

An aerial photograph of a city at sunset, with a prominent water tower in the center. The water tower has the word 'SCHERTZ' written on its side. The sky is a warm orange and yellow, and the city below is bathed in the same light. The foreground shows residential houses and streets.

City Council Budget Retreat

August 2, 2024

SCHERTZ
COMMUNITY • SERVICE • OPPORTUNITY

RETREAT SCHEDULE

- Budget Overview & Update
- Employee Engagement Survey
- Capital Improvement Program (CIP)
- Operating Budget

BUDGET OVERVIEW & UPDATE



Budget Priorities

Goal 1: Staff Compensation

Goal 2: Infrastructure (Street Maintenance & Repair)

Goal 3: Consolidated CIP Document

Goal 4: Increase Staffing Levels

Goal 5: New/Remodeled Facilities

FY 2024-25

OPERATING BUDGET



FY 2024-25

Budget Highlights – All Funds

- Health Insurance savings
 - Changing all lines of coverage
 - 11% Decrease
 - Medical Savings - \$681,462
 - All other savings (dental, vision, etc.) - \$67,628
- Wage Adjustments
 - Maintain market position for compensation
 - ECI Adjustment (4.4%) effective October 2024
 - 5.1% ECI Published
 - Merit/Step program
- Incentive Pay

GENERAL FUND - EXPENDITURES

FY 2024-25

General Fund - Expenditures

- General Fund Proposed Budget \$53,111,130
 - Increase of \$1,867,636 or 3.6% from FY 2023-24 Adopted Budget
 - Non-Personnel Budgets decreased 1.9%. Supplies, Utilities, TIRZ Payments, Software maintenance were offset by less street maintenance that was temporarily funded in FY 2023-24
 - Personnel Budgets increased 8.4%. Caused by ECI adjustments, full year funding of positions starting midyear in 2024, full year funding of the Class & Comp Study, and higher deployment costs, but was slightly offset by lower insurance costs

