

COUNCIL BUDGET WORKSHOP

GENERAL FUND
DEBT SERVICE FUND

August 15, 2017

GENERAL FUND

➤ Policy

- Maintain an unassigned fund balance in the general fund equal to 35% of operating expenditures.
- Surplus may be considered for one-time expenditures.
- Fund balance of less than 25% of expenditures is considered cause for concern.

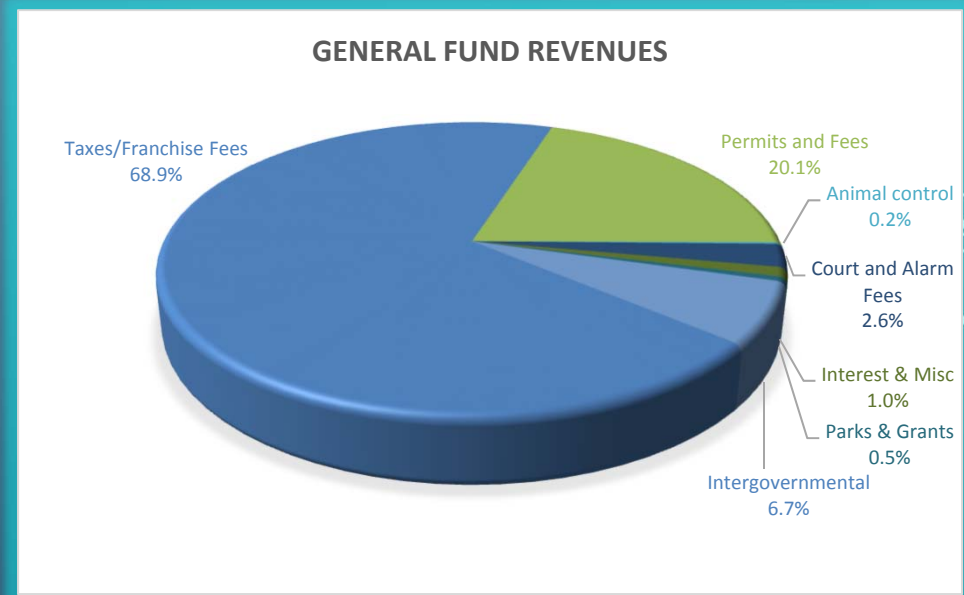
➤ Our operating expenses (less capital) =
\$11,310,988

- 35% = \$3,958,846
- Projected ending fund balance = \$4,117,618

GENERAL FUND REVENUES BY CATEGORY P. 19

Revenue Category	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Taxes and franchise fees	\$7,480,200	\$7,786,100	\$305,900	4.1%
Permits and fees	2,185,000	2,277,800	92,800	4.2%
Animal services	18,000	20,200	2,200	12.2%
Court and alarm fees	260,400	290,200	29,800	11.4%
Interest and miscellaneous	63,200	115,800	52,600	83.2%
Parks and grants	136,530	55,700	(80,830)	(59.2%)
Intergovernmental & Transfers	743,493	761,803	18,310	2.5%
Total Revenues	\$10,886,823	\$11,307,603	\$420,780	3.9%

Taxes and Franchise Fees fund almost 70% of the General Fund operating budget. Permits and Fees fund approximately 20%.



GENERAL FUND REVENUE HIGHLIGHTS

➤ Current year:

- Our 2016-2017 estimated actual revenues are anticipated to be less than original budget by 1.8% or approximately \$200k as a result of:
 - Lower than expected new home permits, down by approximately 25% from the prior year (Increased commercial activity has made up for some of the decrease in residential activity).
 - Lower than expected franchise fee revenue, some of which is related to customers opting out of traditional landlines and direct cable TV and a decrease in electricity rates in the current year.
 - Lower than expected court related fines and fees.

GENERAL FUND REVENUE HIGHLIGHTS


➤ Taxes and Fees:

- The M&O property tax rate proposed of \$0.2726 will generate approximately \$395k more than the prior year.
- Growth in sales tax related to new commercial development combined with the continued growth in our population is expected to generate an additional \$90k in the general fund.
- Remained conservative with franchise fees.
- Expect building permit activity to increase over the current year.

