



# City of San Antonio

## Agenda Memorandum

**File Number:** 14-2147

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**Agenda Item Number:** 4B.

**Agenda Date:** 9/18/2014

**In Control:** City Council A Session

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**DEPARTMENT:** Office of Management and Budget

**DEPARTMENT HEAD:** Maria Villagomez (OMB)

**COUNCIL DISTRICTS IMPACTED:** City Wide

### **SUBJECT:**

Ratification of Annual Consolidated Operating and Capital Budgets for FY 2015

### **SUMMARY:**

Following the action taken for adoption of the Annual Operating and Capital Budgets for the City of San Antonio for Fiscal Year 2015, the City Council will consider through separate ordinance the ratification of the vote on the Budget to comply with State law.

### **BACKGROUND INFORMATION:**

Texas Local Government Code Section 102.007(c) mandates that a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the property tax increase reflected in the budget. The Fiscal Year 2015 Budget will raise more revenue from property taxes than the Fiscal Year 2014 Budget, and therefore, it will be necessary for the City Council to ratify its vote adopting the Fiscal Year 2015 Budget.

Property tax values are determined by the Bexar Appraisal District (BAD) in conformance with State law. FY 2015 total taxable value for the City of San Antonio is \$79.77 billion which is an increase in net taxable value of 4.6 billion or 6% more than the FY 2014 Adopted Budget. The taxable value includes an increase of \$1.28 billion for new improvements and an increase of \$3.29 billion in existing valuations from the FY 2014 Adopted Budget. No City Property Tax Rate increase is included in the City's FY 2015 Proposed Budget.

This budget will raise more total property taxes than last year's budget by \$22,640,834 or 5.57%,

and of that amount, \$7,234,740 is tax revenue to be raised from new property added to the tax roll this year.

Of the \$22,640,834 in added property tax revenue, \$14,175,886 is proposed to be used in the City's General Fund to support essential City services such as Police, Fire, Streets, Parks & Recreation and Code Enforcement. The remaining \$8,464,948 is proposed to be used for debt service payments on debt issued for capital projects.

**ISSUE:**

Following the consideration and vote on the City's Fiscal Year 2015 Budget and related items, the City Council will be required by State Law to ratify their vote on the adoption of the Budget with an additional vote. This ratification vote is required since the Fiscal Year 2015 Budget will require raising more revenues from property taxes than was raised by the Fiscal Year 2014 Budget.

**ALTERNATIVES:**

This item is required by State law.

**FISCAL IMPACT:**

City Council adoption of this ordinance will ratify the adoption of the Fiscal Year 2015 Operating and Capital Budgets that establish approved expenditure and financial reserve levels, as required by State statute. This budget will raise more total property taxes than last year's budget by \$22,640,834. Of the \$22,640,834 in added property tax revenue, \$14,175,886 is proposed to be used in the City's General Fund to support essential City services such as Police, Fire, Streets, Parks & Recreation and Code Enforcement. The remaining \$8,464,948 is proposed to be used for debt service payments on debt issued for capital projects.

**RECOMMENDATION:**

Staff recommends approval of this item.