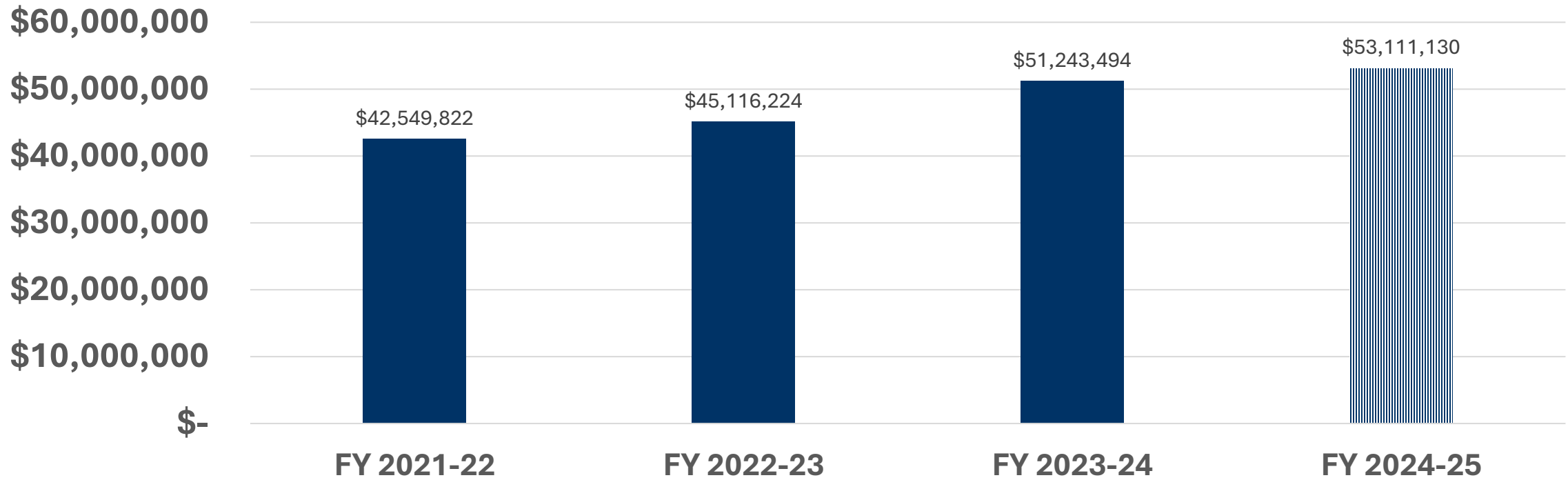
FY 2024-25

General Fund – Increases

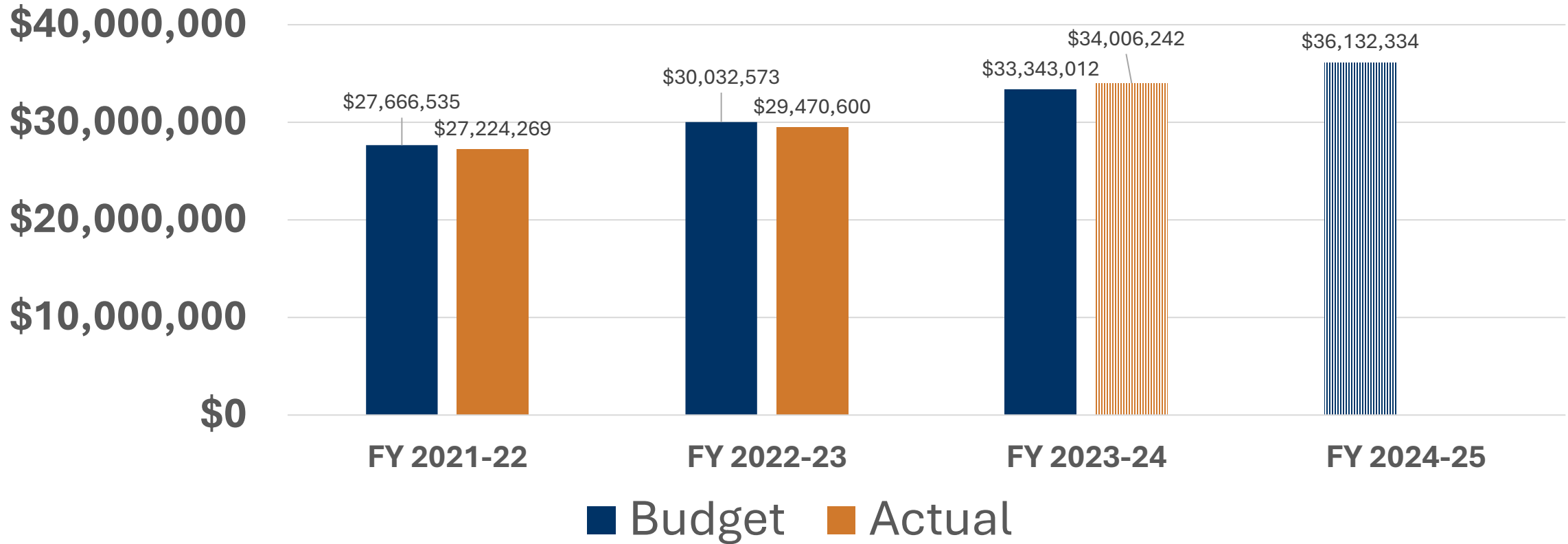
- \$699,535 in Non-Discretionary Items:
 - Property Liability Insurance Increases - \$80,500
 - TIRZ Contribution - \$150,000
 - Utility Increases - \$137,685
 - IT Technology Increases - \$331,350
 - PD RMS Software - \$144,000
 - IT Computer Replacements (GTAC's to maintain CJIS compliance)+ - \$187,350
- \$1,342,788 in Expanded Programs:
 - ECI
 - Merit/Step
 - Incentive Pay