➤ Other Revenue Sources:

- Other financing source for \$675k in the current year is lease financing obtained for the purchase of a fire truck in 2016-2017.

FACTORS AFFECTING ALL DEPARTMENTAL BUDGETS

- ▶ 2.5% performance based compensation adjustment
 - ▶ No COLA is in the proposed budget
 - ▶ Approximate 2% increase in the City's contribution rate for employee retirement benefits
 - ▶ Health insurance cost increase of 9.6% prompted us to decrease insurance benefits (and premiums) to balance our budget – increased deductibles and copays, fewer allowable therapy visits, for example
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GENERAL FUND EXPENDITURES BY CATEGORY P. 21

Category	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$7,353,952	\$7,783,098	\$429,146	5.8%
Services, Utilities and Training	1,444,464	1,570,570	126,106	8.7%
General Supplies and Repairs	818,067	852,270	34,203	4.2%
Other Expenses	1,044,318	1,082,150	37,832	3.6%
Transfers	75,240	22,900	(52,340)	(69.6%)
Recurring Operating Expense	\$10,736,041	\$11,310,988	\$574,948	5.4%
Capital and Non-capital Outlay	1,678,854	305,290	(1,373,564)	(81.8%)
Debt Service (related to capital)	82,579	200,283	117,704	142.5%
Total Expense	\$12,497,474	\$11,816,561	(\$680,912)	(5.4%)

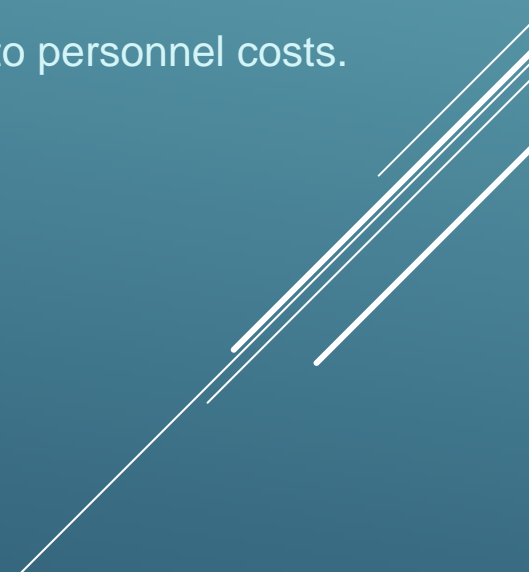
Operating expenses are increasing by 5.4% overall. Almost 75% of the increase is related to increases in salaries and benefits. In the current year, 5 FTE's were added in the general fund at mid-year, for which the City will fund 100% in fiscal year 2017-2018.

Approximately 22% of the increase is related to increases in services, utilities and training. A significant portion of that is related to the increased cost of water to irrigate and maintain our new ballfields.

ADMINISTRATION - CITY MANAGER P. 27

	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$284,303	\$293,536	\$9,233	3.2%
Services, Utilities and Training	9,900	10,700	800	8.1%
General Supplies and Repairs	6,275	6,120	(155)	(2.5%)
Transfers	920	820	(100)	0.0%
Recurring Operating Expense	\$301,398	\$311,176	\$9,778	3.2%
Capital and Non-Capital	0	0	0	0.0%
Total Expense	\$301,398	\$311,176	\$9,778	3.2%

The overall budget shows an increase of 3.2% which is related to personnel costs.



ADMINISTRATION - CITY COUNCIL P. 29

	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Services, Utilities and Training	\$4,000	\$4,000	\$0	0%
General Supplies and Repairs	6,900	4,300	(2,600)	(37.7%)
Recurring Operating Expense	\$10,900	\$8,300	(\$2,600)	(23.9%)
Capital and Non-Capital	0	2,100	2,100	
Total Expense	\$10,900	\$10,400	(\$500)	(4.6%)

The overall budget shows a 4.6% decrease related to a reduction in meetings expense and youth council costs. Non-capital expense is related to furniture replacement.

