

THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$2,977,405 OR 10.6%, AND OF THAT AMOUNT \$560,210 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE ROLL THIS YEAR.

TAX RATE	PROPOSED FY 2019	ADOPTED FY 2018
PROPERTY TAX RATE	.6139	.6139
EFFECTIVE TAX RATE	.5899	.5252
EFFECTIVE M&O RATE	.6406	.5532
ROLLBACK RATE	.6596	.6228
DEBT RATE	.2262	.2539



CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

CITY COUNCIL

JOHN THOMAIDES.....	MAYOR
LISA PREWITT.....	PLACE 1
SAUL GONZALES.....	PLACE 2
ED MIHALKANIN.....	PLACE 3
JANE HUGHSON.....	PLACE 4
SCOTT GREGSON.....	PLACE 5
MELISSA DERRICK.....	PLACE 6

APPOINTED OFFICIALS

BERT LUMBRERAS.....	CITY MANAGER
MICHAEL COSENTINO.....	CITY ATTORNEY
JAMIE CASE.....	CITY CLERK
JOHN P. BURKE, JR.....	MUNICIPAL COURT JUDGE

CITY MANAGER'S OFFICE

COLLETTE JAMISON.....	ASSISTANT CITY MANAGER
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BUDGET DOCUMENT PREPARATION

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CITY OF SAN MARCOS

2017-18 ANNUAL BUDGET

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The Mission of the City of San Marcos

The goals of the City Government are to safeguard the health, safety and welfare of the City's residents, provide for a high quality of life, foster intergovernmental liaison and communication, encourage responsible citizenship, promote sound community and economic development, conserve and protect the City's natural resources and environment.

– San Marcos City Charter

Executive Summary

The fiscal year 2019 proposed budget totals \$229,293,482 and meets the highest standards in budgeting as expected by the community. The budget represents a partnership between City Council and staff responding to the Council's vision for the community.

Staff used the City Council's Budget Policy Statement and Strategic Initiatives as a guide for developing the proposed budget. These Strategic Initiatives are:

- Workforce Housing
- Public Transit
- Stormwater Management
- Community Partners
- City Facilities

The Executive Summary explains the key choices and decisions made during the budget process to meet the priorities and guidelines established by City Council for the major City funds.

General Fund

Revenues

Property Tax-The property tax rate is proposed to remain at 61.39 cents per \$100 valuation for fiscal year 2019. This rate reflects the increase of 8.37 cents per \$100 valuation adopted in fiscal year 2018. This increase was the result of the bond election that voters approved in the May 2017 bond election for debt service of and operational expenses for public safety and library expansion projects. The taxable property base increased by \$485M and new improvements were \$91.3M of that total. This budget will raise \$3.0M more in total property tax revenue than last year's budget, and of that \$560K is due to new construction.

Sales Tax-The sales tax revenue of \$35.7.0M includes a 2% increase to the base sales taxes (\$305K), 2% increase to the sales taxes attributed to the Tanger and Prime Outlet Malls (\$109K), and revenues generated by the new Best Buy Call Center located in San Marcos (\$7.7M).

Franchise Fees-Franchise fee revenue includes revenue produced by the increase from 7% to 8% in the franchise fees collected from the City owned electric and water/wastewater utilities.

All Other Revenues-All fees will be increased by the annual CPI calculated at 3% for FY19. Cost of service studies are in progress for fees charged by Community Services. These results will be brought forward in the consolidated fee schedule adopted with the budget.

The Community Enhancement Fee is proposed to increase by .50 cents per month to fund additional code enforcement officers and the increase in hours for the community enhancement technicians. This will continue to advance the enhancement of the City.

Expenses

Expenses were increased by \$7.8M including:

- 4.5% increase to sworn Fire and Police through the 4th year extension of the 2016 Meet and Confer contract
- 5% increase for Health Insurance
- 4.5% FY19 Merit/COLA increase and full year of FY18 increase for all non-civil service employees
- Software Maintenance increases of \$187K
- EMS annual funding increase of \$80k
- Annual contracted services increases
- Economic development incentive increases including \$1.0M for a total budgeted rebate of \$5.8M for 75% of sales taxes generated by the Best Buy call center.
-

New expenses included:

- Part-time clerk in the City Clerk's office partially funded by a reduction in the City Council's operating expenses.
- Construction Specialist in Community Services partially funded by a reduction in the current facility maintenance budget
- Emergency Vehicle Technician in Fleet partially funded by a reduction in the current vehicle maintenance budget
- Acquisition Assistant partially funded by a reduction in contracted services
- FOG Enforcement Officer jointly funded by the General Fund and the Water/Wastewater Fund
- Veterinary Technician and part-time Volunteer Coordinator in Animal Services
- Senior Planner and Electrical Inspector in Development Services. The inspector will be jointly funded by the General Fund and the Electric Fund.
- School Resource Officer and Narcotics Officer in the Police Department. The School Resource Officer will be jointly funded by the City and the San Marcos Independent School District. The Narcotics Officer will be a mid-year hire.
- Eight firefighters to staff an additional squad that will operate out of an existing fire station.
- Two additional fire inspectors in the Fire Department
- Incremental increases for personnel and overtime in Finance and Engineering.
- Increase to operating expenses in Community Services Administration and Park Rangers
- Increase in maintenance for parks and greenspace/trails of \$50K
- Increase in contracted veterinarian services of \$35K to a full time level for Animal Services
- Increase in contracted environmental inspections in engineering of \$10K

Electric Fund

Revenues

The current year rate modeling does not indicate a need for any rate adjustment so no rate adjustment is recommended by the Citizens Utility Advisory Board (CUAB) for the electric rates. Revenues are budgeted based on system and customer anticipated growth and historical trends.

Expenses

The current rate supports the addition of \$442,500 in operating expenses and \$565,800 in capital expenses including:

- Metering Administrative Assistant
- Electrical Inspector that will be jointly funded by the General Fund and the Electric Fund.
- OMS, SCADA, Milsoft, CAD and GIS interfaces
- Increase of \$30K to the Energy Assistance funding
- Utility Analytics dashboard development
- Eaton Conference registration for Metering staff
- American Public Power Association dues
- Engineering and technical professional contracted services
- GPS unit and laptop replacement
- Automated vehicle locating for the Public Services fleet
- Hydrovac Machine

Expenses also include the temporary increase from 7% to 8% in the franchise fee paid to the General Fund.

Water/Wastewater Fund

Revenues

The current year rate modeling indicates a need for a 5% rate adjustment for Water and a 2% rate adjustment for Wastewater. This rate adjustment is recommended by the Citizens Utility Advisory Board (CUAB) and is consistent with the anticipated small steady increase in rate to support efforts to secure future water supplies through the year 2060 as a member of Alliance Regional Water Authority (ARWA). Revenues are budgeted based on system and customer anticipated growth and historical trends.

Expenses

The current rate supports the addition of \$281,000 in operating expenses and \$293,000 in capital expenses including:

- Large meter testing program
- I & C Technician

- Equipment Operator
- Increase of \$30K to the Energy Assistance funding
- FOG Enforcement Officer jointly funded by the General Fund and the Water/Wastewater Fund
- 2 of 5 modules for Phase 2 Data Analytics System
- CCTV Van replacement
- Hydra-Stop valve insertion equipment
- Smart Cover remote monitoring system
- John Deere 4WD backhoe replacement

Expenses also include the temporary increase from 7% to 8% in the franchise fee paid to the General Fund.

Stormwater Fund

Revenues

The current year rate modeling indicates a need for a 15% rate adjustment to support needed capital improvement projects. Projects totaling \$66.1M have been identified as needed over the next 5 years to properly handle the storm water drainage in the City. This is the second year of a 5 year plan to adjust rates 15% per year to properly fund these projects. A comprehensive rate study is underway and new rate structures or levels may be brought back for implementation in FY2020. Revenues are budgeted based on system and customer anticipated growth and historical trends.

Expenses

The proposed rate supports the addition of \$97,000 in operating expenses and \$301,000 in capital expenses including:

- Street Sweeper Operator
- Increased contracted services for MS4 program requirements
- Street Sweeper
- 18 yard dump truck
- Compact track loader

Hotel Motel Fund

Revenues

Revenues are budgeted to decrease \$215,000 from the FY18 budget. With the addition of almost 1,000 hotel rooms over the last 5 years, competition has increased and the average room rates have decreased. As a result, overall revenue has declined. Of the total \$3.7M in revenue collected,

\$1.5M is dedicated to the debt service for the debt issued to fund the construction of the City of San Marcos Conference Center.

Expenses

Expenses totaling \$3.8M have been reduced by \$375K from FY18. All programs and operating costs were reduced by 15.5% with the exception of personnel costs. This reduction is necessary to balance the budget with reduced revenue.

City of San Marcos Financial Policy

I. Purpose

The broad purpose of this policy is to enable the City to achieve and maintain a long-term stable and positive financial condition through the use of sound financial management practices. The watchwords used to epitomize the City's financial management include integrity, prudent stewardship, planning, accountability, full disclosure and communication.

The more specific purpose of this policy is to provide guidelines to the Director of Finance in planning and managing the City's daily financial affairs and in developing recommendations to the City Manager and City Council.

The City Council will annually review and approve this policy as part of the budget process.

The scope of this policy covers the operating budget, revenues, expenditures, capital improvements program, financial planning, accounting, auditing, financial reporting, treasury management, debt management, and financial condition and reserves, in order to:

- A. Present fairly and with full disclosure the financial position and results of the financial operations of the City in conformity to generally accepted accounting principles (GAAP).
- B. Determine and demonstrate compliance with finance-related legal and contractual issues in accordance with provisions of the City's Charter, the City's Code of Ordinances, the Texas Local Government Code and other pertinent legal documents and mandates.

II. Operating Budget

A. Preparation – Budgeting is an essential element of the financial planning, control, and evaluation process of municipal government. The "budget" is the City's annual financial operating plan. The budget includes all of the operating departments of the governmental funds, special revenue funds, enterprise funds, and permanent funds of the City. The budget includes expenditures for personnel, contracted services, materials and supplies, other charges, operating transfers, social services, indirect costs, capital outlay and debt service. The budget is prepared by the City Manager and Director of Finance with the participation of all the City's Department Directors within the provisions of the City Charter, on a basis that is consistent with GAAP.

B. Multi-Year Planning – The Director of Finance will prepare a multi-year financial forecast of the General Fund. This forecast is an integral part of developing the adopted budget.

1. Adopted Budget – The City Manager presents a budget to the City Council. The budget provides a complete financial plan for the ensuing fiscal year, and shall contain a budget message explaining the budget, containing an outline of the adopted financial policies of the City for the ensuing fiscal year, setting forth the reasons for salient changes from the previous fiscal year in expenditure and revenue items, and explaining any major changes in financial policy.

- a) The budget should include four basic segments for review and evaluation. These segments are: (1) actual revenue and expenditure amounts for the last completed fiscal year, (2) original revenue and expenditure amounts budgeted for the current fiscal year, (3) revenue and expenditure amounts estimated for the current fiscal year, and (4) revenue and expenditure amounts for the ensuing fiscal year.
- b) The City Manager, not less than 30 days prior to the time the City Council makes its tax levy for the current fiscal year, shall file with the City Clerk the adopted budget.

2. Adoption – The City Council shall call and publicize a public hearing to allow for citizen participation. The City Council will subsequently adopt by Ordinance such budget, as it may have been amended, as the City's annual budget effective for the fiscal year beginning October 1st. The budget should be adopted by the City Council no later than the expiration of the fiscal year.

C. Balanced Budget – The operating budget will be balanced with current revenues, which may include beginning fund balances less required reserves as established by City Council, greater than or equal to current expenditures.

D. Planning – The budget process will be coordinated so as to identify major policy and financial issues for City Council consideration several months prior to the budget adoption date. This will allow adequate time for appropriate decisions and analysis of financial impacts.

E. Reporting – Financial reports will be made available to Department Directors to manage their budgets and to enable the Director of Finance to monitor the overall budget. The Director of Finance will present summary financial and budgetary reports to the City Council to disclose the overall budget and financial condition of the City. The financial and budgetary reports will include comparisons of actual to budget, actual to prior year, appropriate ratios, and graphs to ensure full disclosure and present meaningful information.

F. Control and Accountability – Department Directors will be responsible to ensure that their department budgets will not exceed budgeted amounts. Department Directors will be responsible to ensure revenues generated by activities of their departments meet budgeted amounts.

G. Contingent Appropriation – A provision shall be made in the budget for a contingent appropriation of no more than three percent of total expenditures to be used in

case of emergencies or unforeseen circumstances. The contingent appropriation shall be under the control of and distributed by the City Manager after approval of the City Council. A detailed account of contingent appropriation expenditures shall be recorded and reported.

All expenditures of the contingent appropriation will be evaluated using the following criteria:

- Is the request of such an emergency nature that it must be made immediately?
- Why was the item not budgeted in the normal budget process?
- Why the transfer cannot be made within the division or department?

III. Revenue Policies

A. Characteristics – The City Finance Department will strive for the following optimum characteristics in its revenue system:

1. Simplicity – Where possible and without sacrificing accuracy, the revenue system will be kept in simple order to reduce compliance costs for the taxpayer or service recipient.
2. Certainty – There will be a thorough knowledge and understanding of revenue sources to increase the reliability of the revenue system. Consistent collection policies will be enacted to provide assurances that the revenue base will materialize according to budgets and plans.
3. Equity – Equity will be maintained in the revenue system structure; i.e., subsidization between entities, funds, services, utilities, and customer classes will be minimized or eliminated.
4. Revenue Adequacy – There will be a balance in the revenue system; i.e., the revenue base will have the characteristics of fairness and neutrality as it applies to cost of service, willingness to pay, and ability to pay.
5. Administration – The benefits of a revenue source should exceed the cost of levying and collecting that revenue. The cost of collection should be reviewed annually for cost effectiveness as a part of the indirect cost of service analysis. Where appropriate, the administrative processes of state, federal or local governmental collection agencies will be used in order to reduce administrative cost.
6. Diversification and Stability – A diversified revenue system with a stable source of income should be maintained. This will help avoid instabilities in similar revenue sources due to factors such as fluctuations in the economy and variations in the weather.

B. Issues – The following considerations and issues will guide the City Finance Department in its revenue policies concerning specific sources of funds:

1. Cost/Benefit and Financial Impact Analysis for Tax and Fee Abatements – A cost/benefit and financial impact analysis should be performed to assess tax or fee abatement economic development incentives.

2. Accounts Receivable – Accounts receivable procedures will target collection for a maximum of 30 days from service. Accounts past due more than 120 days may be sent to a collection agency. The Director of Finance is authorized to write-off non-collectible accounts that are delinquent for more than 180 days.