General Fund - Total Budget

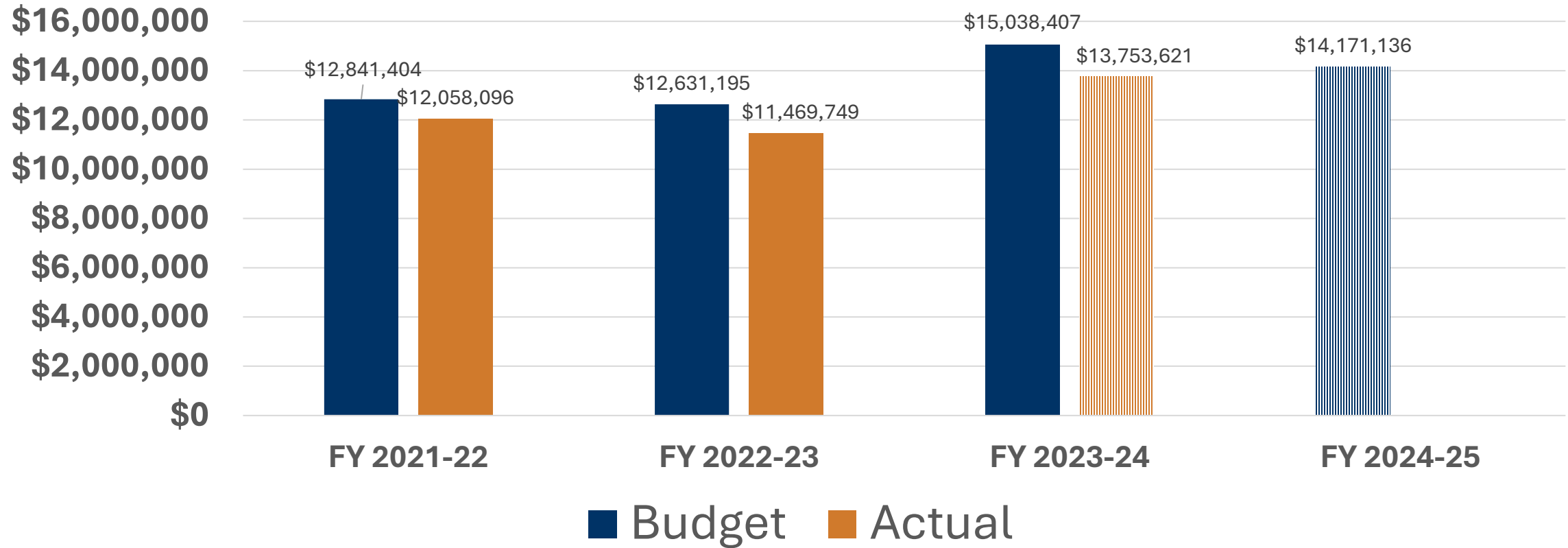
Final General Fund Budgets



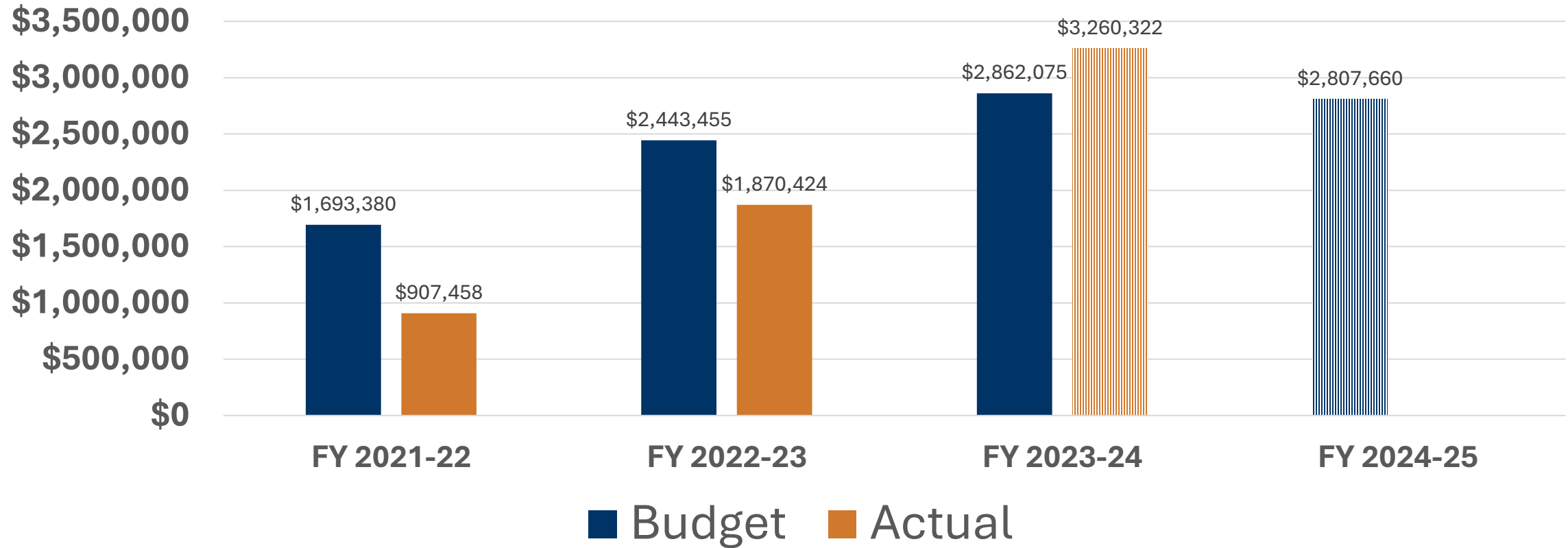
Personnel



Operating



Capital Outlay



GENERAL FUND - REVENUES

TAX RATE DEFINITIONS

No New Revenue	The tax rate which will generate the same revenue for the city from property on the previous year's tax roll.
Voter Approval Rate	The rate if exceeded triggers an automatic election on the tax rate.
Current	The rate currently adopted by the City.
Proposed Tax Rate	The maximum rate set at which the final adopted rate cannot exceed.