ADMINISTRATION - CITY SECRETARY P. 31

	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$182,774	\$187,882	\$5,108	2.8%
Services, Utilities and Training	150,500	124,000	(26,500)	(17.6%)
General Supplies and Repairs	43,100	46,000	2,900	6.7%
Transfers	880	560	(320)	(36.4%)
Recurring Operating Expense	\$377,254	\$358,442	\$18,812	(5.0%)
Capital and Non-Capital	0	0	0	
Total Expense	\$377,254	\$358,442	\$18,812	(5.0%)

The overall budget shows a 5% decrease. The majority of this is related to a reduction in legal fees. Based on the most recent historical data, legal fees of a routine nature appear to be leveling off and we reduced the budget accordingly for city attorney costs. There are additional funds in which legal fees are incurred and those may have been increased or decreased based on a special circumstance or case.

POLICE DEPARTMENT ADMINISTRATION P. 33

Category	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$204,643	\$210,067	\$5,424	2.7%
Services, Utilities and Training	142,115	149,450	7,335	5.2%
General Supplies and Repairs	22,250	25,250	3,000	13.5%
Other Expenses	203,500	202,000	(1,500)	(0.7%)
Transfers	1,360	1,280	(80)	(5.9%)
Recurring Operating Expense	\$573,868	\$588,047	\$14,179	2.5%
Capital and Non-capital Outlay	88,200	0	(88,200)	(100.0%)
Debt Service (related to capital)	0	0	0	0.0%
Total Expense	\$662,068	\$588,047	(\$74,021)	(11.2%)

The overall operating budget shows a 2.5% increase but an overall decrease of 11.2% due to a decrease in grant-funded capital from the prior year. The body camera program grant was awarded for fiscal year 2016-2017.

POLICE DEPARTMENT – SRO PROGRAM P. 35

Category	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$226,668	\$225,024	(\$1,644)	(0.7%)
Services, Utilities and Training	6,840	6,840	0	0.0%
General Supplies and Repairs	18,500	17,000	(1,500)	(8.1%)
Recurring Operating Expense	\$252,008	\$248,864	(\$3,144)	(1.2%)
Capital and Non-capital Outlay	0	0	0	0.0%
Total Expense	\$252,008	\$248,864	(\$3,144)	(1.2%)

The overall budget shows a 1.2% decrease.



POLICE DEPARTMENT – RECORDS P. 37

Category	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$90,055	\$87,582	(\$2,473)	(2.7%)
Services, Utilities and Training	2,000	2,000	0	0.0%
General Supplies and Repairs	8,700	9,300	600	6.9%
Other Expenses	600	600	0	0.0%
Recurring Operating Expense	\$101,355	\$99,482	(\$1,873)	(1.8%)
Capital and Non-capital Outlay	0	0	0	0.0%
Total Expense	\$101,355	\$99,482	(\$3,144)	(1.8%)

The overall budget shows a 1.8% decrease.

POLICE DEPARTMENT – INVESTIGATIONS P. 39

Category	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$375,462	\$408,749	\$33,287	8.9%
Services, Utilities and Training	10,000	10,000	0	0.0%
General Supplies and Repairs	27,400	25,400	(2,000)	(7.3%)
Transfers	1,660	4,440	2,780	167.5%
Recurring Operating Expense	\$414,522	\$448,589	\$34,067	8.2%
Capital and Non-capital Outlay	20,000	3,500	(16,500)	(82.5%)
Total Expense	\$434,522	\$452,089	\$17,567	4.0%

The overall operating budget shows an 8.2% increase related to the addition of a property room manager which was budgeted for half a year in the 2016-2017. The reduction in capital outlay brings the overall increase to 4.0%.

POLICE DEPARTMENT – WARRANTS P. 41

Category	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$70,312	\$71,595	\$1,283	1.8%
Services, Utilities and Training	1,500	1,500	0	0.0%
General Supplies and Repairs	6,700	6,200	(500)	(7.5%)
Recurring Operating Expense	\$78,512	\$79,295	\$783	(1.2%)
Capital and Non-capital Outlay	47,300	0	(47,300)	(100.0%)
Total Expense	\$125,812	\$79,295	(\$46,517)	(37.0%)

The overall operating budget shows a 1.2% decrease and an overall 37% decrease due to a decrease in capital from the prior year.