3. Non-Recurring Revenues – One-time or non-recurring revenues should not be used to finance current ongoing operations. Non-recurring revenues should be used only for non-recurring expenditures and not be used for budget balancing purposes.

4. Deferrals or Short-Term Loans – Deferrals or short-term loans will not be used for budget balancing purposes.

5. Property Tax Revenues – All real and business personal property located within the City is valued at 100% of the fair market value for any given year based on the current appraisal supplied to the City by the Hays County Tax Appraisal District (HCTAD). A visual reappraisal and reassessment of all real and business personal property will be done every third year. The HCTAD reappraises real and business personal property every year as a standard practice.

Conservatism will be used to estimate property tax revenues. The Hays County Tax Assessor Collector will furnish an estimated property tax collection rate to the Director of Finance. The Finance Department will endeavor with the Tax Assessor Collector to collect one hundred percent (100%) of property taxes levied in each fiscal year.

6. Interest Income – Interest earned from investment of available monies, whether pooled or not, will be distributed to the funds in accordance with the equity balance of the fund from which monies were provided to be invested.

7. User Fees and Service Charges – For services associated with a user fee or service charge, the direct and indirect costs of that service will be offset by a user fee where possible. Department Directors will annually review user fees and service charges to ensure that the costs of services are recouped through user fees and service charges. The City Council will determine how much of the cost of a service should be recovered by fees and service charges.

8. Indirect Cost Allocation – All City funds will include transfers to and receive credits from other funds for general and administrative costs incurred. The most predominant fund that receives credits from other funds is the General Fund. The General Fund receives credits for bearing such costs as administration, legal counsel, finance, personnel, data processing, engineering and other costs. An independent third party will conduct an indirect cost allocation study annually to determine the credits received.

9. Enterprise Fund Rates – The Director of Finance and the Department Directors of each Enterprise Fund will review rates annually to ensure sufficient coverage of operating expenses, meet the legal restrictions of all applicable bond covenants, and provide for an adequate level of working capital.

10. Franchise Fees – The Electric Fund and Water and Wastewater Utility Fund will include franchise fees as a component of utility rates. A 7% Water and Wastewater Utility and a 7.5% moving to 7% Electric Utility Fund franchise fee is levied on gross sales. The City will aim to keep these franchise fees similar to those charged to investor-owned utility franchises operating within the City.

11. Intergovernmental Revenues (Federal/State/Local) – All potential grants will be examined for matching requirements and the source of the matching requirements. These revenue sources will be expended only for intended purpose of grant aid. It must be clearly understood that operational requirements set up as a result of a grant or aid could be discontinued once the term and conditions of the project have terminated.

12. Revenue Monitoring – Revenues actually received will be compared to budgeted revenues by the Director of Finance and variances will be investigated. This process will be summarized in the appropriate financial report and reported to the City Manager and City Council on a quarterly basis.

IV. Budgetary Sales Tax Estimation

- A. The estimated percentage increase in sales tax revenue for the ensuing fiscal year budget will not exceed the actual percentage increase of the most recently completed fiscal year in which a sales tax increase was realized.
- B. The following example illustrates the limitation set by this policy.

Fiscal Year 1 Actual	Fiscal Year 2 Actual	Percentage Increase	Fiscal Year 3 Estimated	Fiscal Year 4 Budget	Percentage Increase
\$10,000,000	\$10,500,000	5.0 %	\$11,550,000	\$12,127,500	5.0 %

In the example above, the Fiscal Year 4 Adopted Budget is limited to a 5.0% increase, which is the actual percentage increase of the most recently completed fiscal year (Fiscal Year 2).

- C. This policy ensures that the ensuing fiscal year budget contains a sales tax revenue estimate based on actual completed fiscal years only.

V. Budgetary Sales Tax Revenue Shortfall Contingency Plan

- A. The City will establish a plan to address economic situations that cause sales tax revenue to be significantly less than the adopted budget sales tax revenue. The plan is comprised of the following components:

- Indicators – Serve as warnings that potential budgetary sales tax revenue shortfalls are increasing in probability. Staff will monitor state and national economic indicators to identify recessionary or inflationary trends that could negatively impact consumer spending. Staff will develop a monthly report that compares the current month's sales tax revenue to the same month of the previous year. The report will show sales tax revenue by month for the last ten fiscal years.

- Phases – Serve to classify and communicate the severity of the estimated budgetary sales tax revenue shortfall. Identify the actions to be taken at the given phase.

- Actions – Preplanned steps to be taken in order to prudently address and counteract the estimated budgetary sales tax revenue shortfall.

- B. The actions listed in phases 1 through 3 are short-term in nature. In the event the underlying economic situation is expected to last for consecutive years, more permanent actions, such as phases 4 and 5, will be taken.
- C. Staff will apprise City Council at the regular City Council meeting immediately following any action taken through this plan. Information such as underlying economic condition, economic indicators, estimated budgetary sales tax revenue shortfall, actions taken and expected duration will be presented to City Council.
- D. The City Council may appropriate fund balance as needed to cover any estimated budgetary sales tax revenue shortfall. Appropriation of fund balance must be carefully weighted and long-term budgetary impacts must be considered in conjunction with the projected length of the economic downturn.
- E. Actions taken through this plan must always consider the impact on revenue generation. Actions taken should reduce expenses well in excess of resulting revenue losses.
- F. These are only guidelines of possible actions that may be taken in the event of sales tax revenue decreases. In the event of a catastrophic event, necessary measures will be taken by the City Manager that are in the best interest of the City.
- G. The following is a summary of phase classifications and the corresponding actions to be taken. Revenue will be monitored on a quarterly basis, with action being taken in the

month following the completed quarter that experiences the shortfall. Actions are cumulative, so each level will include all actions set forth in prior levels.

1. **ALERT:** The estimated annual sales tax revenue is 1.5% less than the adopted sales tax revenue budget.
 - a. Freeze newly created positions.
 - b. Implement a time delay for hiring vacant positions.
2. **MINOR:** The estimated annual sales tax revenue is 2.5% less than the sales tax revenue adopted budget.
 - a. Suspend funding of Capital Maintenance accounts.
 - b. Suspend capital outlay purchases.
 - c. Reduce the number of temporary workers.
3. **MODERATE:** The estimated annual sales tax revenue is 3.5% less than the sales tax revenue adopted budget.
 - a. Implement a managed hiring program for vacant positions.
 - b. Reduce travel and training budgets.
 - c. Reduce office supply budgets.
 - d. Scrutinize professional services expenses.
 - e. Implement a salary freeze and suspend mid-year merit increases if possible.
4. **MAJOR:** The estimated annual sales tax revenue is 4.5% less than the adopted sales tax revenue budget.
 - a. Scrutinize repairs and maintenance expense. Perform only critical maintenance and make only critical repairs.
 - b. Freeze all external printing and publication expenses, except for legally required notices.
 - c. Reduce overtime budgets.
 - d. Prepare a Reduction in Force Plan.
 - e. Defer payments to City-owned utilities for electricity, street lighting, water and wastewater services.
5. **CRISIS:** The estimated annual sales tax revenue is 5% less than the adopted sales tax revenue budget.
 - a. Service level reductions, elimination of specific programs, reduction-in-force and other cost reduction strategies will be considered.
 - b. Reduce departmental budgets by a fixed percentage or dollar amount.
 - c. Departments will prioritize service levels and programs according to City Council goals and objectives.
 - d. Consider four-day work weeks to reduce personnel costs.
 - e. Reduce external program funding – social service agencies.

VI. Expenditure Policies

- A. Appropriations – The point of budgetary control is at the department level budget for all funds. Following formal adoption, the budget is amended or adjusted as necessary.
1. Amendment- An amendment involves increasing the total expenditures of the funds over the original adopted budget or changes to the total approved FTE count. The budget is amended through a submission made by a Department Director to the City Manager. The Department Director prepares a budget amendment detailing the reason, line items and amounts to be effected which is approved by the City Finance Department after verification of available dollars. The amendment is given to the City Manager or their designee for review for overall appropriate objectives and purposes. The amendment request is submitted to the City Council for formal adoption by ordinance.
 2. Adjustment-An adjustment involves moving expenses between line items, departments or funds, but does not increase total expenditures over the adopted budget. The budget is adjusted through a submission made by the Department Director. If the budget adjustment requires a transfer between funds, or involves the use of contingent appropriations, the adjustment is submitted to City Council for approval by a motion. If the budget adjustment requires a transfer between departments, it must be approved by the City Manager or their designee. All other adjustments may be approved by the City Finance Director.
- B. Encumbrance Accounting System – An encumbrance accounting system will be used to alert Department Directors when their maximum budget limits have been reached. Encumbrances are expenditure estimates and will reduce budgeted appropriations in the same manner as an actual expenditure. Once the actual expenditure amount is paid or the encumbrance lapses, the encumbrance will be deleted. Department Directors should use the encumbrance accounting system for all purchases.
- C. Personnel Savings – No recognized or significant personnel savings in any Department will be spent by the Department Director without the prior authorization of the City Manager. This control is used to realize personnel savings each year that will be recognized in the adopted budget as a reduction in the current fiscal year's personnel appropriations.
- D. Capital Outlay-Any previously budgeted capital outlay funds not expended at year end may be moved to a cash funded Capital Improvements Projects account for expenditure in a subsequent fiscal year. These funds may be used for a capital outlay item or for other designated purpose.
- E. Impact Fees Reserves-Funds may be used to support projects identified in the impact fee study, as adopted by City Council, for new growth projects. Authorization for use of impact fee funds will be provided by the City Manager or their designee.
- F. Purchasing – All Department Directors will ensure their respective departments comply with the City's Purchasing Manual when purchasing goods or services.
- G. Prompt Payment – All invoices approved for payment will be paid by the City Finance Department within thirty (30) calendar days of receipt in accordance with the provisions of State law.

The Director of Finance will establish and maintain payment procedures that will make use of advance payment discounts. Advanced payment discounts will be used in all instances except when the City will earn more interest income than the advance payment discount through investing the idle cash.

VII. Capital Improvements Program – Major Projects

A. Purpose – The Capital Improvements Program (CIP) is a multi-year financial planning tool used to identify and plan for major capital projects which address growth, transportation, public safety, and utility infrastructure issues in conjunction with goals and priorities as determined by City Council. A major capital project generally involves a significant expenditure of funds, beyond operation and maintenance costs, for the acquisition or construction of a needed facility or infrastructure. A major capital project should exceed \$50,000 in cost. The CIP coincides with the adoption of the budget and uses a ten-year projection.

B. Preparation – The CIP will be prepared annually and on a project basis categorized by specific program; i.e., streets, drainage, public safety, public buildings, parks and recreation, water, wastewater and electric. The CIP should contain a comprehensive description of the project, funding sources, the timing of capital projects, and the impact on operations. The CIP will be prepared by the Planning Department and reviewed by the City Manager with the involvement of responsible departments. The CIP will be submitted to the Planning and Zoning (P&Z) Commission for their review. After considerable deliberation including public workshops and hearings to gather citizen participation, the P&Z will approve a recommended CIP for City Council’s approval. The City Council reviews the CIP for adherence to goals and priorities and approves the CIP for inclusion in the ensuing fiscal year budget. Capital projects within the first year of the CIP are approved for funding. Maintenance and operational costs related to capital projects are included in the ensuing fiscal year budget.

C. Funding Sources – Where applicable, assessments, impact fees, pro rata charges, or other fees should be used to fund capital projects which have a primary benefit to specific, identifiable property owners.

Recognizing that long-term debt is usually a more expensive financing method, alternative-financing sources will be explored before debt is issued. When debt is issued, it will be used to acquire major assets with expected lives that equal or exceed the average life of the debt issue. The exceptions to this requirement are the traditional costs of issuing the debt, capitalized labor for design and construction of capital projects, and small component parts which are attached to major equipment purchases such as fire trucks. The types of debt issued are listed in Section VIII of this policy.

D. Timing and Expenditure Control – The Director of Finance will work with Department Directors during the fiscal year to schedule the timing of capital projects to insure funds availability. All capital projects must be funded and appropriated. The Finance Department must certify the availability of resources before any capital project contract is presented to the City Council for approval.

E. Reporting – Financial reports will be made available to Department Directors to manage their capital projects budgets and to enable the Director of Finance to monitor the overall capital projects budget.

IX. Financial Planning, Accounting, Auditing and Reporting

A. Financial Planning – The Director of Finance provides recommendations for short-term and long-term strategic financial planning to efficiently and effectively use the City’s financial resources. This financial planning is achieved in accordance with the goals and priorities of the City Council, the City Manager, and in compliance with applicable laws and Generally Accepted Accounting Principles (GAAP).

B. Accounting System – The Director of Finance is responsible for the development, maintenance and administration of the City’s accounting system. Compliance with GAAP and applicable federal, state and local laws and regulations will be maintained. This responsibility also includes the implementation and maintenance of internal accounting controls for the City’s financial resources. Functions of the accounting system include payroll, accounts payable, general ledger, grants, capital projects, fixed assets, accounts receivable, self-insurance, utility billing and collections.

C. Financial Auditing –

1. Qualifications of the Auditor – In conformance with the City's Charter and according to the provisions of Texas Local Government Code, the City will be financially audited annually by an outside independent auditing firm. The auditing firm must demonstrate that it has the breadth and depth of staff to conduct the City's financial audit in accordance with generally accepted auditing standards and contractual requirements. The auditing firm must hold a license under the Civil Statutes of Texas and be capable of demonstrating that it has sufficient staff which will enable it to conduct the City's financial audit. The auditing firm will complete its financial audit within 120 days of the City's fiscal year end. The auditing firm will submit its Management Letter to the City Council within 30 days of the completion of its financial audit. The Management Letter will state the auditing firm’s findings of non-compliance and recommendations for compliance.

The Director of Finance shall respond within 60 days in writing to the City Manager and City Council regarding the auditing firm’s Management Letter, addressing the findings of non-compliance contained therein.

2. Responsibility of Auditing Firm to City Council – The auditing firm is retained by and is accountable directly to the City Council and will have access to direct communication with the City Council if the City staff is unresponsive to the auditing firm’s recommendations or if the auditing firm considers such communication necessary to fulfill its legal and professional responsibilities.

D. Financial Reporting –

1. External Reporting – The City Finance Department will prepare the necessary transmittal letter, financial summaries and tables, notes and miscellaneous financial information contained within the comprehensive annual financial report (CAFR). The auditing firm will audit this financial information for compliance with GAAP. The audited CAFR will be submitted to the City Council for their review and will be made available to the public for inspection.