TAX RATE

Current	\$0.4872
No New Revenue	\$0.4805
Voter Approval	\$0.4990
Voter Approval – Unused Increment	\$0.0000
Proposed Tax Rate	\$0.4990

Proposed Budget Assumes This Rate

\$0.01 is equal to \$564,500 revenue or \$34.31 on the average home

TARGET TAX RATE

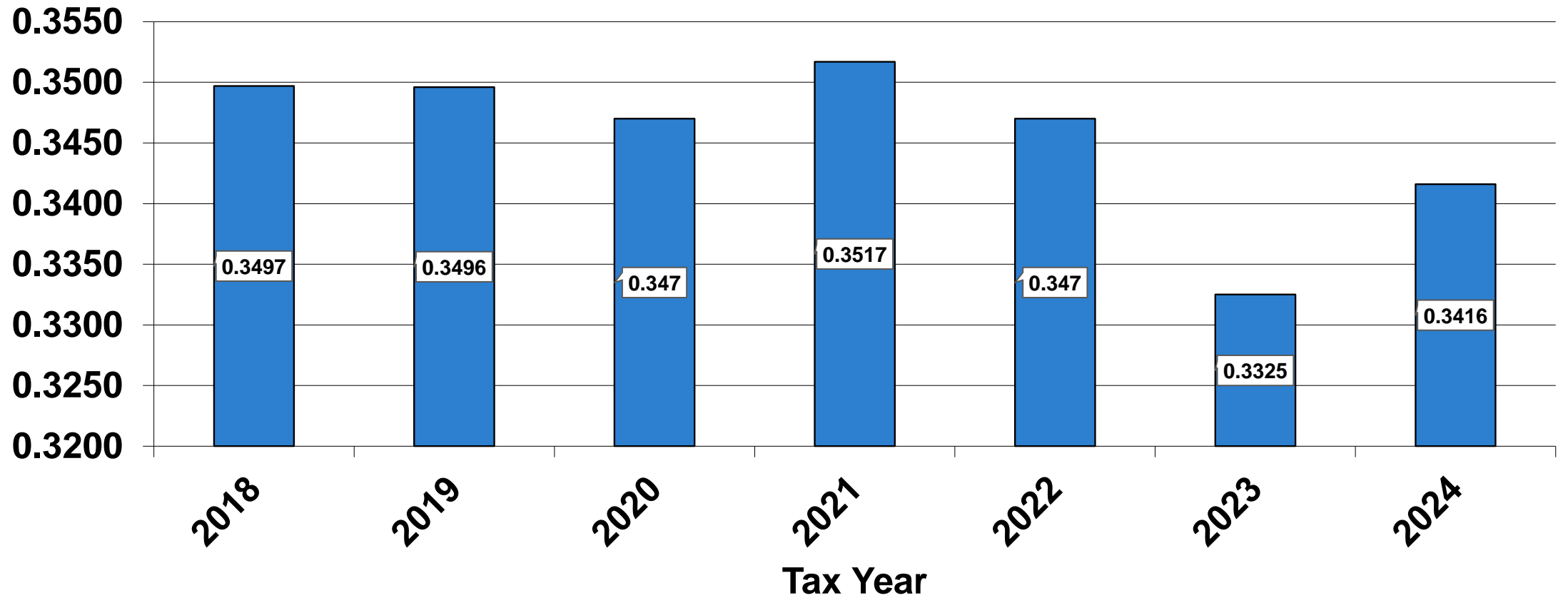
TAX RATE	CURRENT	PROPOSED TAX RATE	
M&O	\$0.3324	\$0.3416	For day-to-day operations
I&S	\$0.1548	\$0.1574	To pay the City's debt
TOTAL	\$0.4872	\$0.4990	

FY 2024-25 City Tax Rate

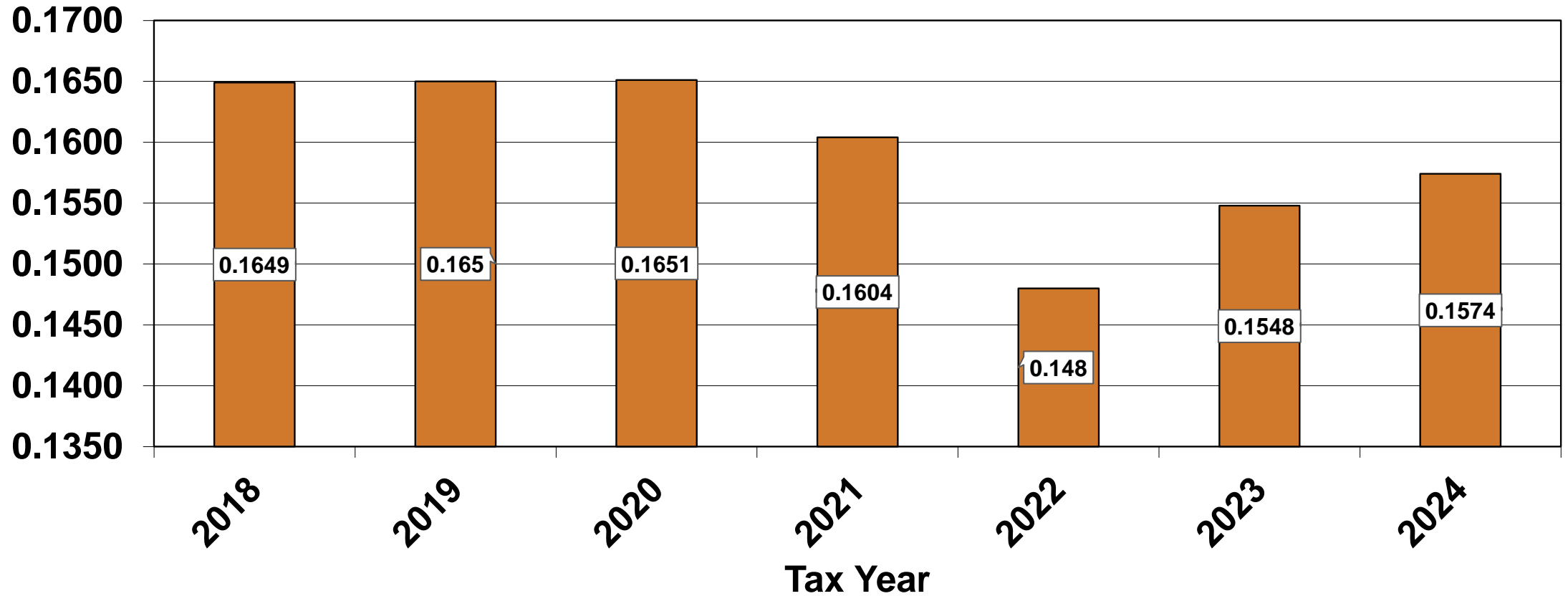
Tax Rate Name	Tax Rate per \$100	Est. Tax Bill	Bill Increase	% Increase
No New Revenue	\$0.4805	\$1,648.69	--	--
Voter Approval	\$0.4990	\$1,712.16	\$63.47	3.9%
Proposed	\$0.4990	\$1,712.16	\$63.47	3.9%
Current	\$0.4872	\$1,671.67	\$22.98	1.4%