POLICE DEPARTMENT - PATROL P. 43

Category	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$1,733,744	\$1,797,491	\$63,747	3.7%
Services, Utilities and Training	15,000	15,000	0	0.0%
General Supplies and Repairs	191,924	202,500	10,576	5.5%
Transfers	11,860	2,380	(9,480)	(79.9%)
Recurring Operating Expense	\$1,952,528	\$2,017,371	\$64,843	3.3%
Capital and Non-capital Outlay	163,752	124,000	(39,752)	(24.3%)
Debt Service (related to capital)	62,279	62,279	0	0.0%
Total Expense	\$2,178,559	\$2,203,650	\$25,091	1.2%

The overall operating budget shows a 3.3% increase. The most significant increase is related to a 24.3% (\$19,500) increase in budgeted overtime costs. The proposed budget also includes replacement of 2 police units.

POLICE DEPARTMENT – TRAFFIC P. 45

Category	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$70,529	\$73,693	\$3,164	4.5%
Services, Utilities and Training	1,000	1,000	0	0.0%
General Supplies and Repairs	7,250	7,700	450	6.2%
Recurring Operating Expense	\$78,779	\$82,393	\$3,614	4.6%
Capital and Non-capital Outlay	0	0	0	0.0%
Total Expense	\$78,779	\$82,393	\$3,614	4.6%

The overall budget shows a 4.6% increase related to personnel costs.



POLICE DEPARTMENT – K-9 PROGRAM P. 47

Category	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$142,714	\$145,612	\$2,898	2.0%
Services, Utilities and Training	4,700	5,200	500	10.6%
General Supplies and Repairs	12,400	13,900	1,500	12.1%
Recurring Operating Expense	\$159,814	\$164,712	\$4,898	3.1%
Capital and Non-capital Outlay	0	0	0	0.0%
Total Expense	\$159,814	\$164,712	\$4,898	3.1%

The overall operating budget shows a 3.1% increase, 60% of which is related to personnel costs.

MUNICIPAL COURT P. 49

Category	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$99,768	\$103,241	\$3,473	3.5%
Services, Utilities and Training	81,400	100,000	18,600	22.9%
General Supplies and Repairs	7,600	4,600	(3,000)	(39.5%)
Other Expenses	4,000	4,000	0	0.0%
Transfers	960	960	0	0.0%
Recurring Operating Expense	\$193,728	\$212,801	\$19,073	9.8%
Capital and Non-capital Outlay	0	0	0	0.0%
Total Expense	\$193,728	\$212,801	\$19,073	9.8%

Operating expenses are increasing by 9.8% overall. Almost 98% of the increase is related to increases in services, utilities and training. A significant portion of that is related to a proposed contract for third party court security services.

PLANNING AND ENGINEERING P. 51

Category	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$666,996	\$736,815	\$69,819	10.5%
Services, Utilities and Training	194,833	137,600	(57,233)	(29.4%)
General Supplies and Repairs	27,000	22,750	(4,250)	(15.7%)
Other Expenses	7,000	7,500	500	7.1%
Transfers	2,600	3,020	420	16.2%
Recurring Operating Expense	\$898,429	\$907,685	\$9,256	1.0%
Capital and Non-capital Outlay	24,000	0	(24,000)	(100.0%)
Total Expense	\$922,429	\$907,685	(\$14,744)	(1.6%)

Operating expenses are increasing by 1.0%. Increase in personnel cost related to inadvertently under budgeting in the prior year is offset by decreases in contracted services. Overall budget is decreasing by 1.6% due to a reduction in capital outlay from the prior year.

PUBLIC WORKS – STREETS P. 53

Category	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$683,806	\$686,925	\$3,119	0.5%
Services, Utilities and Training	27,600	35,520	7,920	28.7%
General Supplies and Repairs	182,396	182,500	104	0.1%
Transfers	25,440	360	(25,080)	(98.6%)
Recurring Operating Expense	\$919,242	\$905,305	(\$13,937)	(1.5%)
Capital and Non-capital Outlay	21,990	14,600	(7,390)	(33.6%)
Debt Service (related to capital)	20,300	14,883	(5,417)	(26.7%)
Total Expense	\$961,532	\$934,788	(\$26,744)	(2.8%)

Although the budget is decreasing overall due to a reduction in transfers related to facility improvements and a reduction in capital and debt service expenses, there are increases associated with utilities and maintenance related to increased street lights and traffic signals in the City.