2. Internal Reporting – The City Finance Department will prepare internal financial reports, sufficient to plan, monitor, and control the City's financial affairs. The City Finance Department will strive for excellence in its financial reporting. The following qualitative characteristics of accounting information will be incorporated in all reports that are prepared:

Definitions of Qualitative Characteristics of Accounting Information:

- Bias - Bias in measurement is the tendency of a measure to fall more often on one side than the other of what it represents instead of being equally likely to fall on either side. Bias in accounting measures means a tendency to be consistently too high or too low. Financial reporting will strive to eliminate bias in accounting measures.
- Comparability – The quality of information that enables users to identify similarities in and differences between two sets of economic phenomena.
- Completeness – The inclusion in reported information of everything material that is necessary for faithful representation.
- Conservatism – A prudent reaction to uncertainty to try to insure that uncertainty and risks inherent in financial situations are adequately considered.
- Consistency – Conformity from period to period with unchanging policies and procedures.
- Feedback Value – The quality of information that enables users to confirm or correct prior expectations.
- Materiality – The magnitude of an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement.
- Neutrality – Absence in reported information of bias intended to attain a predetermined result or to induce a particular mode of behavior.
- Predictive Value – The quality of information that helps users to increase the likelihood of correctly forecasting the outcome of past or present events.
- Relevance – The capacity of information to make a difference in a decision by helping users to form predictions about the outcomes of past, present, and future events or to confirm or correct prior expectations.
- Reliability – The quality of information that assures that information is reasonably free from error and bias and faithfully represents what it purports to present.
- Representational Faithfulness – Correspondence or agreement between a measure

or description and the phenomenon that it purports to represent (sometimes called validity).

- Timeliness – Having information available to a decision-maker before it loses its capacity to influence decisions.
- Understandability – The quality of information that enables users to perceive its significance.
- Verifiability – The ability through consensus among measurers to insure that information represents what it purports to represent or that the chosen method of measurement has been used without error or bias.

X. Treasury Management

A. Investments – The Director of Finance, or designee shall promptly deposit all City funds with the City's depository bank in accordance with the provisions of the current depository bank agreement. The Director of Finance, or designee will then promptly invest all funds in any negotiable instrument that the City Council has authorized under the provisions of the State of Texas Public Funds Investment Act and in accordance with the City Council approved Investment Policy.

B. Cash – The City's cash flow will be managed to maximize the cash available to invest. Such cash management will entail the centralization of cash collection centers such as utility bills, building and related permits and licenses, parks and recreation, and other collection offices where appropriate and feasible.

Idle cash position will be determined daily to maximize interest income. The underlying theme will be that idle cash will be invested with the intent to 1) safeguard assets, 2) maintain liquidity, and 3) maximize return.

The City Finance Department will use appropriate check-signing technology to sign all checks with the signatures of the City Manager and Director of Finance. Internal controls will be established to secure the technology and to prevent its misuse.

The City Manager, Assistant City Manager, and Director of Finance are authorized signatories on all City depository bank accounts. Any withdrawal, transfer or payment of City funds requires a minimum of two signatures.

XI. Debt Management

A. Policy Statement – The City Council recognizes the primary purpose of major capital projects is to support provision of services to its residents. Using debt financing to meet the major capital project needs of the community must be evaluated according to two tests - efficiency and equity. The test of efficiency equates to the highest rate of return for a given investment of resources. The test of equity requires a determination of who should pay for the cost of major capital projects. In meeting the demand for major capital projects, the City will strive to balance the load between debt financing and "pay as you go"

financing methods. The City Council realizes failure to meet the demands of growth may inhibit its continued economic viability, but also realizes that the amount of debt incurred may have a negative financial impact. The City will achieve an appropriate balance between service demands and the amount of debt incurred. The aforementioned tests and methods of financing will assist the City Council, City Manager and Director of Finance in achieving this appropriate balance.

B. Types of Debt –

1. General Obligation Bonds (GO's) – General obligation bonds will be issued to fund major capital projects of the general government, are not to be used to fund operating needs of the City and are backed by the full faith and credit of the City as well as the ad valorem taxing authority of the City as prescribed by law. The term of a bond issue will not exceed the useful life of the major capital projects funded by the bond issue and will generally be limited to no more than twenty years. GO's must be authorized by a vote of the citizens of the City.

2. Revenue Bonds (RB's) – Revenue bonds may be issued to fund major capital projects necessary for the continuation or expansion of a service which produces a revenue sufficient enough to obtain investment grade ratings and credit enhancement and for which the major capital project may reasonably be expected to provide for a revenue stream to fund the annual debt service requirements. The term of a bond issue will not exceed the useful life of the major capital projects funded by the bond issue and will generally be limited to no more than twenty years. RB's do not need a vote of the citizens of the City.

3. Certificates of Obligation (CO's) and Limited Tax Notes (Notes) – Certificates of obligations may be issued to fund major capital projects, which are not otherwise covered under either General Obligation Bonds or Revenue Bonds. Notes will be used in order to fund capital requirements which the useful life does not exceed seven (7) years as authorized by State law. Debt service for CO's or Notes may be either from general revenues or backed by a specific revenue stream or streams or by a combination of both. The term of the CO's will not exceed the useful life of the major capital projects funded by the certificate issuances and will generally be limited to no more than twenty years. Neither CO's nor Notes require a vote of the citizens of the City.

4. Method of Sale – The Director of Finance will use a competitive bidding process in the sale of bonds unless the nature of the issue or market conditions warrant a negotiated sale. In situations where a competitive bidding process is not elected, the Director of Finance will publicly present the reasons why and will participate with the City's Financial Advisor in the selection of the underwriter or direct purchaser.

C. Analysis of Financing Alternatives – The Director of Finance will explore alternatives to the issuance of debt for major capital projects. These alternatives will

include, but are limited to: 1) grants-in-aid, 2) use of fund balance or working capital, 3) use of current revenues, 4) contributions from developers and others, 5) leases, and 6) impact fees.

D. Conditions for Using Debt – Debt financing of major capital projects will be done only when the following conditions exist:

- When non-continuous projects (those not requiring continuous annual appropriations) are desired;
- When it can be determined that future users will receive a benefit from the major capital project;
- When it is necessary to provide basic services to residents and taxpayers (for example, purchase of water rights);
- When total debt, including that issued by overlapping governmental entities, does not constitute an unreasonable burden to the residents and taxpayers.

E. Costs and Fees – All costs and fees related to debt issuance will be paid out of debt proceeds.

F. Debt Limitations – The City maintains the following limitations in relation to debt issuance:

- An Ad Valorem tax rate of \$1.20 per \$100 of assessed value is the maximum municipal tax rate that may be levied for all General Fund tax supported expenditures and debt service.
- Debt payments made solely from ad valorem tax revenue should not exceed 20% of combined General Fund and Debt Service Fund expenditures.
- Total outstanding debt should not exceed 5% of the current year's taxable assessed valuation.

G. Arbitrage Rebate Compliance – The City Finance Department will maintain a system of record keeping and reporting to comply with arbitrage rebate compliance requirements of the Federal tax code.

H. Sound Financing of Debt – When the City utilizes debt financing, it will ensure that the debt is soundly financed by:

- Conservatively projecting the revenue sources that will be used to pay the debt;
- Financing the major capital project over a period not greater than the useful life of the major capital project;
- Maintaining a debt service coverage ratio which ensures that combined debt service requirements will not exceed revenues pledged for the payment of debt; and
- To the extent possible, the City will aim to repay at least 25% of the principal amount of its general obligation debt within five years and at least 50% within 10 years. The City may choose to structure debt repayment so as to wraparound existing debt obligations or to achieve other financial planning goals.

I. Credit Enhancement – The City should seek credit enhancement (letters of credit, bond insurance, surety bonds, etc.) when such credit enhancement proves cost effective. Credit enhancement may be used to improve or establish a credit rating on a debt obligation even if such credit enhancement is not cost effective if the use of such credit enhancement meets the financial planning goals.

J. Financing Methods – The City maintains the following guidelines in relation to methods of financing used to issue debt:

- Where it is efficient and cost effective, the City will use revenue or other self-supporting bonds in lieu of tax supported/pledged debt instruments.
- When appropriate, the City will issue non-obligation debt, for example, Industrial Development Revenue bonds, to promote community stability and economic growth.

K. Refunding – Periodic reviews of all outstanding debt will be undertaken to determine refunding opportunities. Refunding will be considered if and when there is a net economic benefit of the refunding or the refunding is essential in order to modernize covenants, which impinge on prudent and sound financial management.

L. Full and Complete Disclosure – The City of San Marcos is committed to full and complete financial disclosure, and to cooperating with credit rating agencies, institutional and individual investors, City departments, other levels of government, and the general public to share clear, comprehensible and accurate financial information. Official statements accompanying debt issues, comprehensive annual financial reports, and continuous disclosure statements will meet, at a minimum, the standards articulated by the Municipal Standards Rulemaking Board, the National Federation of Municipal Analysts, the Government Accounting Standards Board (GASB), and the Securities Exchange Commission (SEC). The City Finance Department will be responsible for ongoing disclosure to nationally recognized municipal securities information repositories (NRMSIRs). Updates of budget, debt and financial information will be provided to credit rating agencies and investors when new debt is issued.

M. Credit Rating – The City of San Marcos seeks to maintain the highest possible credit ratings for all categories of debt that can be achieved without compromising the delivery of basic City services.

N. Elections – State law regulates which securities may be issued only after a vote of the electors of the City and approved by a majority of those voting on the issue.

1. Election Required – Securities payable in whole or in part from ad valorem taxes of the City except issues such as tax increment securities, certificates of obligation, and limited tax notes.

2. Election Not Required –

- Short-term notes (12 months or less) issued in anticipation of the collection of taxes and other revenues.
- Securities issued for the acquisition of water rights or capital improvements for water and wastewater treatment.
- Securities payable solely from revenue other than ad valorem taxes of the City.
- Refunding securities issued to refund and pay outstanding securities.
- Tax increment securities payable from ad valorem tax revenue derived from increased valuation for assessment of taxable property within a plan of development or other similar area as defined by applicable State Statutes.
- Certificates of obligation.
- Limited Tax Notes.
- Securities for the construction or improvement of public streets and/or rights-of-way in order to relieve congestion or for public safety matters.

XII. Financial Conditions, Reserves, and Stability Ratios

A. Operational Coverage – The City's Enterprise Funds will comply with all bond covenants and maintain an operational coverage of at least 120%, such that current operating revenues will exceed current operating expenses.

B. Fund Balances/ Working Capital –

1. The General Fund's fund balance should be at least 25% of the General Fund's annual operating expenditures. This percentage is the equivalent of three months operational expenditures. As a goal, the City will strive to achieve 30% fund balance.
2. The Water and Wastewater Utility Fund working capital should be maintained at 25% of total recurring operating expenses or the equivalent of three months operating expenses. Ending fund balances above 25% will be moved to cash fund future Capital Improvement projects.
3. The Electric Utility Fund working capital should be maintained at the equivalent of 60 days of recurring operating expenses. Ending fund balances above the 60 days of recurring operating expenses will be moved to cash fund future Capital Improvement projects.
4. Reserves will be used for emergencies or unforeseen expenditures, except when balances can be reduced because their levels exceed guideline minimums as stated below.

C. Capital and Debt Service Funds –

1. Monies in the Capital Improvement Program Funds should be used within twenty-four months of receipt or within a reasonable time according to construction schedules. Interest income and unspent monies from bond issuances can be used to fund similar projects as outlined by bond covenants. Any remaining monies will be used to pay the bond issuance.
2. Revenues in the Debt Service Fund are based on property tax revenues and

to ensure that good internal controls are followed throughout their Department, that all City Finance Department directives or internal control recommendations are implemented, and that all independent auditor recommendations are addressed.

XIV. Personnel and Training

A. Adequate Personnel – Personnel levels will be adequate for the City Finance Department to operate effectively. Overtime will be used only to address temporary or seasonal demands that require excessive hours. Workload allocation alternatives will be explored before increasing personnel.

B. Training – The City Finance Department will support the continuing education efforts of all personnel. Personnel will be held accountable for communicating, teaching, and sharing with other personnel members all information and training materials acquired from seminars, conferences, and related education efforts.

C. Awards, Credentials, Recognition – The City Finance Department will support efforts and involvement which result in meeting standards and receiving exemplary recitations on behalf of any of the City's fiscal policies, practices, processes, products, or personnel. Certifications may include Certified Government Finance Officer, Certified Public Accountant, Management Accountant, Certified - Internal Auditor, and Certified Cash Manager.

The City Finance Department will strive to maintain a high level of excellence in its policies and procedures. The CAFR and budget will be presented annually to the Governmental Finance Officers Association for evaluation and consideration for the Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Presentation Award.

