



# City of San Antonio

## Agenda Memorandum

**File Number:** 15-4826

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**Agenda Item Number:** 4D.

**Agenda Date:** 9/10/2015

**In Control:** City Council A Session

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**DEPARTMENT:** Office of Management and Budget

**DEPARTMENT HEAD:** Maria Villagomez

**COUNCIL DISTRICTS IMPACTED:** City Wide

### **SUBJECT:**

Adopting the Debt Service Tax Rate for FY 2016

### **SUMMARY:**

This item presents for City Council consideration an ordinance adopting the Ad Valorem City Property Tax Rate to pay the principal and interest on the funded debt of the City of San Antonio at 21.150 cents per \$100 of taxable valuation for the tax year beginning on January 1, 2015 and ending on December 31, 2015. The Estimated Property Tax Revenue to pay outstanding debt of the City for FY 2016 is \$179,128,665 or \$18,810,623 more than the FY 2015 Adopted Budget.

### **BACKGROUND INFORMATION:**

Property tax values are determined by the Bexar Appraisal District (BAD) in conformance with State law. FY 2016 net taxable value for the City of San Antonio is \$90.59 billion which is an increase in net taxable value of \$10.8 billion or 13.5% more than the FY 2015 Adopted Budget. Included in this total is an increase of \$2.25 billion for new improvements and an increase of \$8.56 billion in existing valuations from the FY 2015 Adopted Budget.

A reduction in the City Property Tax Rate for Maintenance & Operations is included in the City's FY 2016 Proposed Budget. The following table shows the components of the FY 2016 Proposed City Property Tax Rate.

<b>CITY PROPERTY TAX RATE (Per \$100 Valuation)</b>		
	<b>FY 2015 Adopted Budget (in cents)</b>	<b>FY 2016 Proposed Budget (in cents)</b>
Maintenance & Operations	35.419	34.677
Debt Service	21.150	21.150
<b>Total</b>	<b>56.569</b>	<b>55.827</b>

**ISSUE:**

The City’s FY 2016 Proposed Property Tax Rate of 55.827 cents per \$100 valuation represents a decrease of  $\frac{3}{4}$  of 1 cent compared to the City’s FY 2015 Adopted Property Tax Rate.

Calculation of the debt service portion of the property tax rate is dependent on the City’s debt service requirements. The debt service rate for FY 2016 is calculated at 21.150 cents per \$100 of taxable valuation which is equal to the FY 2016 debt service tax rate and is consistent with the requirements of the City’s Debt Management Plan.

**ALTERNATIVES:**

This item is required by City Charter.

**FISCAL IMPACT:**

The debt service tax rate for FY 2016 will generate \$179,128,665 in revenues for payment of debt and is consistent with the tax rate recommended in the City Manager’s Proposed Budget. This amount is \$18,810,623 more than the FY 2015 Budget.

**RECOMMENDATION:**

Staff recommends approval of this item.