PUBLIC WORKS ADMINISTRATION P. 55

Category	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$184,440	\$192,235	\$7,795	5.8%
Services, Utilities and Training	9,420	25,620	16,200	172.0%
General Supplies and Repairs	7,400	6,660	(800)	(10.8%)
Transfers	520	780	260	50.0%
Recurring Operating Expense	\$201,780	\$225,235	\$23,455	11.6%
Capital and Non-capital Outlay	2,100	2,250	150	7.1%
Total Expense	\$203,880	\$227,485	\$23,605	11.6%

The increase in this area is related to a work order system that is expected to be put in place in the coming fiscal year. The work order system will help manage the workload more effectively and efficiently.

ANIMAL SERVICES P. 57

Category	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$162,019	\$164,187	\$2,168	1.3%
Services, Utilities and Training	19,980	24,550	4,570	22.9%
General Supplies and Repairs	24,600	26,000	1,400	5.7%
Other Expenses	120	150	30	25.0%
Transfers	1,240	1,400	160	12.9%
Recurring Operating Expense	\$207,959	\$216,287	\$8,328	4.0%
Capital and Non-capital Outlay	7,500	10,200	2,700	36.0%
Total Expense	\$215,459	\$226,487	\$11,028	5.1%

The increase in animal services is attributable to additional funding for veterinary services for spay and neuter services. These costs are expected to increase as adoptions increase. The proposed budget also includes funding for additional equipment.

PUBLIC WORKS – PARKS P. 59

Category	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$480,321	\$512,901	\$32,580	0.5%
Services, Utilities and Training	74,800	188,090	113,290	151.5%
General Supplies and Repairs	67,847	79,150	11,303	16.7%
Transfers	25,220	360	(24,860)	(98.6%)
Recurring Operating Expense	\$648,188	\$780,501	\$132,313	20.4%
Capital and Non-capital Outlay	84,815	133,140	48,325	57.0%
Total Expense	\$733,003	\$913,641	\$180,638	24.6%

The proposed budget shows an increase of almost 25% in the parks budget. The majority of this increase is related to maintenance of the new ballfields which will be in play as of October. Other increases in utilities, specifically water costs, are required to get our parks in better shape overall. Capital equipment is funded to assist toward this end as well.

FINANCE P. 61

Category	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$243,196	\$255,761	\$12,565	5.2%
Services, Utilities and Training	168,088	177,900	9,812	5.8%
General Supplies and Repairs	7,212	5,000	(2,212)	(30.7%)
Transfers	740	880	140	18.9%
Recurring Operating Expense	\$419,236	\$439,541	\$20,305	4.8%
Capital and Non-capital Outlay	0	0	0	0.0%
Total Expense	\$419,236	\$439,541	\$20,305	4.8%

The proposed budget shows an increase of almost 5%. The majority of this increase is related to the addition of an accounting manager position which was funded for half the year in the prior year. With the addition of this staff person, the finance assistant job duties were adjusted to perform strictly payroll and human resource functions and the position was moved to Human Resources. Increases in service fees to the appraisal district are also included in the proposed budget.

INFORMATION TECHNOLOGY P. 63

Category	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$200,737	\$186,760	(\$13,977)	(7.0%)
Services, Utilities and Training	139,050	283,250	144,200	103.7%
General Supplies and Repairs	18,300	21,500	3,200	17.5%
Transfers	560	720	160	28.6%
Recurring Operating Expense	\$358,647	\$492,230	\$133,583	37.2%
Capital and Non-capital Outlay	315,890	8,000	(307,890)	(97.5%)
Total Expense	\$674,537	\$500,230	(\$174,307)	(25.8%)

Although the overall budget decreased from the prior year due to a significant decrease in capital, there is a substantial increase in services in the proposed budget. This is related to a transfer of costs that were previously budgeted in the Non-departmental budget. The Information Technology Director oversees these contracts and validates these costs which made the transfer of these costs practical.