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

CONSOLIDATED FUND BALANCE STATEMENT

	Fund Balance 10-01-2017	Estimated Revenues FY 2017-18	Estimated Expenses FY 2017-18	Fund Balance 10-01-2018	Proposed Revenues FY 2018-19	Proposed Expenses FY 2018-19	Fund Balance 09-30-2019
<u>Governmental Funds</u>							
General Fund	15,833,897	74,596,028	73,241,942	17,187,983	80,213,401	80,733,811	16,667,574
Debt Service Fund	9,152,034	15,018,789	16,268,512	7,902,311	18,562,977	19,549,449	6,915,839
<u>Special Revenue Funds</u>							
Hotel Occupancy Tax Fund	210,540	3,747,494	3,858,994	99,040	3,744,494	3,794,050	49,484
Municipal Court Technology Fund	152,936	25,600	80,000	98,536	25,000	5,000	118,536
Municipal Court Security Fee Fund	145,305	18,620	74,962	88,963	18,500	87,073	20,390
Municipal Court Juvenile Fee Fund	42,879	36,000	31,379	47,500	36,000	29,363	54,137
Municipal Court Efficiency Fee Fund	36,642	4,100	24,000	16,742	4,000	20,000	742
Seized Assets Fund	154,821	16,608	9,000	162,429	5,000	5,000	162,429
TIRZ #2, #3, #5, TRZ #1	910,579	2,761,082	2,101,087	1,570,574	3,955,409	5,197,087	328,896
CDBG Program Fund	73,135	416,654	416,654	73,135	649,948	649,948	73,135
WIC Program Fund	-	1,997,355	1,997,355	-	2,072,900	2,072,900	-
Cemetery Operations Fund	14,859	222,400	233,331	3,928	235,500	239,224	204
PEG Funds	517,665	96,700	70,000	544,365	97,000	100,000	541,365
<u>Permanent Funds</u>							
Cemetery Perpetual Care Fund	1,068,959	3,000	-	1,071,959	3,000	-	1,074,959
<u>Enterprise Funds</u>							
Water & Wastewater Utility Fund	9,668,838	40,239,285	40,038,872	9,869,251	43,192,537	42,672,556	10,389,232
Drainage Utility Fund	943,439	4,978,410	4,662,562	1,259,287	5,838,920	5,661,197	1,437,009
Electric Utility Fund	9,882,900	64,552,050	64,880,011	9,554,939	62,771,691	62,808,064	9,518,566
Municipal Airport Fund	3,330	553,365	555,911	784	598,816	598,882	718
Resource Recovery Fund	1,258,039	4,281,902	4,109,929	1,430,012	4,412,733	4,434,261	1,408,484
Transit	77,369	610,000	627,623	59,746	610,000	635,617	34,129
All Funds	50,148,165	214,175,441	213,282,123	51,041,483	227,047,827	229,293,482	48,795,828

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

CONSOLIDATED SUMMARY OF MAJOR REVENUES AND EXPENSES

	General Fund	Debt Service Fund	Hotel Occupancy Tax Fund	CDBG Program Fund	WIC Program Fund	Other Special Revenue Funds	Water & Wastewater Utility Fund	Drainage Utility Fund
Beginning Fund Balance								
October 1 2018	17,187,983	7,902,311	99,040	73,135	-	2,529,109	9,869,251	1,259,287
Major Revenues								
Taxes	66,018,318	11,451,017	3,600,013	-	-	-	-	-
Licenses and Permits	2,908,939	-	-	-	-	-	-	-
Fines and Penalties	1,408,666	-	-	-	-	88,500	-	41,321
Interest Income	263,586	90,000	1,000	-	-	-	238,000	5,000
Cultural and Recreational	785,411	-	-	-	-	-	-	-
Current Services	921,763	-	-	-	-	-	-	-
Grants	-	-	-	649,948	2,072,900	-	-	-
Water Service Revenue	-	-	-	-	-	-	20,788,214	-
Wastewater Service Revenue	-	-	-	-	-	-	18,671,906	-
Drainage Service Revenue	-	-	-	-	-	-	-	5,750,325
Electric Service Revenue	-	-	-	-	-	-	-	-
Resource Recovery Revenue	-	-	-	-	-	-	-	-
Operating Transfers	6,130,371	-	143,481	-	-	-	-	-
Other Revenues	1,776,349	7,021,960	-	-	-	4,052,409	3,494,417	42,274
One-Time Revenues	-	-	-	-	-	-	-	-
Total Revenues	80,213,401	18,562,977	3,744,494	649,948	2,072,900	4,140,909	43,192,537	5,838,920
Major Expenses								
Personnel Services	49,643,602	-	-	129,990	1,615,593	61,436	5,044,432	795,614
Contracted Services	7,740,774	-	2,283,222	519,958	321,689	75,000	10,893,396	1,187,346
Materials and Supplies	4,685,086	-	-	-	102,971	10,000	1,421,881	136,472
Other Charges	4,102,295	-	-	-	32,647	4,972,665	9,532,966	308,915
Capital Outlay and Maintenance	200,000	-	-	-	-	100,000	343,000	107,200
System Improvements	-	-	-	-	-	-	-	-
Social Services	500,000	-	-	-	-	-	-	-
Debt Service	-	19,549,449	-	-	-	-	13,364,310	3,125,650
Operating Transfers	2,924,172	-	1,510,828	-	-	224,422	72,571	-
Transfer to Capital Reserves	-	-	-	-	-	-	2,000,000	-
One-Time Expenses	10,937,882	-	-	-	-	-	-	-
Total Expenses	80,733,811	19,549,449	3,794,050	649,948	2,072,900	5,443,523	42,672,556	5,661,197
Ending Fund Balance								
on 09/30/2018	16,667,573	6,915,839	49,484	73,135	-	1,226,495	10,389,232	1,437,009

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

CONSOLIDATED SUMMARY OF MAJOR REVENUES AND EXPENSES

	Electric Utility Fund	Municipal Airport Fund	Resource Recovery Fund	Cemetery Fund	Transit Fund	Permanent Funds	Total from All Funds
Beginning Fund Balance							
October 1 2018	9,554,939	784	1,430,012	3,928	59,746	1,071,959	51,041,483
Major Revenues							
Taxes	-	-	-	-	-	-	81,069,348
Licenses and Permits	-	-	-	-	-	-	2,908,939
Fines and Penalties	-	-	-	-	-	-	1,538,486
Interest Income	244,420	-	-	-	-	500	842,506
Cultural and Recreational	-	-	-	-	-	-	785,411
Current Services	-	646,249	-	55,500	-	-	1,623,512
Grants	-	-	-	-	-	-	2,722,848
Water Service Revenue	-	-	-	-	-	-	20,788,214
Wastewater Service Revenue	-	-	-	-	-	-	18,671,906
Drainage Service Revenue	-	-	-	-	-	-	5,750,325
Electric Service Revenue	58,043,982	-	-	-	-	-	58,043,982
Resource Recovery Revenue	-	-	4,357,733	-	-	-	4,357,733
Operating Transfers	-	-	-	180,000	610,000	-	7,063,852
Other Revenues	4,483,289	(47,433)	55,000	-	-	2,500	20,880,765
One-Time Revenues	-	-	-	-	-	-	-
Total Revenues	62,771,691	598,816	4,412,733	235,500	610,000	3,000	227,047,827
Major Expenses							
Personnel Services	6,228,226	-	370,230	-	133,117	-	64,022,241
Contracted Services	40,549,230	499,637	3,772,503	237,224	496,000	-	68,575,979
Materials and Supplies	1,077,293	5,000	27,000	2,000	3,000	-	7,470,703
Other Charges	8,587,314	94,245	264,528	-	3,500	-	27,899,075
Capital Outlay and Maintenance	915,803	-	-	-	-	-	1,666,003
System Improvements	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	500,000
Debt Service	4,250,198	-	-	-	-	-	40,289,607
Operating Transfers	-	-	-	-	-	-	4,731,993
Transfer to Capital Reserves	1,200,000	-	-	-	-	-	3,200,000
One-Time Expenses	-	-	-	-	-	-	10,937,882
Total Expenses	62,808,064	598,882	4,434,261	239,224	635,617	-	229,293,482
Ending Fund Balance							
on 09/30/2018	9,518,566	718	1,408,485	203	34,129	1,074,959	48,795,828

CITY OF SAN MARCOS
2018-19 ANNUAL BUDGET
CONSOLIDATED REVENUE COMPARISON

	Actual Fiscal Year 2016/2017	Approved Fiscal Year 2017/2018	Estimated Fiscal Year 2017/2018	Proposed Fiscal Year 2018/2019
<u>Governmental Funds</u>				
General Fund	60,714,083	71,380,287	74,596,028	80,213,401
Debt Service Fund	14,407,941	18,903,348	18,426,714	18,562,977
<u>Special Revenue Funds</u>				
Hotel Occupancy Tax Fund	3,892,252	4,103,267	3,747,494	3,744,494
Municipal Court Technology Fund	26,015	30,025	25,600	25,000
Municipal Court Security Fee Fund	18,915	22,012	18,620	18,500
Municipal Court Juvenile Fee Fund	35,899	40,000	36,000	36,000
Municipal Court Efficiency Fee Fund	4,082	27,000	4,100	4,000
Seized Assets Fund	35,743	5,100	16,608	5,000
TIRZ #2, #3, #5, TRZ #1	1,933,111	2,457,851	2,761,082	3,955,409
CDBG Program Fund	424,895	562,798	562,799	649,948
WIC Program Fund	1,561,723	1,997,355	1,997,355	2,072,900
Cemetery Operations Fund	177,927	205,000	222,400	235,500
PEG Funds	96,727	100,000	96,700	97,000
<u>Permanent Funds</u>				
Cemetery Perpetual Care Fund	2,325	4,000	3,000	3,000
<u>Enterprise Funds</u>				
Water/Wastewater Utility Fund	38,195,730	40,403,790	40,239,285	43,192,537
Drainage Utility Fund	4,249,961	4,993,112	4,978,410	5,838,920
Electric Utility Fund	58,373,293	63,593,605	64,552,050	62,771,691
Municipal Airport Fund	487,592	538,340	553,365	598,816
Resource Recovery Fund	3,970,038	4,172,435	4,281,902	4,412,733
Transit Fund	535,000	610,000	610,000	610,000
Total	189,143,252	214,149,326	217,729,511	227,047,826

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

CONSOLIDATED EXPENSE COMPARISON

	Actual Fiscal Year 2016/2017	Approved Fiscal Year 2017/2018	Estimated Fiscal Year 2017/2018	Proposed Fiscal Year 2018/2019
<u>Governmental Funds</u>				
General Fund	63,102,074	73,277,859	73,241,942	80,733,811
Debt Service Fund	13,952,929	17,393,311	16,268,512	19,549,449
<u>Special Revenue Funds</u>				
Hotel Occupancy Tax Fund	4,166,605	4,168,921	3,858,994	3,794,050
Municipal Court Technology Fund	78,647	80,000	80,000	5,000
Municipal Court Security Fee Fund	27,895	74,962	74,962	87,073
Municipal Court Juvenile Fee Fund	30,311	31,379	31,379	29,363
Municipal Court Efficiency Fee Fund	-	24,000	24,000	20,000
Seized Assets Fund	3,082	5,000	9,000	5,000
TIRZ #2, #3, #5, TRZ #1	1,870,938	3,368,606	2,101,087	5,197,087
CDBG Program Fund	424,895	562,799	562,799	649,948
WIC Program Fund	1,561,723	1,997,355	1,997,355	2,072,900
Cemetery Operations Fund	199,426	236,273	233,331	239,224
PEG Funds	400	25,000	70,000	100,000
<u>Permanent Funds</u>				
Cemetery Perpetual Care Fund	-	-	-	-
<u>Enterprise Funds</u>				
Water/Wastewater Utility Fund	36,717,519	39,475,918	40,038,872	42,672,556
Drainage Utility Fund	4,080,144	4,715,520	4,662,562	5,661,197
Electric Utility Fund	57,750,396	63,292,857	64,880,011	62,808,064
Municipal Airport Fund	486,791	563,046	555,911	598,882
Resource Recovery Fund	3,907,377	4,133,188	4,109,929	4,434,261
Transit Fund	603,535	627,623	627,623	635,617
Total	188,964,688	214,053,615	213,428,268	229,293,482

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

CONSOLIDATED FUND BALANCE COMPARISON

	Actual Fiscal Year 2016/2017	Approved Fiscal Year 2017/2018	Estimated Fiscal Year 2017/2018	Proposed Fiscal Year 2018/2019
<u>Governmental Funds</u>				
General Fund	15,833,897	13,936,325	17,187,983	16,667,573
Debt Service Fund	9,152,034	10,662,071	11,310,235	10,323,764
<u>Special Revenue Funds</u>				
Hotel Occupancy Tax Fund	210,540	144,886	99,040	49,484
Municipal Court Technology Fund	152,936	102,961	98,536	118,536
Municipal Court Security Fee Fund	145,305	92,355	88,963	20,390
Municipal Court Juvenile Fee Fund	42,879	51,500	47,500	54,137
Municipal Court Efficiency Fee Fund	36,642	39,642	16,742	742
Seized Assets Fund	154,821	154,921	162,429	162,429
TIRZ #2, #3, #5, TRZ #1	910,579	(176)	1,570,574	328,896
CDBG Program Fund	73,135	73,134	73,135	73,135
WIC Program Fund	-	-	-	-
Cemetery Operations Fund	14,859	(16,414)	3,928	203
PEG Funds	517,665	592,665	544,365	541,365
<u>Permanent Funds</u>				
Cemetery Perpetual Care Fund	1,068,959	1,072,959	1,071,959	1,074,959
<u>Enterprise Funds</u>				
Water/Wastewater Utility Fund	8,641,259	10,596,710	9,869,251	10,389,232
Drainage Utility Fund	943,439	1,221,031	1,259,287	1,437,009
Electric Utility Fund	8,914,381	10,183,648	9,554,939	9,518,566
Municipal Airport Fund	3,330	(21,376)	784	718
Resource Recovery Fund	1,258,039	1,297,287	1,430,012	1,408,485
Transit Fund	77,369	59,746	59,746	34,129
Total	48,152,067	50,243,875	54,449,408	52,203,752

City of San Marcos
Property Tax Valuation and Revenue
2018-19 Annual Budget

Total Market Value	\$ 5,062,341,891
Less: Exemptions & Exempt Properties	-
Net Taxable Assessed Valuations	\$ 5,062,341,891

Assessed Value X \$0.6139 Tax Rate	\$ 31,077,717
98.00% Collection Rate	\$ 30,456,163
2.00% Delinquent Rate	\$ 621,554

Total Taxes To Be Collected:

Current Collections		\$ 30,456,163
Delinquent Collections	65.00%	404,010
Penalties and Interest	35.00%	217,544
		\$ 31,077,717

Division of Tax Rate:

Debt Service	36.8464%	\$ 0.2262	\$ 11,451,017
O & M	63.1536%	0.3877	19,626,700
	100.0000%	\$ 0.6139	\$ 31,077,717

General Fund Detail:

Current Ad Valorem	\$ 17,985,185
TIZ	1,248,981
Delinquent	255,147
Penalties	137,387
	\$ 19,626,700

Debt Service Fund Detail:

Current Ad Valorem	\$ 9,382,425
TIZ	1,839,572
Delinquent	148,863
Penalties	80,157
	\$ 11,451,017