- \$63.47 is about \$5.29 on the monthly escrow
- Tax bills are based on average taxable value of homes for 2024 of \$343,118
- Estimated Tax Bills and Bill Increases are annual amounts

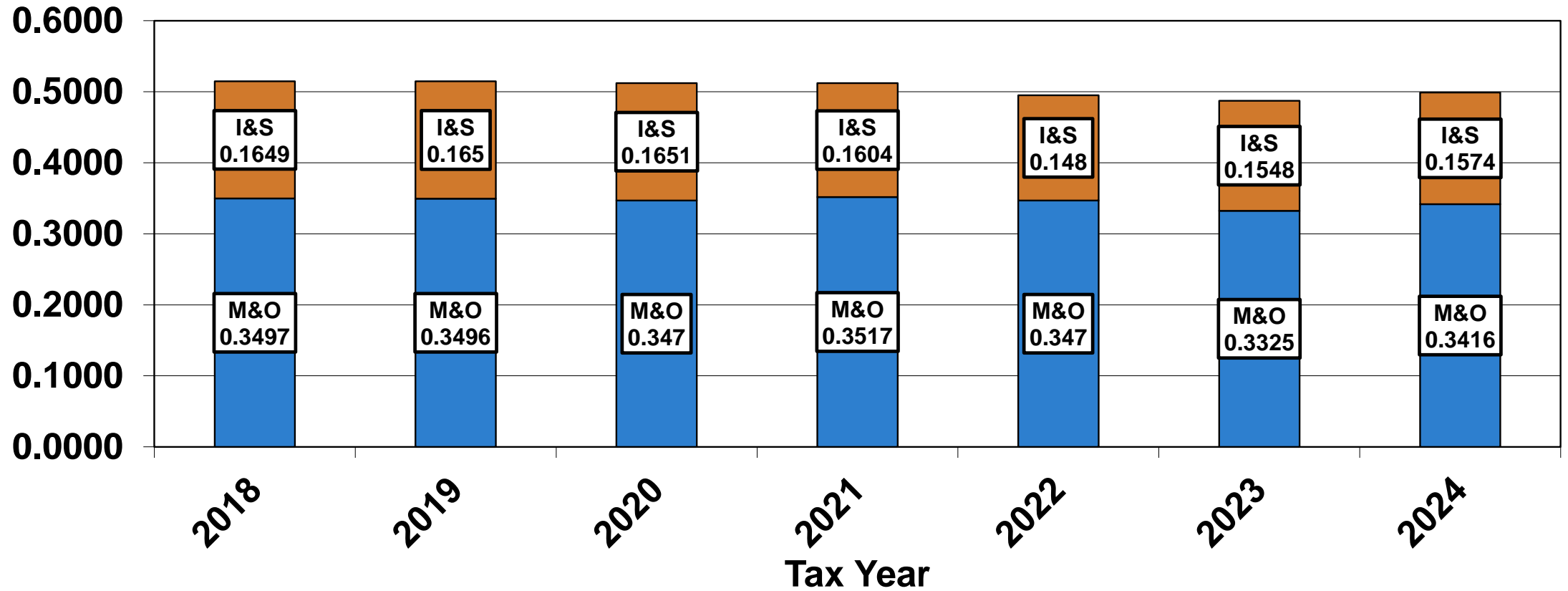
Historic Tax Rates – M&O



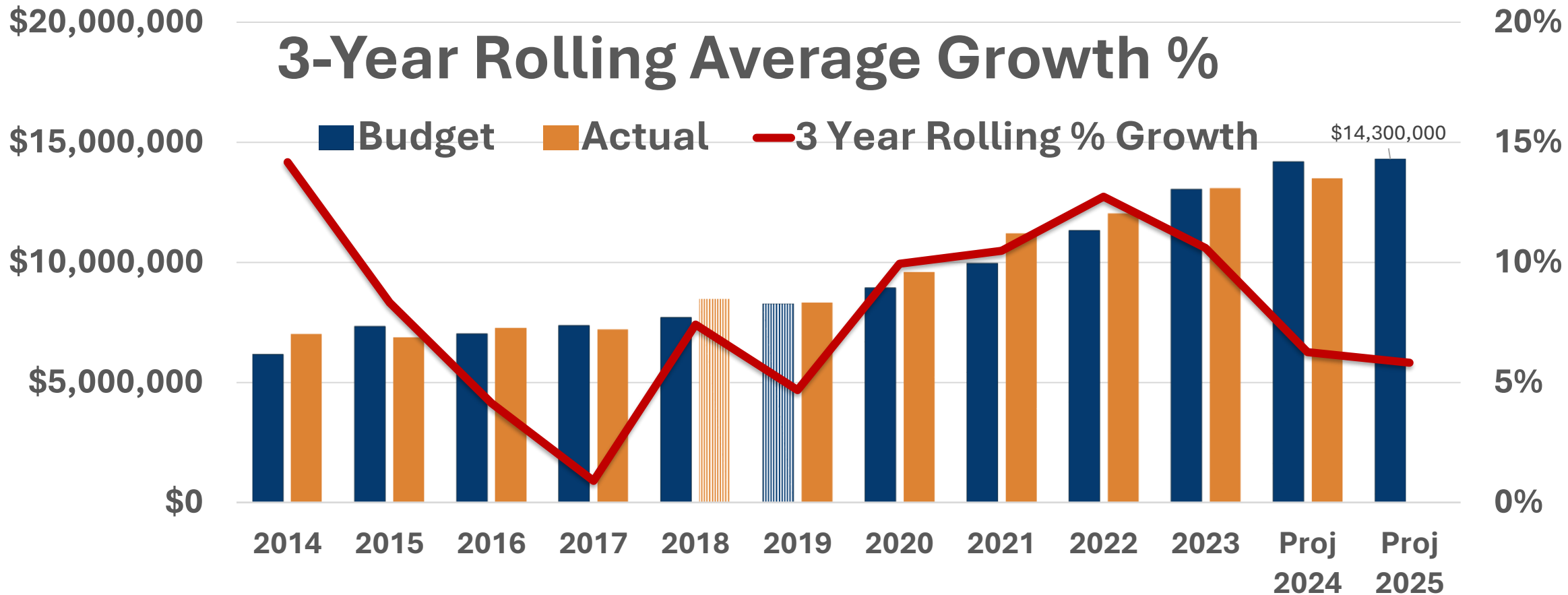