HUMAN RESOURCES P. 65

Category	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$130,984	\$163,493	\$32,509	24.8%
Services, Utilities and Training	10,525	34,750	24,225	230.2%
General Supplies and Repairs	23,625	26,100	2,475	10.5%
Transfers	220	480	260	118.2%
Recurring Operating Expense	\$165,354	\$224,823	\$59,469	36.0%
Capital and Non-capital Outlay	6,000	0	(6,000)	(100.0%)
Total Expense	\$171,354	\$224,823	\$53,469	31.2%

The proposed budget shows an increase of 31.2%. The majority of this increase is related to the transfer of a position from Finance. Human Resources now provides oversight over the payroll function. In doing so, we have also transferred the cost of the timekeeping system from Non-departmental to Human Resources.

FIRE DEPARTMENT P. 67

Category	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$1,320,481	\$1,479,549	\$159,068	12.0%
Services, Utilities and Training	56,878	80,400	23,522	41.4%
General Supplies and Repairs	74,938	83,900	8,962	12.0%
Other Expenses	534,098	557,500	23,402	4.4%
Transfers	1,060	4,460	3,400	320.8%
Recurring Operating Expense	\$1,987,455	\$2,205,809	\$218,354	11.0%
Capital and Non-capital Outlay	420,704	5,000	(415,704)	(98.8%)
Debt Service (related to capital)	0	123,121	123,121	
Total Expense	\$2,408,159	\$2,333,930	(\$74,229)	(3.1%)

Although the fire department budget decreased by approximately \$75,000 overall, there is a 12% increase in personnel related to 3 new firefighters that were funded mid-year in the prior year. Increases in contractual services are related to IT maintenance contracts. And a 4.4% increase in our EMS contract with the City of Schertz is related to our population growth. These increases are offset by a significant reduction in capital outlay from the prior year. Prior year capital was related to facility improvements at Fire Station #1 and partial funding for a fire truck.

NON-DEPARTMENTAL P. 69

Category	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	(\$200,000)	(\$200,000)	\$0	0.0%
Services, Utilities and Training	314,335	153,200	(161,135)	(51.3%)
General Supplies and Repairs	25,750	30,500	4,750	18.4%
Other Expenses	295,000	310,400	15,400	5.2%
Recurring Operating Expense	\$435,085	\$294,100	(\$140,985)	(32.4%)
Capital and Non-capital Outlay	562,303	2,500	(559,803)	(99.6%)
Total Expense	\$997,388	\$296,600	(\$700,788)	(70.3%)

Negative expense in Salaries and Benefits is anticipated salary savings throughout the general fund. This negative expense offsets other expenses in the non-departmental budget. In the last quarter of the year, when we revise the budget, this salary savings is recognized in each department in which it occurred.

The significant reduction in the proposed budget in this department is related to the transfer of contractual costs to Information Technology and Human Resources as well as the exclusion of funding for facility improvements that had been carried over from prior years.

DEBT SERVICE FUND

- The Debt Service Fund budget is based on a rate for interest and sinking (I&S) of \$0.1748 which is \$0.0073 per \$100 valuation less than the prior year I&S rate of \$0.1821 per \$100 valuation. This reduction is due to minimal new debt being added in 2016-2017 and an overall increase in property valuations.

DEBT SERVICE REQUIREMENTS

Bond Issue	Principal	Interest	Bond Payment
2007 General Obligation & Refunding Bds	550,000	45,675	595,675
2009 General Obligation Bonds	595,000	378,030	973,030
2010 General Obligation Refunding Bonds	95,000	11,500	106,500
2011 General Obligation Bonds	370,000	206,780	576,780
2012 Refunding Bonds	85,000	37,300	122,300
2013 General Obligation Bonds	270,000	233,918	503,918
2014 General Obligation Bonds	115,000	79,113	194,113
2015 General Obligation & Refunding Bds	155,000	318,100	473,100
2016 General Obligation Bonds	140,000	82,775	222,775
2017 Certificates of Obligation	100,000	75,075	175,075
	\$ 2,475,000	\$ 1,468,265	\$ 3,943,265
Less amounts paid from other sources *			(491,300)
Debt to be paid from I&S Taxes			3,451,965
Less frozen levy			(220,000)
Additional levy needed			\$ 3,231,965
Net total taxable value			\$1,848,757,427
I&S Tax Rate needed			\$0.1748/\$100

* Includes payment of \$165,000 from contractual agreement with YMCA for 2017 Certificates of Obligation

TAX RATE DISCUSSION (P. 167)

Proposed Tax Rate	\$0.4474	Per \$100 valuation
Preceding Year's Tax Rate	\$0.4474	Per \$100 valuation
Effective Tax Rate	\$0.4357	Per \$100 valuation
Rollback Tax Rate	\$0.4538	Per \$100 valuation

The effective rate is the total tax rate needed to raise the same amount of property tax revenue for the City from the same properties that were on the tax roll in the previous year.