One-cent equals: \$ 506,234

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

GENERAL FUND

	Actual 2016/2017	Approved 2017/2018	Estimated 2017/2018	Proposed 2018/2019
Beginning Unreserved Fund Balance	18,221,888	15,833,897	15,833,897	17,187,983
Operating Revenues				
Property Taxes	13,122,716	15,918,827	15,918,827	19,743,674
Sales Tax	27,364,449	32,002,025	34,678,028	35,719,111
Franchise Taxes and other Fees	8,344,352	9,997,074	10,075,116	10,555,534
Licenses and Permits	2,300,319	2,856,423	3,246,971	2,908,939
Fines and Penalties	1,267,097	1,742,458	1,354,458	1,408,666
Interest Income	217,834	134,000	264,000	263,586
Cultural and Recreational	715,316	815,241	743,541	785,411
Current Services	777,730	764,093	732,133	921,763
Other Revenue	1,444,712	1,361,031	1,743,839	1,776,349
Reimbursement from Other Funds	5,159,558	5,789,115	5,839,115	6,130,371
Total Operating Revenue	60,714,083	71,380,287	74,596,028	80,213,401
Operating Expenditures				
Personnel Services	44,300,986	46,812,674	45,432,674	49,643,602
Contracted Services	6,701,244	7,037,556	7,716,980	7,740,774
Materials and Supplies	4,295,052	4,308,972	4,308,972	4,685,086
Other Charges	3,477,745	3,889,010	4,281,510	4,102,295
Social Services	450,000	450,000	450,000	500,000
Operating Transfers	1,365,819	1,451,405	1,488,405	2,924,172
Total Operating Expenditures	60,590,846	63,949,618	63,678,541	69,595,929
Non-Recurring Expenses				
One-Time Operating Transfers	-			
Eco Development	302,348	6,058,241	6,396,400	7,232,882
Other Incentives	185,723	115,000	145,000	200,000
Capital Outlay and Maintenance	2,023,157	3,155,000	3,022,000	3,705,000
One-Time Expenditures	2,511,229	9,328,241	9,563,400	11,137,882
Total Expenditures	63,102,074	73,277,859	73,241,942	80,733,811
Reserved Fund Balance			-	
Ending Unreserved Fund Balance	15,833,897	13,936,325	17,187,983	16,667,573
				-520,409
Fund Balance as a Percentage of Operating Expenditures	26.74%	22.30%	27.64%	25.00%
Days of Operation	98	81	101	91

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

GENERAL FUND

	Actual 2016/2017	Approved 2017/2018	Estimated 2017/2018	Proposed 2018/2019
Taxes				
Current Ad Valorem Taxes	13,009,078	15,600,450	15,600,450	19,348,800
TIRZ Allocation	-	-	-	-
Delinquent Ad Valorem Taxes	62,960	206,945	206,945	256,668
Penalty & Int On Delinq Taxes	50,677	111,432	111,432	138,206
Sales Tax	27,364,449	32,002,025	34,678,028	35,719,111
Mixed Beverage Tax	460,894	496,610	496,610	521,441
Other Utility Franchise	1,297,308	1,357,649	1,427,649	1,456,202
Telephone Franchise	80,635	92,220	77,220	77,992
Solid Waste Hauler Permit Fee	288,882	287,389	307,389	313,537
Cosm Elec Utility Franchise	3,735,095	4,735,677	4,759,789	4,746,593
Cosm W/WW Utility Franchise	2,481,538	3,027,529	3,006,459	3,439,770
Total	48,831,517	57,917,925	60,671,971	66,018,318
Licenses & Permits				
Professional & Occupational	61,725	64,002	64,002	66,426
Alcohol Permit	23,895	26,218	26,218	27,322
Pet Licenses	2,809	2,527	2,527	2,845
Building Permits	986,278	1,383,397	1,533,397	1,248,325
Parking Permits	1,420	-	1,200	1,536
Permit Tech Fee	26,181	30,458	30,458	35,461
Mechanical (Htg/Ac) Permit	41,431	42,758	42,758	44,063
Plumbing & Gas Permits	70,987	65,767	105,767	90,893
Sign Permit Fees	32,672	25,912	25,912	27,792
Mobile Home Inspection	3,988	4,002	11,002	6,965
Zoning	36,741	50,502	30,502	46,743
Electrical Permit	43,892	44,070	50,070	50,776
Cert Of Occupancy	4,957	5,127	5,127	5,154
Specific Use Permit	21,959	28,249	23,249	27,755
Site Development Permit	192,583	214,113	279,113	276,091
Plat Review-Subdivisions	81,183	107,443	97,443	92,923
Variances & Appeals	6,027	4,610	1,610	5,787
Construction Plan Review	362,854	411,702	511,702	457,519
Temp Food Srvc Facilities	102	1,652	-	(0)
Food Permits/Food Handler	177,953	209,144	259,144	227,774
Food Handler Cert Fee	-	-	-	-
Septic Tank Permits	-	2,411	2,411	21,217
Other Permits/Fees	11,823	13,989	13,989	13,528
Street Closure Permits	11,650	10,000	18,000	12,540
Architectural Barrier Review	41,035	33,613	53,613	57,156
Moving	4,161	8,095	10,095	6,920
Security Alarm Permit Fee	28,848	37,809	28,809	30,864
Fire Prev & Prot Permit Fee	23,164	28,853	18,853	24,566
Total	2,300,319	2,856,423	3,246,971	2,908,939

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

GENERAL FUND

	Actual 2016/2017	Approved 2017/2018	Estimated 2017/2018	Proposed 2018/2019
Fines & Penalties				
Parking Meter Fines	135,696	157,372	147,372	160,000
Traffic Fines	608,005	632,827	572,827	620,000
School Bus Safety Fines	45	25,000	25,000	-
Mc Technology Fee	92	7,573	7,573	1,166
Other-Expunction	42,107	135,960	65,960	65,000
Complaints	280,360	259,865	359,865	355,000
Over-Under	221	51	51	-
Failure To Appear Fee	45,696	24,701	24,701	25,000
Warrant Fee	28,906	38,299	33,299	35,000
False Alarm Charges	23,211	27,517	17,517	25,000
Defensive Driving Admin Fee	8,665	29,637	9,637	11,500
Arrest Fee	45,328	58,199	58,199	63,000
Mc-Special Exp Fee	24,441	318,444	8,444	23,000
Dismissal Fee	13,520	18,908	13,908	13,500
Traffic Fee	7,056	3,605	6,605	7,500
Child Safety-Sb 460	3,749	4,500	3,500	4,000
Total	1,267,097	1,742,457	1,354,458	1,408,666
Interest Income				
Interest Income	217,834	134,000	264,000	263,586
Total	217,834	134,000	264,000	263,586
Cultural and Recreational				
Softball/Athletic Programs	17,346	4,964	34,964	33,049
Summer Fun Program Fee	79,068	93,716	93,716	82,811
Library Lost Materials	6,307	8,345	8,345	8,750
Library Fines	23,834	32,980	22,980	24,689
Library Cards	8,207	10,510	6,510	7,195
Library Misc Fee	20,072	20,413	20,413	21,612
Aquatic	47,387	12,495	32,495	32,515
PARD Building User Fee	92,951	93,464	73,464	94,719
Swimming Lessons	6,584	11,511	11,511	11,345
Hays County Library Donations	80,000	80,000	85,000	85,000
Annual Entry Fee-Resident	96,684	25,909	120,909	120,627
Annual Entry Fee-Non Resident	65,921	170,768	50,768	66,523
Daily Entry Fee-Resident	25,848	38,339	28,339	30,850
Daily Entry Fee-Non Resident	5,631	6,339	6,339	6,690

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

GENERAL FUND

	Actual 2016/2017	Approved 2017/2018	Estimated 2017/2018	Proposed 2018/2019
Basketball Court Rental	1,905	1,233	6,233	6,931
Racquetball Court Rental	273	1,041	341	910
Equipment Rental Fee	1,287	1,238	1,238	1,502
Aerobics Fee	56,618	81,724	56,724	65,392
Instructional Fee	14,466	20,586	11,586	14,621
Lap Swim Fee	2,295	3,565	2,565	3,445
Senior Activities	154	2,224	2,224	1,319
Travel Programs Fee	3,011	23,876	5,876	4,856
Activity Center Meeting Room	49,998	54,830	54,830	54,302
PARD-Equipment Rent	4,596	4,118	4,118	4,236
Av Equipment	-	1,053	1,053	214
PARD-Other Revenue	4,873	10,000	1,000	1,305
Total	715,316	815,242	743,541	785,411
Charges for Current Services				
Passports	165,747	164,369	154,369	148,345
Animal Shelter Chrgs (Pound)	56,027	60,941	50,941	57,041
Animal Shelter Adopt Fee	36,408	50,054	40,054	48,219
Animal Shelter Vaccine-Micro	9,751	14,500	9,500	10,284
Parking Space Leases	-	953	-	(0)
Births-Vital Stats	69,610	46,742	38,742	49,633
Deaths-Vital Stats	2,633	3,681	3,681	2,116
Police Fees-Variou	12,819	12,846	12,846	12,935
Photographs	-	-	-	-
Criminal Record Name Check	-	7	-	-
Fleet Services	-	-	-	-
Fire Dept Rescue	13,651	-	-	-
Community Enhancement Fee	411,084	410,000	422,000	593,190
Total	777,730	764,093	732,133	921,763
Other Revenues				
Txdot Signal Reimbursement	107,933	-	-	-
Land Sales	-	4,215	4,215	-
TX State Reimbursement	-	-	127,808	65,000
SMCISD Reimbursement	168,433	171,258	171,258	172,062
Animal Shelter Svs Expansion	236,303	282,291	282,291	454,006
Auction Sales	127,661	22,993	172,993	180,515
Rebates	105,068	202,150	152,150	177,775
Misc Sales	1,282	729	728	938
Other Revenue	85,692	50,000	200,000	100,000
Other Revenue - Property Tax	61,152	79,166	79,166	75,813
Loan Repayment - JQH	550,850	547,924	547,924	549,894
MUD Fees	-	-	5,000	-
NSF Service Charge	337	305	306	345
Total	1,444,712	1,361,031	1,743,839	1,776,349

CITY OF SAN MARCOS
2018-19 ANNUAL BUDGET
GENERAL FUND

	Actual 2016/2017	Approved 2017/2018	Estimated 2017/2018	Proposed 2018/2019
Reimbursement from Other Funds				
Water/Wastewater Utility Fund	2,979,040	3,324,955	3,324,955	3,490,503
Electric Utility Fund	1,855,296	2,130,807	2,130,807	2,237,347
Drainage Utility Fund	122,497	73,222	123,222	129,383
WIC Program Fund	202,725	260,131	260,131	273,138
Total	5,159,558	5,789,115	5,839,115	6,130,371
Total Operating Revenues	60,714,083	71,380,286	74,596,028	80,213,401
One-Time Revenues				
Prior Year Adjustments	-	-	-	-
Other Revenue	-	-	-	-
Total	-	-	-	-
Total Revenues	60,714,083	71,380,286	74,596,028	80,213,401
Recap of Revenues:				
Taxes	48,831,517	57,917,925	60,671,971	66,018,318
Licenses & Permits	2,300,319	2,856,423	3,246,971	2,908,939
Fines & Penalties	1,267,097	1,742,457	1,354,458	1,408,666
Interest Income	217,834	134,000	264,000	263,586
Cultural and Recreational	715,316	815,242	743,541	785,411
Charges for Current Services	777,730	764,093	732,133	921,763
Other Revenue	1,444,712	1,361,031	1,743,839	1,776,349
Reimbursements from Other Funds	5,159,558	5,789,115	5,839,115	6,130,371
One-Time Revenues	-	-	-	-
Total Revenues	60,714,083	71,380,286	74,596,028	80,213,401

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

GENERAL FUND

	Actual 2016/2017	Approved 2017/2018	Estimated 2017/2018	Proposed 2018/2019
General Government				
City Manager				
Personnel Services	901,997	941,739	941,739	1,221,520
Contracted Services	146,020	15,457	15,457	15,207
Materials and Supplies	15,159	9,180	9,180	9,180
Other Charges	42,629	46,666	46,666	46,666
Total	1,105,805	1,013,042	1,013,042	1,292,573
Communications				
Personnel Services	384,005	375,049	375,049	404,241
Contracted Services	9,321	5,500	5,500	6,400
Materials and Supplies	3,088	6,120	6,120	6,120
Other Charges	21,094	29,385	29,385	29,385
Total	417,508	416,054	416,054	446,146
City Clerk				
Personnel Services	422,731	439,379	439,379	475,082
Contracted Services	62,372	71,179	71,179	72,079
Materials and Supplies	62,726	61,529	61,529	60,209
Other Charges	22,347	39,613	39,613	40,033
Total	570,176	611,700	611,700	647,402
City Council				
Personnel Services	10,660	13,031	13,031	13,060
Contracted Services	6,508	8,280	8,280	8,280
Materials and Supplies	6,198	6,000	6,000	6,000
Other Charges	257,117	323,050	323,050	323,050
Total	280,483	350,361	350,361	350,390
Legal				
Personnel Services	818,024	793,286	793,286	817,637
Contracted Services	69,833	85,039	85,039	85,039
Materials and Supplies	6,063	7,300	7,300	7,300
Other Charges	8,414	11,194	11,194	11,194
Total	902,334	896,819	896,819	921,170
Total General Government	3,276,307	3,287,976	3,287,976	3,657,680

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

GENERAL FUND

	Actual 2016/2017	Approved 2017/2018	Estimated 2017/2018	Proposed 2018/2019
Human Resources				
Personnel Services	1,000,955	1,041,468	1,041,468	1,083,985
Contracted Services	92,192	139,471	139,471	135,068
Materials and Supplies	21,858	12,000	12,000	17,500
Other Charges	23,648	45,443	45,443	44,346
Total	1,138,653	1,238,382	1,238,382	1,280,899
Total Human Resources	1,138,653	1,238,382	1,238,382	1,280,899
Finance				
Personnel Services	1,544,499	1,754,891	1,754,891	1,842,849
Contracted Services	39,124	49,537	49,537	49,537
Materials and Supplies	34,329	34,119	34,119	34,177
Other Charges	46,089	62,680	62,680	62,680
Total	1,664,041	1,901,227	1,901,227	1,989,244
Total Finance Department	1,664,041	1,901,227	1,901,227	1,989,244
Municipal Court				
Personnel Services	593,504	615,285	615,285	646,534
Contracted Services	112,136	158,292	158,292	163,803
Materials and Supplies	13,586	19,277	19,277	19,413
Other Charges	5,803	16,710	16,710	17,100
Total	725,029	809,564	809,564	846,850
Total Municipal Court	725,029	809,564	809,564	846,850