Historic Tax Rates – I&S



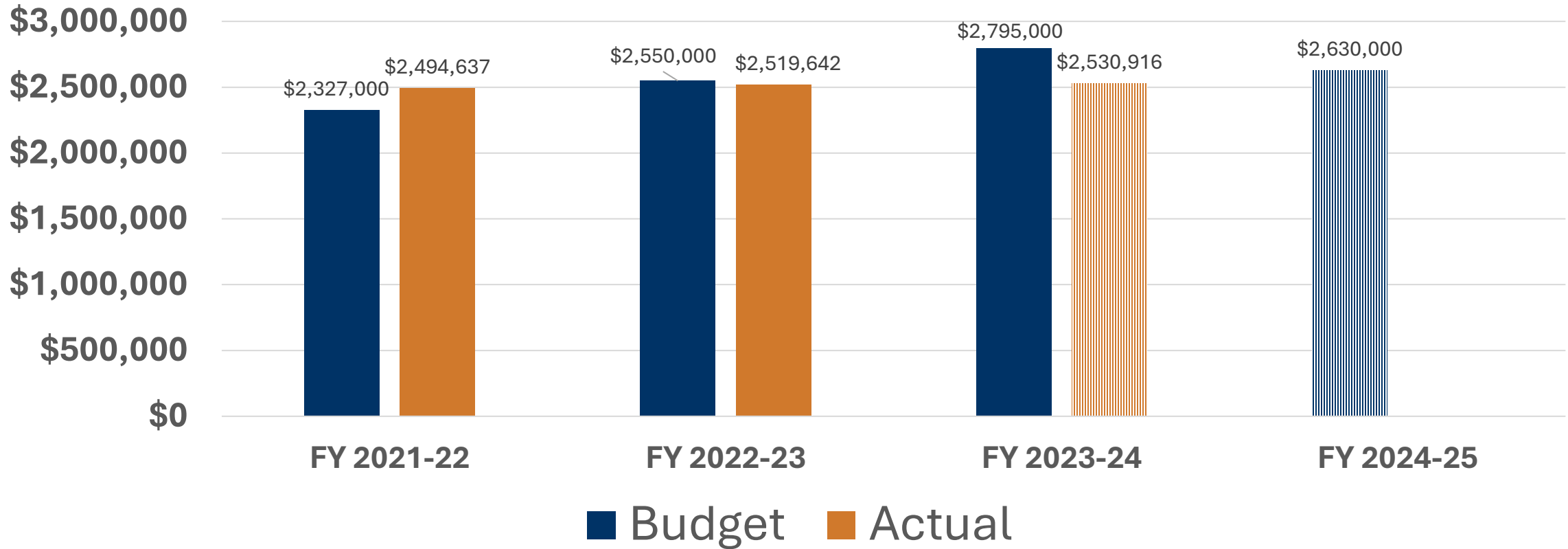
Historic Tax Rates – Total



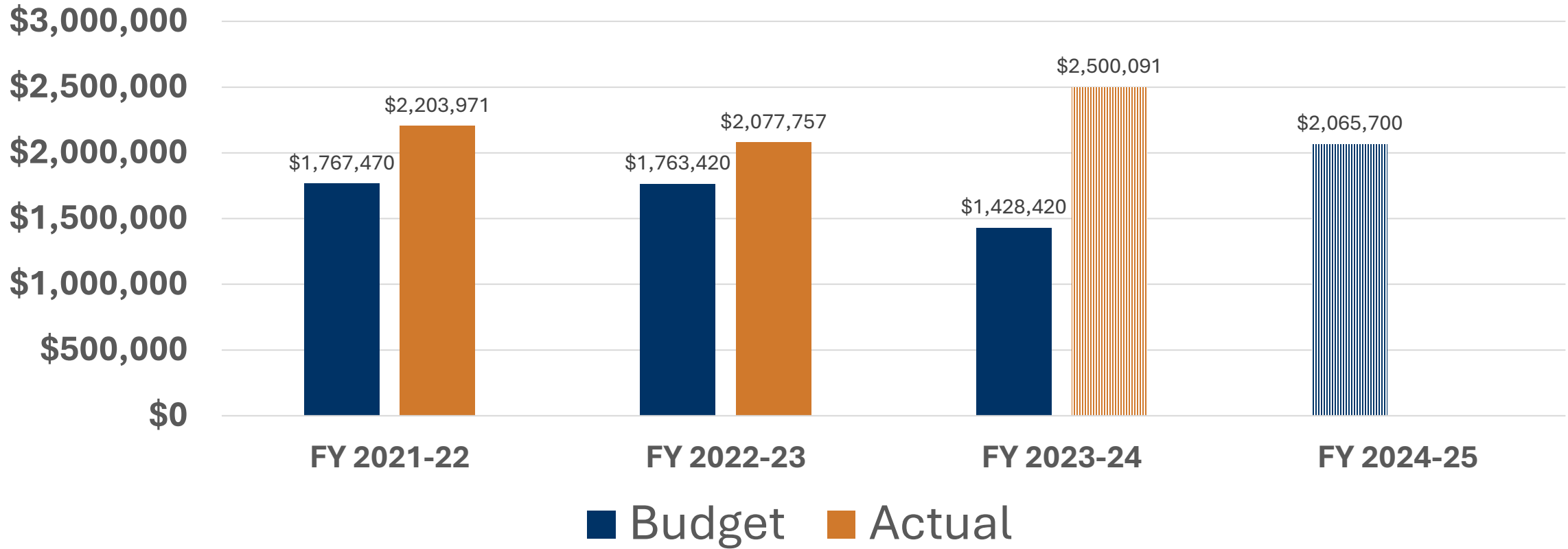