The rollback rate is the highest tax rate that the City may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate.

If Council proposes a rate above the lower of the effective or rollback rate, a record vote is required and public hearings must be scheduled.

TAX RATE DISCUSSION

- Tax Rate is made up of two components:
 - M&O Rate – For maintenance and operations which goes into the General Fund.
 - I&S Rate - For Interest and Sinking which goes into the Debt Service Fund.

	Total	M&O	I&S	Effect on Avg Home Value* From proposed	Effect on Budget from proposed
Effective Rate	\$0.4357	\$0.2609	\$0.1748	-\$26.59	-\$216,305
Current Rate	\$0.4474	\$0.2653	\$0.1821	\$ 0.00	\$ 0
Proposed Rate	\$0.4474	\$0.2726	\$0.1748	\$ 0.00	\$ 0
Rollback Rate	\$0.4538	\$0.2790	\$0.1748	+\$14.54	+\$118,321

*Average taxable homestead value is \$227,249

TAX RATE DISCUSSION

- ▶ Two public hearings are required if proposed tax rate will exceed the rollback rate or the effective tax rate (whichever is lower).
- ▶ Proposed Rate \$0.4474
 - **2.69%** over effective rate
- ▶ Effective Rate Calculation (p. 169-174)

Adjusted 2016 taxes <i>(less freeze amounts - line 15)</i>	7,629,276
Divided by 2017 adjusted taxable value <i>(less value of new improvements and tax ceilings - line 23)</i>	1,750,955,713
Multiply by \$100	\$0.4357

TAX RATE DISCUSSION

► Rollback Rate Calculation

Adjusted 2016 M&O taxes <i>(less freeze amounts – line 28H)</i>	4,524,113
Divided by 2017 adjusted taxable value <i>(less value of new improvements and tax ceilings – line 29)</i>	1,750,955,713
Multiply by \$100 valuation <i>(This is the effective M&O rate)</i>	\$0.2584
Multiply by 1.08	\$0.2790
Add calculated debt rate	\$0.1748
Rollback tax rate	\$0.4538

BREAKDOWN OF TAX REVENUE INCREASE

Tax revenue increase calculated	\$445,623	5.69%
Tax revenue increase in debt service fund	\$46,417	1.46%
Tax revenue increase in general fund for maintenance and operations	\$399,206	8.60%
Tax revenue increase from new property on the tax roll	\$437,591	

	Rate per \$100 Valuation	2016	2017	Difference from prior year	Difference over effective rate	% over effective rate
Taxable Value <i>(adjusted for court ordered reductions)</i>		\$1,746,874,391	\$1,848,763,357			
<u>Total Effect on Property Tax Revenue</u>						
2016 Tax Rate	0.4474	\$7,825,744				
2017 Effective Rate	0.4357		\$8,055,062	\$229,318		
2017 Proposed Tax Rate	0.4474		\$8,271,367	\$445,623	\$216,305	2.69%
<u>Total Effect on Maintenance and Operations</u>						
2016 M&O Tax Rate	0.2653	\$4,640,523				
2017 M&O Rate at Effective Rate	0.2609		\$4,823,424	\$182,901		
2017 Proposed M&O Tax Rate	0.2726		\$5,039,729	\$399,206	\$0	4.48%
<u>Total Effect on Interest & Sinking <i>(Debt Service)</i></u>						
2016 I&S Tax Rate	0.1821	\$3,185,221				
2017 I&S Tax Rate at Effective Rate	0.1748		\$3,231,638	\$46,417		
2017 Proposed I&S Tax Rate	0.1748		\$3,231,638	\$46,417	\$0	0.0%