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

GENERAL FUND

	Actual 2016/2017	Approved 2017/2018	Estimated 2017/2018	Proposed 2018/2019
Technology Services				
Technology Services				
Personnel Services	1,346,854	1,559,871	1,559,871	1,716,775
Contracted Services	211,369	195,855	195,855	195,855
Materials and Supplies	33,375	33,263	33,263	33,285
Other Charges	81,901	101,274	101,274	101,274
Total	1,673,499	1,890,263	1,890,263	2,047,190
GIS Division				
Personnel Services	207,073	213,951	213,951	221,843
Contracted Services	15,903	15,900	15,900	15,900
Materials and Supplies	9,138	9,150	9,150	9,150
Other Charges	11,730	12,550	12,550	12,550
Total	243,844	251,551	251,551	259,443
Total Technology Services	1,917,343	2,141,814	2,141,814	2,306,633
Development Services Department				
Development Services Admin				
Personnel Services	472,386	578,824	578,824	442,874
Contracted Services	24,170	50,446	50,446	49,193
Materials and Supplies	32,561	27,751	27,751	27,751
Other Charges	52,817	80,740	80,740	80,565
Total	581,933	737,761	737,761	600,383
Planning-Permit Division				
Personnel Services	1,032,315	1,075,302	1,075,302	1,139,702
Contracted Services	111,433	135,791	135,791	134,411
Materials and Supplies	247	-	-	-
Other Charges	5,054	5,635	5,635	5,635
Total	1,149,049	1,216,728	1,216,728	1,279,748
Inspections Division				
Personnel Services	319,707	435,516	435,516	443,247
Contracted Services	9,884	10,560	10,560	11,115
Materials and Supplies	8,487	2,038	2,038	2,045
Other Charges	2,122	2,000	2,000	2,000
Total	340,200	450,114	450,114	458,407
Total Development Services Dept	2,071,182	2,404,603	2,404,603	2,338,538

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

GENERAL FUND

	Actual 2016/2017	Approved 2017/2018	Estimated 2017/2018	Proposed 2018/2019
Engineering Department				
Personnel Services	1,907,174	1,902,177	1,902,177	2,116,913
Contracted Services	145,769	175,129	175,129	173,631
Materials and Supplies	39,702	37,345	37,345	37,812
Other Charges	58,582	65,770	65,770	65,770
Total	2,151,228	2,180,421	2,180,421	2,394,126
Total Engineering Department	2,151,228	2,180,421	2,180,421	2,394,126
Fire Operations				
Personnel Services	8,063,646	8,374,825	8,374,825	8,966,396
Contracted Services	130,916	141,572	141,572	131,572
Materials and Supplies	458,733	246,607	246,607	258,543
Other Charges	121,278	153,672	153,672	153,672
Total	8,774,574	8,916,676	8,916,676	9,510,183
Total Fire Services Department	8,774,574	8,916,676	8,916,676	9,510,183
Police Operations				
Personnel Services	14,678,682	14,517,672	14,517,672	15,052,307
Contracted Services	573,773	684,213	684,213	747,260
Materials and Supplies	808,844	620,379	620,379	633,987
Other Charges	119,211	102,790	102,790	102,790
Total	16,180,509	15,925,054	15,925,054	16,536,344
Total Police Services Department	16,180,509	15,925,054	15,925,054	16,536,344

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

GENERAL FUND

	Actual 2016/2017	Approved 2017/2018	Estimated 2017/2018	Proposed 2018/2019
Public Services Department				
Transportation Administration				
Personnel Services	523,335	570,438	570,438	596,573
Contracted Services	36,264	63,534	63,534	62,259
Materials and Supplies	27,952	20,569	20,569	20,605
Other Charges	244,206	186,575	186,575	225,146
Total	831,757	841,116	841,116	904,583
Traffic Control				
Personnel Services	703,774	733,330	733,330	755,651
Contracted Services	163,399	148,436	148,436	148,436
Materials and Supplies	270,049	199,527	199,527	200,383
Other Charges	8,311	15,734	15,734	15,734
Total	1,145,532	1,097,027	1,097,027	1,120,204
Streets				
Personnel Services	1,175,299	1,356,848	1,356,848	1,416,295
Contracted Services	254,184	202,716	202,716	202,716
Materials and Supplies	1,313,670	1,745,460	1,745,460	1,794,093
Other Charges	8,210	8,525	8,525	8,525
Total	2,751,364	3,313,549	3,313,549	3,421,629
Total Public Services Department	4,728,653	5,251,691	5,251,691	5,446,416

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

GENERAL FUND

	Actual 2016/2017	Approved 2017/2018	Estimated 2017/2018	Proposed 2018/2019
Community Services				
Community Services Admin				
Personnel Services	720,788	771,229	771,229	637,268
Contracted Services	1,111	-	-	-
Materials and Supplies	5,157	6,200	6,200	6,200
Other Charges	225	3,325	3,325	3,325
Total	727,281	780,754	780,754	646,793
Code Compliance				
Personnel Services	541,585	615,375	615,375	643,443
Contracted Services	27,451	31,950	31,950	29,570
Materials and Supplies	33,723	29,641	29,641	26,129
Other Charges	5,912	4,685	4,685	5,265
Total	608,671	681,651	681,651	704,408
Animal Services-Control				
Personnel Services	344,470	339,132	339,132	358,630
Contracted Services	36,510	47,530	47,530	37,550
Materials and Supplies	27,793	25,793	25,793	28,619
Other Charges	5,602	10,600	10,600	8,375
Total	414,375	423,055	423,055	433,174
Animal Services- Shelter				
Personnel Services	657,055	677,565	677,565	710,120
Contracted Services	76,413	67,956	67,956	92,603
Materials and Supplies	102,995	93,744	93,744	85,090
Other Charges	4,922	10,015	10,015	8,265
Total	841,385	849,280	849,280	896,077
Library				
Personnel Services	1,420,229	1,462,135	1,462,135	1,545,549
Contracted Services	56,257	58,912	58,912	58,912
Materials and Supplies	171,465	171,298	171,298	170,098
Other Charges	20,702	21,244	21,244	21,244
Total	1,668,653	1,713,589	1,713,589	1,795,803
Marshal				
Personnel Services	512,122	617,715	617,715	515,023
Contracted Services	67,932	81,665	81,665	100,088
Materials and Supplies	42,384	62,172	62,172	54,333
Other Charges	9,608	16,730	16,730	22,730
Total	632,046	778,282	778,282	692,174

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

GENERAL FUND

	Actual 2016/2017	Approved 2017/2018	Estimated 2017/2018	Proposed 2018/2019
Parks & Recreation				
Personnel Services	2,420,542	2,556,711	2,556,711	2,612,223
Contracted Services	542,826	596,905	596,905	613,541
Materials and Supplies	518,449	192,209	192,209	199,983
Other Charges	28,672	28,735	28,735	28,735
Total	3,510,489	3,374,560	3,374,560	3,454,483
Activity Center				
Personnel Services	673,748	768,789	768,789	805,423
Contracted Services	58,054	23,200	23,200	23,200
Materials and Supplies	48,808	60,540	60,540	60,540
Other Charges	900	3,500	3,500	3,500
Total	781,511	856,029	856,029	892,663
Outdoor Pool				
Personnel Services	60,163	104,228	104,228	104,387
Contracted Services	1,418	-	-	-
Materials and Supplies	43,610	39,000	39,000	39,000
Total	105,191	143,228	143,228	143,387
Facilities & Grounds				
Personnel Services	-	-	-	-
Contracted Services	749,140	844,570	844,570	844,570
Materials and Supplies	70,597	50,024	50,024	50,565
Other Charges	-	-	-	-
Total	819,737	894,594	894,594	895,135
Park Rangers				
Personnel Services	312,384	390,467	390,467	404,055
Contracted Services	4,417	20,419	20,419	7,833
Materials and Supplies	27,666	29,846	29,846	34,958
Other Charges	8,014	13,350	13,350	15,920
Total	352,481	454,082	454,082	462,767
Fleet Services				
Personnel Services	522,982	569,078	569,078	585,552
Contracted Services	7,577	11,295	11,295	9,120
Materials and Supplies	29,203	420,792	420,792	417,165
Other Charges	4,163	8,287	8,287	10,462
Total	563,924	1,009,452	1,009,452	1,022,300
PARD Contract Programs				
Contracted Services	58,179	110,000	110,000	110,000
Total	58,179	110,000	110,000	110,000
Total Community Services	11,083,924	12,068,556	12,068,556	12,149,164

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

GENERAL FUND

	Actual 2016/2017	Approved 2017/2018	Estimated 2017/2018	Proposed 2018/2019
General Services				
Social Services				
Social Services	450,000	450,000	450,000	500,000
Total	450,000	450,000	450,000	500,000
Special Services				
Personnel Services	8,295	647,368	(732,632)	1,348,445
Contracted Services	2,799,392	2,786,247	3,465,671	3,406,027
Materials and Supplies	7,439	30,100	30,100	334,850
Other Charges	2,248,461	2,458,533	2,851,033	2,626,359
Operating Transfers	1,365,819	1,451,405	1,488,405	2,924,172
Eco Development/TIZ Incentives	302,348	6,058,241	6,396,400	7,232,882
Other Incentives	185,723	115,000	145,000	200,000
Capital Outlay & Maintenance	2,023,157	3,155,000	3,022,000	3,705,000
Total	8,940,634	16,701,894	16,665,978	21,777,735
Total General Services	9,390,634	17,151,894	17,115,978	22,277,735
Total General Fund Expenditures	63,102,074	73,277,859	73,241,942	80,733,811

Summary of Expenditures by Services

General Government	3,276,307	3,287,976	3,287,976	3,657,680
Human Resources	1,138,653	1,238,382	1,238,382	1,280,899
Finance	1,664,041	1,901,227	1,901,227	1,989,244
Municipal Court	725,029	809,564	809,564	846,850
Technology Services	1,917,343	2,141,814	2,141,814	2,306,633
Development Services	2,071,182	2,404,603	2,404,603	2,338,538
Engineering	2,151,228	2,180,421	2,180,421	2,394,126
Fire Services	8,774,574	8,916,676	8,916,676	9,510,183
Police Services	16,180,509	15,925,054	15,925,054	16,536,344
Public Services	4,728,653	5,251,691	5,251,691	5,446,416
Community Services	11,083,924	12,068,556	12,068,556	12,149,164
General Services	9,390,634	17,151,894	17,115,978	22,277,735
Total General Fund Expenditures	63,102,074	73,277,859	73,241,942	80,733,811

City of San Marcos

2018-19 ANNUAL BUDGET

DEBT SERVICE FUND

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Unreserved Fund Balance	8,697,022	9,152,034	9,152,034	11,310,235
Operating Revenues				
Current Ad Valorem	8,016,226	11,447,855	11,447,855	11,221,997
Delinquent Ad Valorem	105,530	151,859	151,859	148,863
Penalties and Interest	42,615	81,770	52,850	80,157
Interest Income	60,354	90,000	80,000	90,000
Hammonds Transfer	548,087	505,053	462,500	505,053
BAB Subsidy	104,772	102,608	99,498	102,608
Pass Thru Toll Revenue	3,723,316	3,030,000	3,400,000	3,030,000
TIRZ Transfer	196,877	1,839,572	1,221,324	1,873,471
Venue Tax Transfer	1,610,164	1,654,631	1,510,828	1,510,828
Total Operating Revenues	14,407,941	18,903,348	18,426,714	18,562,977
Operating Expenditures				
Principal Payments	7,870,000	10,825,000	9,985,000	10,235,000
Interest Payments	4,934,158	4,703,739	5,040,938	7,429,528
Fiscal Agent Fees	8,003	25,000	21,250	11,450
TIZ Payments	1,140,768	1,839,572	1,221,324	1,873,471
Total Operating Expenditures	13,952,929	17,393,311	16,268,512	19,549,449
Ending Fund Balance	9,152,034	10,662,071	11,310,235	10,323,764
Fund Balance as a Percentage of Total Expenditures	65.59%	61.30%	69.52%	52.81%
Total Outstanding Tax Supported Debt	71,430,000	76,700,000	76,700,000	102,925,000
Outstanding Tax Supported Debt				Outstanding Principal
Series 2008A Combination Tax and Revenue Certificates of Obligation				4,790,000
Series 2009 GO Refunding Bonds				600,000
Series 2009 GO Refunding Bonds				325,000
Series 2009 General Obligation Bonds				800,000
Series 2010 Taxable Build America Bonds				5,160,000
Series 2010 General Obligation Refunding Bonds				4,140,000
Series 2012 General Obligation Refunding Bonds				3,895,000
Series 2013 General Obligation Refunding Bonds				670,000
Series 2013 Combination Tax & Revenue Bonds				2,925,000
Series 2014 Combination Tax & Revenue Bonds				5,275,000
Series 2014 General Obligation Refunding Bonds				6,420,000
Series 2014A General Obligation Refunding Bonds				8,390,000
Series 2015 Combination Tax & Revenue Bonds				4,350,000
Series 2016 GO Refunding Bonds				6,495,000
Series 2016 Combination Tax & Revenue Bonds				9,515,000
Series 2017 Combination Tax & Revenue Bonds				6,870,000
Series 2018 Combination Tax & Revenue Bonds				9,025,000
Series 2018 General Obligation Bonds				23,280,000
Total				102,925,000
Fund Balance as a Percentage of Total Original Principal Amount for Outstanding Tax Supported Debt				10.03%

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

HOTEL OCCUPANCY TAX FUND

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Fund Balance - Reserved and Unreserved	1,093,556	210,540	210,540	99,040
Operating Revenues				
Hotel Occupancy Tax	2,194,800	2,303,155	2,088,185	2,088,185
Penalties	869	1,000	4,000	1,000
Embassy Tax Revenue	973,679	995,000	914,206	914,206
Venue Tax-2%	627,085	659,631	596,622	596,622
Interest Income	-	1,000	1,000	1,000
Other Revenue	-	-	-	-
Operating Transfer for Main Street	95,819	143,481	143,481	143,481
Total Operating Revenues	3,892,252	4,103,267	3,747,494	3,744,494
Operating Expenditures				
Convention & Visitor Bureau (Contribution from City)	-	-	-	-
Tanger Marketing Program	150,000	150,000	150,000	126,750
Downtown Mrktng Coop	31,091	30,000	30,000	25,350
Eco Tourism	7,066	40,000	40,000	33,800
Sports Tourism	504,688	60,000	60,000	50,700
Tourist Account	-	5,000	-	-
Transportation	-	5,000	-	-
Mural Funding	27,776	35,000	35,000	29,575
Arts Project Funding	146,397	125,000	125,000	105,625
Permanent Art	93,908	125,000	125,000	105,625
Repairs-Building Materials	-	10,000	10,000	10,000
Main Street Program	286,395	366,067	331,943	358,027
Convention & Visitor Bureau (City Department)	1,318,518	1,563,223	1,441,223	1,437,770
Total Operating Expenditures	2,565,840	2,514,290	2,348,166	2,283,222
Operating Transfers and Adjustments				
Transfer of Venue Tax	1,600,765	1,654,631	1,510,828	1,510,828
Total Transfers and Adjustments	1,600,765	1,654,631	1,510,828	1,510,828
Reserved for Unspent Allocations - Arts Funding	203,069			
Reserved for Unspent Allocations - Mural Funding	41,911			
Reserved for Unspent Allocations - Conference Ctr Repairs	109,000			
Reserve for Unspent Allocation-Eco/Sports Tourism	109,566	-	-	-
Reserve for Unspent Allocation-Branding	23,825			
Reserved for Unspent Allocations - Wayfinding	46,292	-	-	-
Reserved for Unspent Allocations - Airport Improvements	50,000	-	-	-
Reserved for Unspent Allocations - Master Plan	25,000	-	-	-
Total Reserves for Unspent Allocations	608,663	-	-	-
Ending Unreserved Fund Balance	210,540	144,886	99,040	49,484
Fund Balance as a Percentage of Total Expenditures	8.21%	5.76%	4.22%	2.17%

