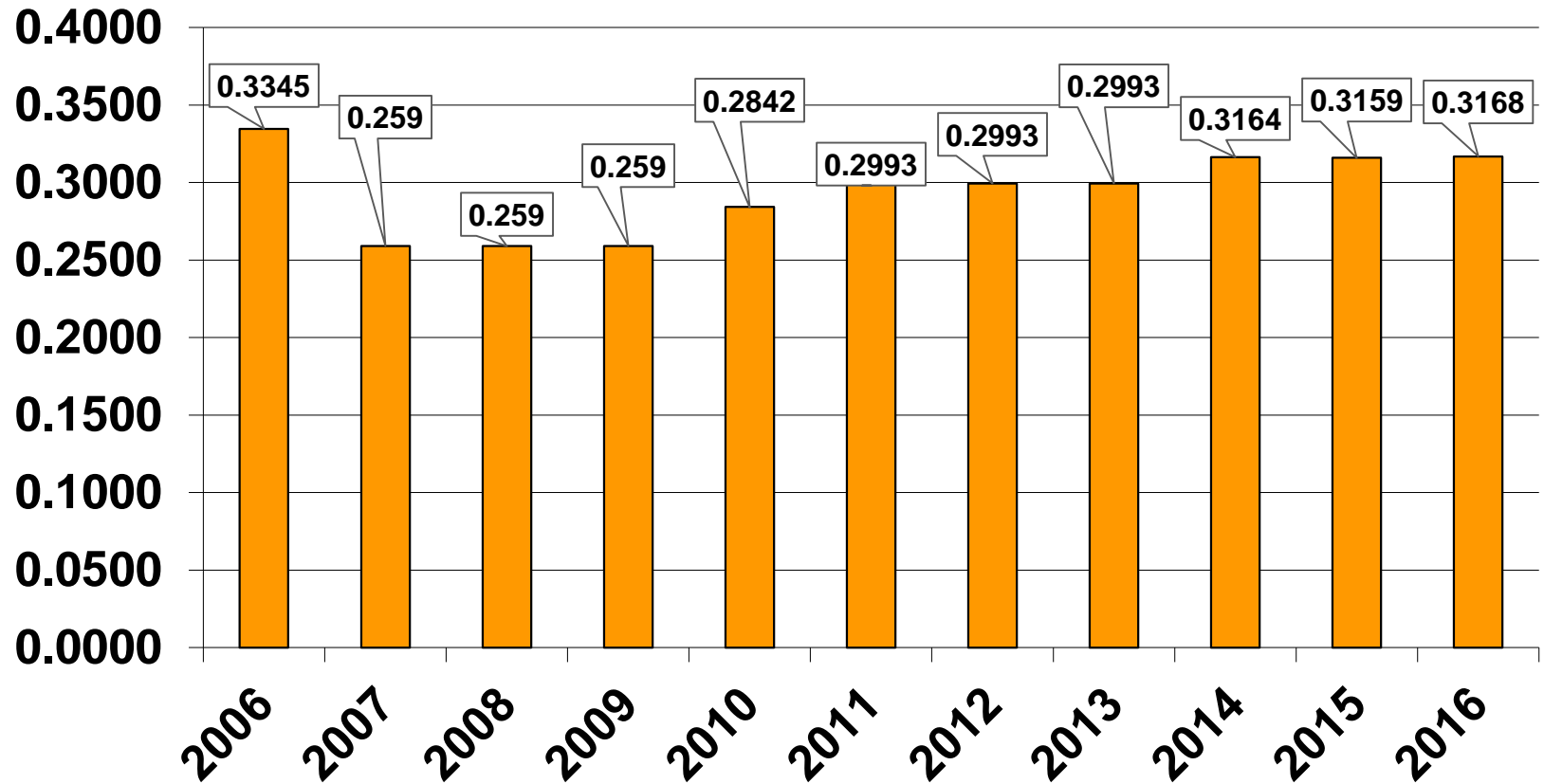
New Residents Average Tax Bill

2016 Tax Bill = \$982.20 Home Value of \$200,000

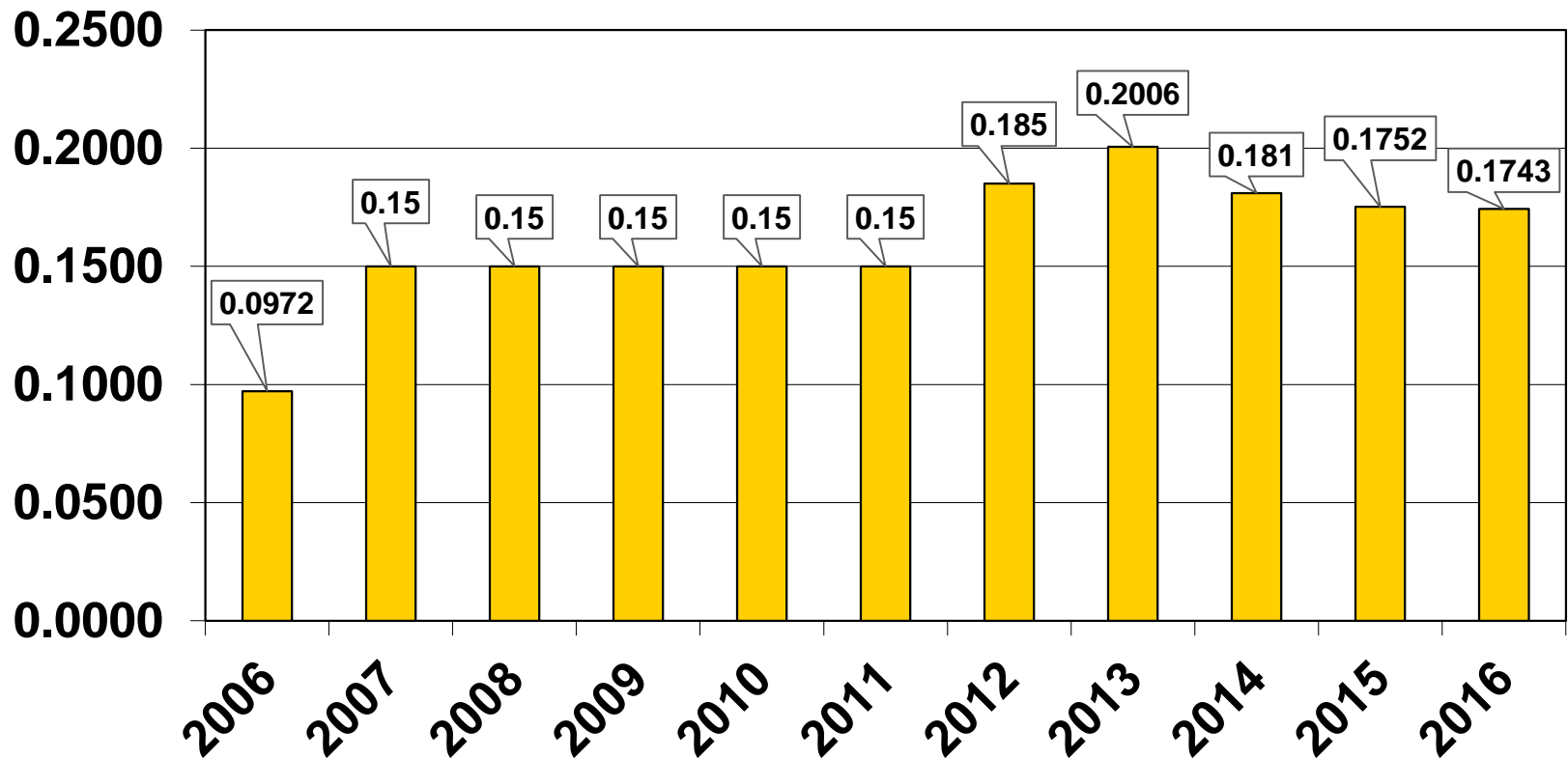
2016 Property Taxes



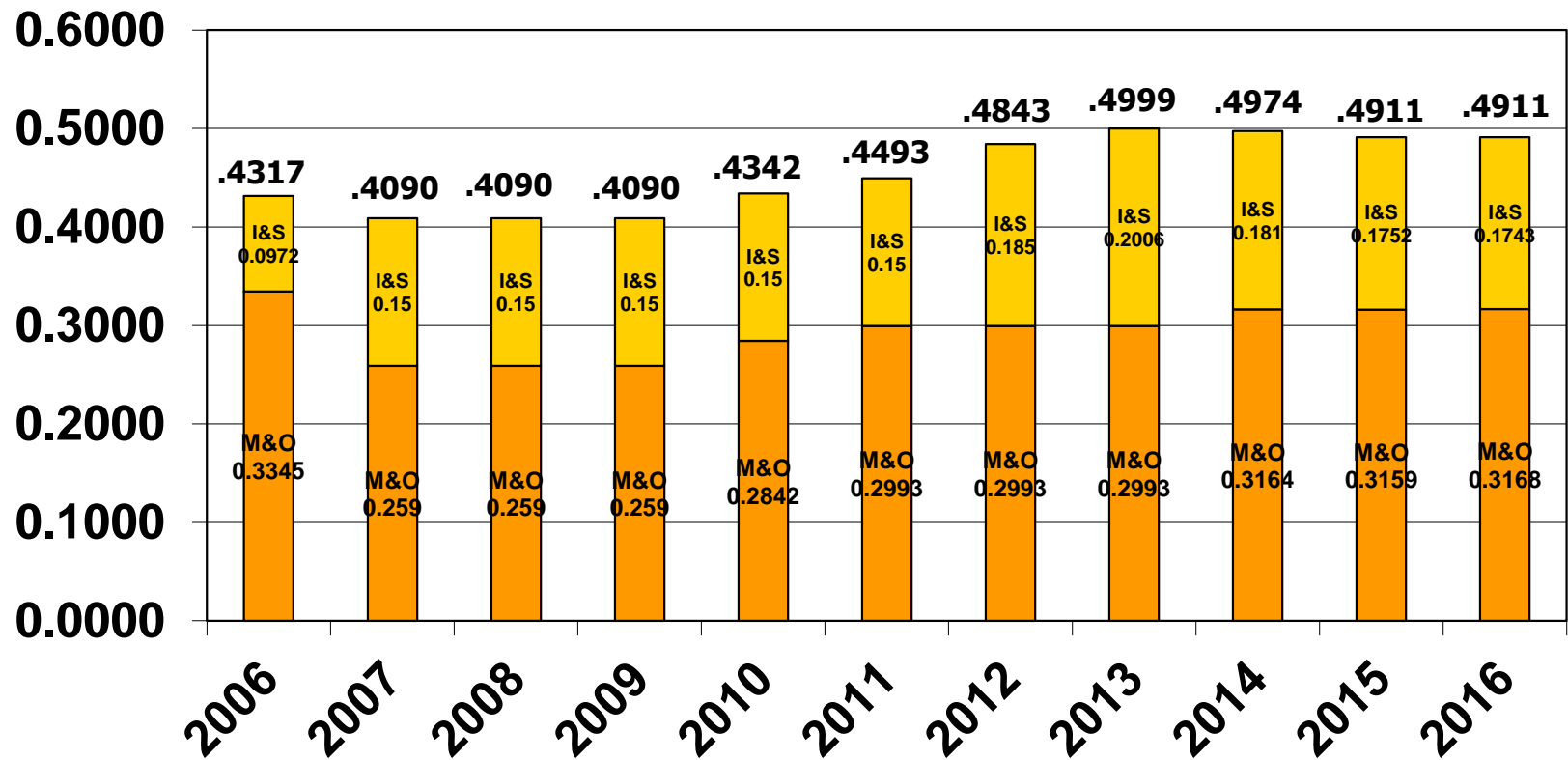
Historic Tax Rates – M&O



Historic Tax Rates – I&S



Historic Tax Rates – Total



Public Hearing Dates

- August 23rd, 2016
- August 30th, 2016

Budget Calendar FY 2016-17

August 5	File with City Secretary
August 9	Budget Workshop, set the preliminary tax rate, and schedule public hearings
August 11	First Community Budget Presentation – Corbett Jr. High School
August 17	Second Community Budget Presentation – North Community Center
August 18	Third Community Budget Presentation – Schertz United Methodist Church
August 23	First Public Hearing
August 30	Second Public Hearing, First Vote
September 6	Second Vote
October 1	Budget goes into effect



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