	Rate per \$100 Valuation	2016	2017	Difference from prior year	Difference over effective rate	% over effective rate
Taxable Value <i>(adjusted for court ordered reductions)</i>		\$100,000	\$100,000			
<u>Total Effect on Property Tax Revenue</u>						
2016 Tax Rate	0.4474	\$447.40				
2017 Effective Rate	0.4357		\$435.70	(\$11.70)		
2017 Proposed Tax Rate	0.4474		\$447.40	\$0	\$11.70	2.69%
<u>Total Effect on Maintenance and Operations</u>						
2016 M&O Tax Rate	0.2653	\$265.30				
2017 M&O Rate at Effective Rate	0.2609		\$260.90	(\$4.40)		
2017 Proposed M&O Tax Rate	0.2726		\$272.60	\$7.30	\$11.70	4.48%
<u>Total Effect on Interest & Sinking (Debt Service)</u>						
2016 I&S Tax Rate	0.1821	\$182.10				
2017 I&S Tax Rate at Effective Rate	0.1748		\$174.80	(\$7.30)		
2017 Proposed I&S Tax Rate	0.1748		\$174.80	(\$7.30)	\$0	0.0%

	Rate per \$100 Valuation	2016	2017	Difference from prior year	Difference over effective rate	% over effective rate
Taxable Value <i>(adjusted for court ordered reductions)</i>		\$217,347	\$227,249			
<u>Total Effect on Property Tax Revenue</u>						
2016 Tax Rate	0.4474	\$972.41				
2017 Effective Rate	0.4357		\$990.12	\$17.71		
2017 Proposed Tax Rate	0.4474		\$1016.71	\$44.30	\$26.59	2.69%
<u>Total Effect on Maintenance and Operations</u>						
2016 M&O Tax Rate	0.2653	\$576.62				
2017 M&O Rate at Effective Rate	0.2609		\$592.89	\$16.27		
2017 Proposed M&O Tax Rate	0.2726		\$619.48	\$42.86	\$26.59	4.48%
<u>Total Effect on Interest & Sinking (Debt Service)</u>						
2016 I&S Tax Rate	0.1821	\$395.79				
2017 I&S Tax Rate at Effective Rate	0.1748		\$397.23	\$1.44		
2017 Proposed I&S Tax Rate	0.1748		\$397.23	\$1.44	\$0	0.0%

REQUIRED PUBLIC NOTICE UNDER LGC 140.010

- Publication deadline is the later of September 1st or the 30th day after receiving the certified appraisal roll.
- To set a tax rate that exceeds the effective tax rate requires a 60% vote of the governing body.

NOTICE OF 2017 TAX YEAR PROPOSED PROPERTY TAX RATE FOR CITY OF CIBOLO

A tax rate of \$0.4474 per \$100 valuation has been proposed for adoption by the governing body of City of Cibolo. This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate.

The governing body of City of Cibolo proposes to use revenue attributable to the tax rate increase for the purpose of _____.

PROPOSED TAX RATE	\$0.4474 per \$100
PRECEDING YEAR'S TAX RATE	\$0.4474 per \$100
EFFECTIVE TAX RATE	\$0.4357 per \$100
ROLLBACK TAX RATE	\$0.4538 per \$100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for City of Cibolo from the same properties in both the 2016 tax year and the 2017 tax year.

The rollback tax rate is the highest tax rate that City of Cibolo may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:

$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) / 100$$

For assistance or detailed information about tax calculations, please contact:

Daryl John
City of Cibolo Tax Assessor-Collector
307 West Court St.
Seguin, Texas 78155
830 303-8850
daryl.john@co.guadalupe.tx.us
www.co.guadalupe.tx.us

You are urged to attend and express your views at the following public hearings on the proposed tax rate:

First Hearing: August 22, 2017 at 6:30 pm at Cibolo City Hall 200 S. Main St.,

Second Hearing: September 5, 2017 at 6:30 pm at Cibolo City Hall 200 S. Main St.,

PUBLIC HEARINGS AND ADOPTION

- Public Hearings
 - August 22, 2017 at 6:30 pm
 - September 5, 2017 at 6:30 pm
 - Tax Rate Adoption
 - September 12, 2017
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