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

MUNICIPAL COURT TECHNOLOGY FUND

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Unreserved Fund Balance	205,568	152,936	152,936	98,536
Operating Revenues				
Technology Fee	26,015	30,000	25,600	25,000
Interest Income	-	25		
Total Operating Revenues	26,015	30,025	25,600	25,000
Operating Expenditures				
Materials and Supplies	1,251	5,000	5,000	5,000
Total Operating Expenditures	1,251	5,000	5,000	5,000
One-Time Expenditures				
Capital Outlay	77,396	75,000	75,000	-
Total One-Time Expenditures	77,396	75,000	75,000	-
Ending Unreserved Fund Balance	152,936	102,961	98,536	118,536
Fund Balance as a Percentage of Total Expenditures	12225.10%	2059.22%	1970.72%	2370.72%

CITY OF SAN MARCOS
2018-19 ANNUAL BUDGET
MUNICIPAL COURT SECURITY FEE FUND

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Unreserved Fund Balance	154,285	145,305	145,305	88,963
Operating Revenues				
Security Fee	18,915	22,000	18,620	18,500
Interest Income	-	12		
Total Operating Revenues	18,915	22,012	18,620	18,500
Operating Expenditures				
Personnel	27,895	19,962	19,962	32,073
Contracted Services	-	50,000	50,000	50,000
Materials & Supplies	-	5,000	5,000	5,000
Total Operating Expenditures	27,895	74,962	74,962	87,073
Ending Unreserved Fund Balance	145,305	92,355	88,963	20,390
Fund Balance as a Percentage of Total Expenditures	520.89%	123.20%	118.68%	23.42%

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

MUNICIPAL COURT JUVENILE FEE FUND

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Unreserved Fund Balance	37,291	42,879	42,879	47,500
Operating Revenues				
Juvenile Fee	30,539	35,000	30,500	30,500
Truancy Fee	5,360	5,000	5,500	5,500
Interest Income	-	-	-	-
Total Operating Revenues	35,899	40,000	36,000	36,000
Operating Expenditures				
Personnel Services	30,311	31,379	31,379	29,363
Total Operating Expenditures	30,311	31,379	31,379	29,363
Ending Unreserved Fund Balance	42,879	51,500	47,500	54,137
Fund Balance as a Percentage of Total Expenditures	141.46%	164.13%	151.38%	184.37%

CITY OF SAN MARCOS
2018-19 ANNUAL BUDGET
MUNICIPAL COURT EFFICIENCY FUND

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Unreserved Fund Balance	32,560	36,642	36,642	16,742
Operating Revenues				
Efficiency Fee	4,082	3,000	4,100	4,000
Other Revenue	-	24,000	-	-
Total Operating Revenues	4,082	27,000	4,100	4,000
Operating Expenditures				
Contracted Services	-	24,000	24,000	20,000
Total Operating Expenditures	-	24,000	24,000	20,000
Ending Unreserved Fund Balance	36,642	39,642	16,742	742
Fund Balance as a Percentage of Total Expenditures	100.00%	165.18%	69.76%	3.71%

CITY OF SAN MARCOS
2018-19 ANNUAL BUDGET
SEIZED ASSETS FUND

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Unreserved Fund Balance	122,160	154,821	154,821	162,429
Operating Revenues				
Seized Assets	35,743	5,000	16,608	5,000
Interest Income	-	100	-	-
Total Operating Revenues	35,743	5,100	16,608	5,000
Operating Expenditures				
Contracted Services	-	5,000	9,000	5,000
Capital Outlay	3,082	-	-	-
Total Operating Expenditures	3,082	5,000	9,000	5,000
Ending Unreserved Fund Balance	154,821	154,921	162,429	162,429
Fund Balance as a Percentage of Total Expenditures	5023.39%	3098.42%	1804.77%	3248.58%

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FUND

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Unreserved Fund Balance	73,135	73,135	73,135	73,135
Operating Revenues				
Grant Revenue	424,895	562,798	562,799	649,948
Total Operating Revenues	424,895	562,798	562,799	649,948
Operating Expenditures				
Personnel Services	97,908	112,561	112,561	129,990
Contracted Services	326,987	450,237	450,237	519,958
Total Operating Expenditures	424,895	562,799	562,799	649,948
Ending Unreserved Fund Balance	73,135	73,134	73,135	73,135
Fund Balance as a Percentage of Total Expenditures	17.21%	12.99%	12.99%	11.25%

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

WOMEN, INFANTS AND CHILDREN PROGRAM FUND

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Unreserved Fund Balance	-	-	-	-
Operating Revenues				
Grant Revenue	1,561,723	1,997,355	1,997,355	2,072,900
Total Operating Revenues	1,561,723	1,997,355	1,997,355	2,072,900
Operating Expenditures				
Personnel Services	1,089,155	1,538,846	1,538,846	1,615,593
Contract Services	208,049	322,961	322,961	321,689
Materials and Supplies	52,328	102,901	102,901	102,971
Other Charges	212,191	32,647	32,647	32,647
	1,561,723	1,997,355	1,997,355	2,072,900
Ending Unreserved Fund Balance	-	-	-	-
Fund Balance as a Percentage of Total Expenditures	0.00%	0.00%	0.00%	0.00%

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

CEMETERY OPERATIONS FUND

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Unreserved Fund Balance	36,358	14,859	14,859	3,928
Operating Revenues				
Burial Permits	-		-	-
Monument Permits	-		-	-
Other Revenue	-			-
Interest Income	-			-
Sale of Cemetery Lots	57,927	55,000	72,400	55,500
Sale of Memorial Plaques	-	-	-	-
Total Operating Revenues	57,927	55,000	72,400	55,500
One-Time Operating Revenues				
Operating Transfer - General Fund	120,000	150,000	150,000	180,000
Operating Transfer - Cemetery Perpetual Care Fund	-	-	-	-
Total One-Time Operating Revenues	120,000	150,000	150,000	180,000
Operating Expenditures				
Contracted Services	198,457	234,273	231,331	237,224
Materials and Supplies	969	2,000	2,000	2,000
Total Operating Expenditures	199,426	236,273	233,331	239,224
Ending Unreserved Fund Balance	14,859	(16,414)	3,928	203
Fund Balance as a Percentage of Total Expenditures	7.45%	-6.95%	1.68%	0.09%

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

TAX INCREMENT FINANCING SUMMARY

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Unreserved Fund Balance	848,406	910,579	910,579	1,570,574
Operating Revenues				
Interest Income	-	-	-	-
TIRZ Revenue City	1,443,133	1,839,572	2,312,691	3,438,759
TIRZ Revenue County	489,978	618,279	448,391	516,650
Total Operating Revenues	1,933,111	2,457,851	2,761,082	3,955,409
Operating Expenditures				
Distribution	1,674,061	3,148,756	1,881,237	4,972,665
Debt Service Transfer	196,877	219,850	219,850	224,422
Total Operating Expenditures	1,870,938	3,368,606	2,101,087	5,197,087
Ending Unreserved Fund Balance	910,579	(176)	1,570,574	328,896

CITY OF SAN MARCOS
2018-19 ANNUAL BUDGET

TAX INCREMENT REINVESTMENT ZONE #2
BLANCO VISTA DEVELOPMENT

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Unreserved Fund Balance	-	-	-	4,676
Operating Revenues				
TIRZ Revenue City	676,437	935,143	997,981	1,307,833
TIRZ Revenue County	298,742	363,338	103,325	-
Total Operating Revenues	975,179	1,298,481	1,101,306	1,307,833
Operating Expenditures				
Distributions	975,179	1,298,481	1,096,630	1,107,833
Total Operating Expenditures	975,179	1,298,481	1,096,630	1,107,833
Ending Unreserved Fund Balance	-	-	4,676	204,676

CITY OF SAN MARCOS
TAX INCREMENT REINVESTMENT ZONE #3
CONFERENCE CENTER

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Unreserved Fund Balance	-	-	-	-
Operating Revenues				
TIRZ Revenue City	127,019	147,908	147,908	150,984
TIRZ Revenue County	69,858	71,942	71,942	73,438
Total Operating Revenues	196,877	219,850	219,850	224,422
Operating Expenditures				
Operating Transfers To Debt Service Fund	196,877	219,850	219,850	224,422
Total Operating Expenditures	196,877	219,850	219,850	224,422
Ending Unreserved Fund Balance	-	-	-	-

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

TAX INCREMENT REINVESTMENT ZONE #4

KISSING TREE

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Unreserved Fund Balance		-	-	-
Operating Revenues				
Interest Income				-
TIRZ Revenue City		51,265	51,101	92,094
TIRZ Revenue County		8,689	8,350	15,609
Total Operating Revenues	-	59,954	59,451	107,703
Operating Expenditures				
Distributions	-	59,954	59,451	107,703
Total Operating Expenditures	-	59,954	59,451	107,703
Ending Unreserved Fund Balance	-	-	-	-

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

TAX INCREMENT REINVESTMENT ZONE #5

DOWNTOWN

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Unreserved Fund Balance	615,506	910,579	910,579	1,565,898
Operating Revenues				
Interest Income	-	-	-	-
TIRZ Revenue City	173,695	257,574	390,545	630,719
TIRZ Revenue County	121,378	174,310	264,774	427,603
Total Operating Revenues	295,073	431,884	655,319	1,058,322
Operating Expenditures				
Distributions	-	1,346,639	-	2,500,000
Total Operating Expenditures	-	1,346,639	-	2,500,000
Ending Unreserved Fund Balance	910,579	(4,176)	1,565,898	124,220

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

TRANSPORTATION REINVESTMENT ZONE

LOOP 110

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Unreserved Fund Balance	232,900	-	-	-
Operating Revenues				
Interest Income	-	-	-	-
TRZ Revenue City	465,982	443,682	725,156	1,257,129
Total Operating Revenues	465,982	443,682	725,156	1,257,129
Operating Expenditures				
Distributions	698,882	443,682	725,156	1,257,129
Total Operating Expenditures	698,882	443,682	725,156	1,257,129
Ending Unreserved Fund Balance	-	-	-	-

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

PUBLIC EDUCATION GOVERNMENTAL FUND (PEG)

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Unreserved Fund Balance	421,338	517,665	517,665	544,365
Operating Revenues				
Public Education Governmental Fee	96,727	100,000	96,700	97,000
Total Operating Revenues	96,727	100,000	96,700	97,000
Capital Outlay				
Equipment	400	25,000	70,000	100,000
Total One-Time Expenditures	400	25,000	70,000	100,000
Ending Unreserved Fund Balance	517,665	592,665	544,365	541,365



CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

WATER / WASTEWATER UTILITY FUND SUMMARY

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Unreserved Fund Balance	10,910,455	9,668,838	9,668,838	9,869,251
Operating Revenues				
Interest Income	226,232	108,000	238,000	238,000
Water Service Revenue	19,481,780	19,379,216	20,156,749	20,788,214
Wastewater Service Revenue	15,433,001	17,590,204	16,243,297	18,671,906
Pretreatment Program	544,237	514,561	705,228	712,280
Connections-Water	214,784	188,327	286,330	294,920
Connections-Sewer	13,973	13,000	12,346	12,716
Effluent Revenue	436,805	373,843	474,800	426,009
Wholesale Water Sales	535,764	772,823	550,000	522,823
Penalties	319,675	325,000	347,233	357,650
Other Revenue	112,345	290,135	408,731	296,717
Service Charges	192,936	179,510	196,243	202,130
Debt Service Reimbursement (Series 2006 and 2006A)	526,926	500,000	450,820	500,000
Build America Bond Subsidy	157,271	169,171	169,508	169,171
Total Operating Revenues	38,195,730	40,403,790	40,239,285	43,192,537
Operating Expenses				
Personnel Services	4,442,962	4,969,044	4,741,099	5,044,432
Contracted Services	8,942,956	10,579,994	10,517,334	10,893,396
Materials and Supplies	1,174,495	1,395,330	1,395,330	1,421,881
Other Charges	5,714,119	6,020,526	6,020,526	6,281,425
Franchise Fee	2,481,538	3,027,529	3,027,529	3,251,541
Debt Service	11,160,096	12,613,639	12,367,199	13,364,310
Total Operating Expenses	33,916,167	38,606,062	38,069,016	40,256,985
Non-Recurring Expenses				
Operating/Administrative Transfers	57,626	69,856	69,856	72,571
Capital Outlay	693,727	400,000	400,000	343,000
Transfer to Capital Reserves	2,050,000	400,000	1,500,000	2,000,000
Total One-Time Expenses	2,801,353	869,856	1,969,856	2,415,571
Total Expenses	36,717,519	39,475,918	40,038,872	42,672,556
Ending Fund Balance	12,388,666	10,596,710	9,869,251	10,389,232
Fund Balance Reserve-Revenue Stabilization	2,719,828	-	-	-
Encumbrance Reserve	1,027,579			
Ending Unreserved Fund Balance	8,641,259	10,596,710	9,869,251	10,389,232
Fund Balance as a Percentage of Total Expenses	25.48%	27.45%	25.92%	25.81%

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

WATER / WASTEWATER UTILITY FUND SUMMARY

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Wastewater Collection				
Personnel Services	1,150,365	1,309,658	1,309,658	1,325,857
Contracted Services	33,571	66,235	66,235	84,150
Materials and Supplies	421,885	437,564	437,564	436,350
Other Charges	68,799	45,457	45,457	37,397
Capital Outlay	380,539	140,000	140,000	-
Total	2,055,159	1,998,914	1,998,914	1,883,754
Water Quality Services				
Personnel Services	521,081	560,722	560,722	569,624
Contracted Services	111,196	242,914	242,914	248,811
Materials and Supplies	41,412	57,561	57,561	57,843
Other Charges	5,266	13,667	13,667	13,917
Capital Outlay	(78)	40,000	40,000	-
Total	678,877	914,863	914,863	890,195
Water Distribution Maintenance				
Personnel Services	2,034,122	2,084,704	2,084,704	2,170,282
Contracted Services	116,383	168,104	168,584	190,053
Materials and Supplies	696,688	830,075	830,075	838,097
Other Charges	39,411	54,170	54,170	56,170
Capital Outlay	95,950	170,000	170,000	-
Total	2,982,554	3,307,053	3,307,533	3,254,602
Water Conservation				
Personnel Services	88,495	319,228	91,283	91,059
Contracted Services	16,643	122,566	95,006	95,006
Materials and Supplies	888	21,000	21,000	21,000
Other Charges	738	2,307	2,307	2,307
Capital Outlay	-	-	-	-
Total	106,764	465,101	209,596	209,372

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

WATER / WASTEWATER UTILITY FUND SUMMARY

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Water/Wastewater Administration				
Personnel Services	580,756	587,941	587,941	613,830
Contracted Services	134,829	144,307	144,307	206,851
Materials and Supplies	11,525	28,130	28,130	27,090
Other Charges	12,002	20,325	20,325	20,405
Capital Outlay	167,316	-	-	293,000
Total	906,427	780,703	780,703	1,161,177
Special Services				
Personnel Services	68,144	106,791	106,791	273,779
Contracted Services	8,530,334	9,835,869	9,800,288	10,068,525
Materials and Supplies	2,098	21,000	21,000	41,500
Other Charges	5,587,903	5,884,600	5,884,600	6,151,230
Franchise Fee	2,481,538	3,027,529	3,027,529	3,251,541
Operating / Administrative Transfers	57,626	69,856	69,856	72,571
Capital Outlay	50,000	50,000	50,000	50,000
Transfer to Capital Reserves	2,050,000	400,000	1,500,000	2,000,000
Rate Stabilization Fund	-	-	-	-
Total	18,827,642	19,395,645	20,460,063	21,909,145
Debt Service				
Principal Payments	7,340,000	8,855,000	8,205,000	8,925,000
Interest Payments	3,813,496	3,734,889	4,138,699	4,424,660
Fiscal Agent Fees	6,601	23,750	23,500	14,650
New Debt Issued				
Total	11,160,096	12,613,639	12,367,199	13,364,310
Total Water/Wastewater Utility Fund Expenses	36,717,519	39,475,918	40,038,872	42,672,556

CITY OF SAN MARCOS
2018-19 ANNUAL BUDGET
DRAINAGE UTILITY FUND

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Unreserved Fund Balance	773,622	943,439	943,439	1,259,287
Operating Revenues				
Interest Income	3,000	3,000	5,000	5,000
Drainage Utility Fee	4,168,254	4,909,302	4,873,157	5,750,325
Penalties	36,145	37,229	40,117	41,321
Other Revenue	837	-	16,555	-
Build America Subsidy	41,725	43,581	43,581	42,274
Total Operating Revenues	4,249,961	4,993,112	4,978,410	5,838,920
Total Funds Available	5,023,583	5,936,551	5,921,849	7,098,207
Operating Expenses				
Personnel Services	479,730	663,190	663,190	795,614
Contracted Services	781,103	1,055,642	1,055,642	1,187,346
Materials and Supplies	70,222	134,842	134,842	136,472
Other Charges	284,798	293,827	293,827	308,915
Debt Service	2,092,839	2,513,019	2,460,061	3,125,650
Total Operating Expenses	3,708,692	4,660,520	4,607,562	5,553,997
One-Time Expenses				
Capital Outlay	371,452	55,000	55,000	107,200
Operating Transfer	-	-	-	-
Total One-Time Expenses	371,452	55,000	55,000	107,200
Reserved Fund Balance	-			
Ending Unreserved Fund Balance	943,439	1,221,031	1,259,287	1,437,009
Fund Balance as a Percentage of Total Expenses	25.44%	26.20%	27.33%	25.87%



CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

ELECTRIC UTILITY FUND

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Unreserved Fund Balance	10,036,690	9,882,900	9,882,900	9,554,939
Operating Revenues				
Interest Income	152,669	143,420	242,000	244,420
Sales Tax Discount	7,881	7,500	9,511	7,500
Electric Service Revenue	53,358,796	59,195,959	59,497,357	58,043,982
Connections - Electric	596,140	600,000	647,924	600,000
Reconnection Charges	119,891	120,000	132,839	120,000
Penalties	545,640	550,000	554,804	550,000
Pole Attachment Contracts	1,060,179	383,800	450,000	454,500
Sale of Transformers	2,561	1,515	1,500	1,515
Ferguson Revenue	459,970	406,348	750,000	406,348
Service Charges	11,940	12,554	25,150	25,402
Other Revenue	59,880	96,243	167,561	169,349
F&PCRF	-	-	-	-
Reimbursement from Other Funds	1,975,278	2,054,289	2,050,904	2,126,699
BAB Subsidy	22,467	21,977	22,500	21,977
Total Operating Revenues	58,373,293	63,593,605	64,552,050	62,771,691
Operating Expenses				
Personnel Services	5,040,655	6,072,152	6,072,152	6,228,226
Purchase of Power	34,148,552	40,016,327	37,031,976	37,780,820
Contracted Services	1,782,633	2,937,169	2,933,245	2,768,410
Materials and Supplies	677,676	1,069,953	1,069,953	1,077,293
Other Charges	3,115,424	3,621,075	3,621,075	3,943,795
Franchise Fee	3,735,095	4,735,677	4,759,789	4,643,519
Debt Service	3,411,126	4,031,194	3,832,511	4,250,198
Total Operating Expenses	51,911,161	62,483,547	59,320,701	60,692,261
One-Time Expenses				
One-Time Operating Transfers	-	-	-	-
Capital Outlay	1,039,234	809,310	809,310	915,803
Transfer to Capital Reserves	4,800,000	-	4,750,000	1,200,000
Total One-Time Expenses	5,839,234	809,310	5,559,310	2,115,803
Total Expenses	57,750,396	63,292,857	64,880,011	62,808,064
Ending Fund Balance	10,659,587	10,183,648	9,554,939	9,518,566
Fund Balance Reserve-Revenue Stabilization	776,687	-	-	-
Encumbrance Reserve	968,519	-	-	-
Ending Unreserved Fund Balance	8,914,381	10,183,648	9,554,939	9,518,566
Fund Balance in Days of Opertation	66.61	63.48	63.04	61.14

CITY OF SAN MARCOS

2018-19 ANNUAL BUDGET

ELECTRIC UTILITY FUND

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Conservation				
Personnel Services	104,659	179,540	179,540	91,059
Contracted Services	106,731	150,762	150,762	5,538
Materials and Supplies	10,180	28,639	28,639	28,904
Other Charges	44	5,458	5,458	500
Capital Outlay	-	-	-	-
Total	221,615	364,399	364,399	126,002
Meter Operations				
Personnel Services	785,298	983,051	983,051	1,036,396
Contracted Services	91,258	86,505	86,505	86,505
Materials and Supplies	65,982	58,182	58,182	63,772
Other Charges	35,910	34,465	34,465	34,465
Capital Outlay	406,800	310,000	310,000	300,000
Total	1,385,249	1,472,203	1,472,203	1,521,137
Administration				
Personnel Services	668,828	956,049	956,049	1,071,238
Contracted Services	132,072	389,148	389,148	149,148
Materials and Supplies	15,235	23,855	23,855	23,941
Other Charges	44,546	59,415	59,415	59,415
Capital Outlay	14,041	30,000	30,000	-
Total	874,723	1,458,467	1,458,467	1,303,743
Maintenance				
Personnel Services	1,912,375	2,245,897	2,245,897	2,259,181
Contracted Services	367,214	664,389	664,389	629,389
Materials and Supplies	540,322	850,847	850,847	853,096
Other Charges	85,209	70,890	70,890	70,890
Capital Outlay	568,394	388,000	388,000	-
Total	3,473,514	4,220,023	4,220,023	3,812,556
Utility Business Office				
Personnel Services	1,027,294	1,081,047	1,081,047	1,085,459
Contracted Services	334,641	401,742	401,742	523,430
Materials and Supplies	29,991	52,680	52,680	52,680
Other Charges	9,853	21,125	21,125	22,005
Capital Outlay	-	-	-	-
Total	1,401,779	1,556,594	1,556,594	1,683,574

CITY OF SAN MARCOS
2018-19 ANNUAL BUDGET
ELECTRIC UTILITY FUND

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Public Services Administration				
Personnel Services	503,464	506,994	506,994	491,598
Contracted Services	139,528	150,101	150,101	70,111
Materials and Supplies	11,036	10,550	10,550	9,200
Other Charges	15,340	25,792	25,792	24,550
Capital Outlay	-	31,310	31,310	-
Total	669,367	724,747	724,747	595,459
Special Services				
Personnel Services	38,736	119,574	119,574	193,295
Purchase Power	34,148,552	40,016,327	37,031,976	37,780,820
Contracted Services	611,189	1,094,522	1,090,598	1,304,289
Materials and Supplies	4,928	45,200	45,200	45,700
Other Charges	2,924,522	3,403,930	3,403,930	3,731,970
Franchise Fee	3,735,095	4,735,677	4,759,789	4,643,519
Operating Transfers	-	-	-	-
Capital Outlay	50,000	50,000	50,000	615,803
Transfer to Capital Reserves	4,800,000	-	4,750,000	1,200,000
Rate Stabilization	-	-	-	-
Total	46,313,023	49,465,230	51,251,067	49,515,396
Debt Service				
Principal Payments	1,630,000	2,315,000	1,915,000	2,170,000
Interest Payments	1,778,806	1,702,444	1,903,761	2,074,698
Fiscal Agent Fees	2,320	13,750	13,750	5,500
Total	3,411,126	4,031,194	3,832,511	4,250,198
Total Electric Utility Fund Expenses				
	57,750,396	63,292,857	64,880,011	62,808,064

CITY OF SAN MARCOS
2018-19 ANNUAL BUDGET
MUNICIPAL AIRPORT FUND

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Unreserved Fund Balance	2,529	3,330	3,330	784
Operating Revenues				
Interest Income	-	-	-	-
Penalties Assessed	-	-	-	-
City-Owned T-Hangar Rentals	52,210	47,600	57,600	57,600
City-Owned Shelter Rentals	13,716	14,280	14,280	14,280
Agricultural Land Lease	134,130	134,000	134,130	134,130
Fuel Flowage Fees	52,821	60,000	71,870	94,000
City-Owned Storage Area Rentals	4,040	4,200	4,200	4,200
Private Hangar/Land Rentals	39,042	62,900	58,247	71,457
Commercial Land/Facility Rentals	142,115	214,529	167,614	239,082
Tie-Down Rent	3,231	16,000	22,500	22,500
Commercial Gross Receipts	33,720	30,831	33,357	9,000
Other Revenue	-	-	-	-
Total Operating Revenues	475,025	584,340	563,798	646,249
Non-Operating Revenues				
Commercial Land/Facility Improvement Credits	(47,433)	(46,000)	(47,433)	(47,433)
Transfer from General Fund	60,000	-	37,000	-
Total Non-Operating Revenues	12,567	(46,000)	(10,433)	(47,433)
Total Revenue	487,592	538,340	553,365	598,816
Operating Expenses				
Contracted Services	408,592	476,605	476,605	499,637
Materials and Supplies	-	5,000	5,000	5,000
Other Charges	78,199	81,441	74,306	94,245
Total Operating Expenses	486,791	563,046	555,911	598,882
Ending Unreserved Fund Balance	3,330	(21,376)	784	718
Fund Balance as a Percentage of Operating Expenses	0.68%	-3.80%	0.14%	0.12%

CITY OF SAN MARCOS
2018-19 Annual Budget
RESOURCE RECOVERY FUND

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Fund Balance - Reserved and Unreserved	1,195,378	1,258,039	1,258,039	1,430,012
Operating Revenues				
Residential Garbage Collection Fee	2,533,125	2,792,910	2,746,601	2,969,223
Penalties	66,164	69,618	67,381	72,487
Recycling Collection Fee	1,328,081	1,254,907	1,393,580	1,316,024
Other Revenue	42,668	55,000	74,340	55,000
Total Operating Revenue	3,970,038	4,172,435	4,281,902	4,412,733
Operating Expenses				
Personnel Services	240,564	252,491	252,491	370,230
Contracted Services	3,305,295	3,551,669	3,586,410	3,772,503
Materials and Supplies	18,598	27,000	27,000	27,000
Other Charges	241,539	262,028	234,028	264,528
Total Operating Expenses	3,805,996	4,093,188	4,099,929	4,434,261
Capital Improvements	101,381	40,000	10,000	-
Total Expenses	3,907,377	4,133,188	4,109,929	4,434,261
Ending Unreserved Fund Balance	1,258,039	1,297,287	1,430,012	1,408,485
Fund Balance as a Percentage of Operating Expenses	33.05%	31.69%	34.88%	31.76%

CITY OF SAN MARCOS

2018-19 Annual Budget

TRANSIT FUND

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Fund Balance - Reserved and Unreserved	145,904	77,369	77,369	59,746
Operating Revenues				
Federal Transit Funds	-	-	-	-
State Transit Funds	-	-	-	-
Fare Revenue	-	-	-	-
Other Revenue	-	-	-	-
Total Operating Revenue	-	-	-	-
Operating Transfer - General Fund	535,000	610,000	610,000	610,000
Total One-Time Operating Revenues	535,000	610,000	610,000	610,000
Total Funds Available	680,904	687,369	687,369	669,746
Operating Expenses				
Personnel Services	126,251	125,123	125,123	133,117
Contracted Services	476,249	496,000	496,000	496,000
Materials and Supplies	1,035	3,000	3,000	3,000
Other Charges	-	3,500	3,500	3,500
Total Operating Expenses	603,535	627,623	627,623	635,617
Capital Improvements	-	-	-	-
Ending Unreserved Fund Balance	77,369	59,746	59,746	34,129

Fund Balance as a Percentage of Operating Expenses

5.37%

CITY OF SAN MARCOS

2018-19 Annual Budget

CEMETERY PERPETUAL CARE TRUST FUND

	Actual 2016/2017	Approved 2017/2018	Revised 2017/2018	Proposed 2018/2019
Beginning Unreserved Fund Balance	1,066,634	1,068,959	1,068,959	1,071,959
Operating Revenues				
Interest Income	65	1,000	500	500
Perpetual Care Sales	2,260	3,000	2,500	2,500
Total Operating Revenues	2,325	4,000	3,000	3,000
Operating Expenditures				
Operating Transfers	-	-	-	-
Total Operating Expenditures	-	-	-	-
Ending Unreserved Fund Balance	1,068,959	1,072,959	1,071,959	1,074,959
Fund Balance as a Percentage of Total Expenditures	100.00%	100.00%	100.00%	100.00%