Sales Tax



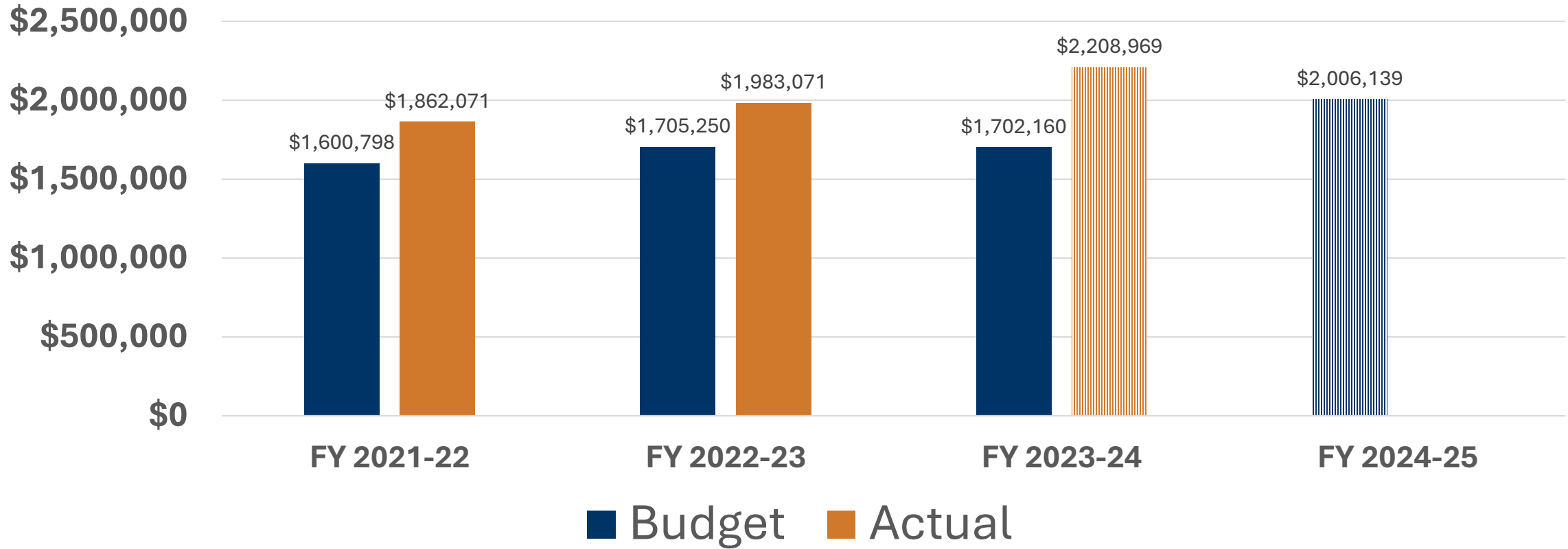
Franchise



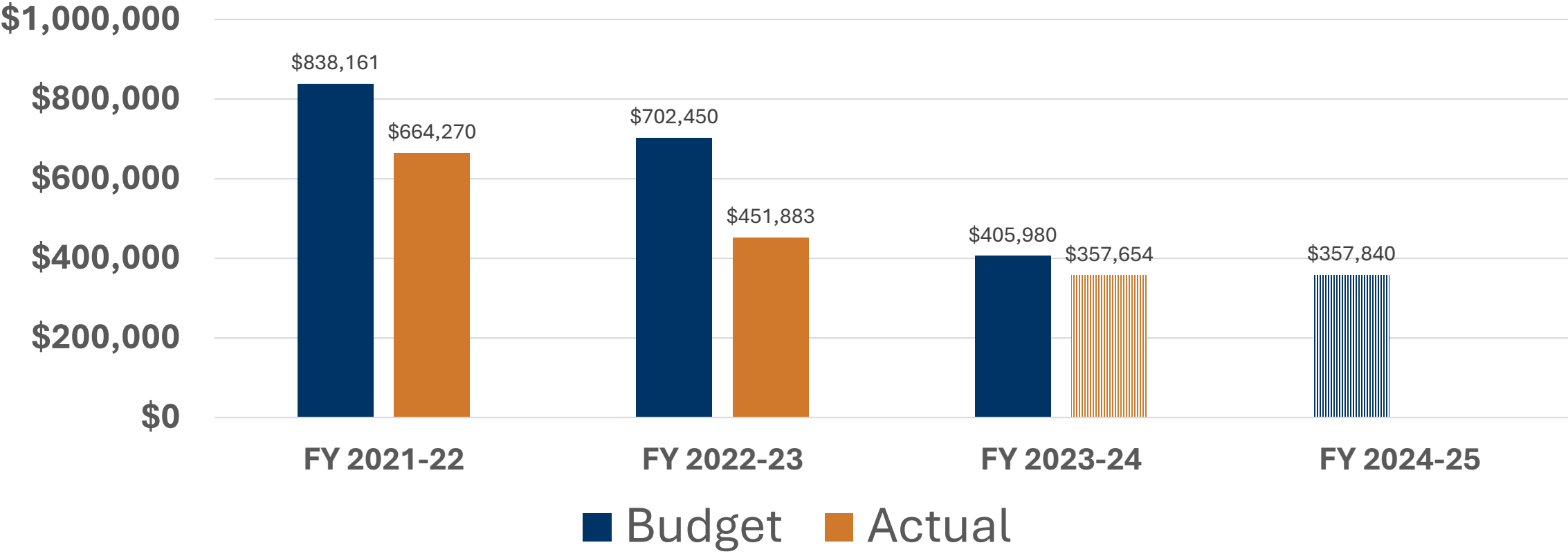
Permit



Fees

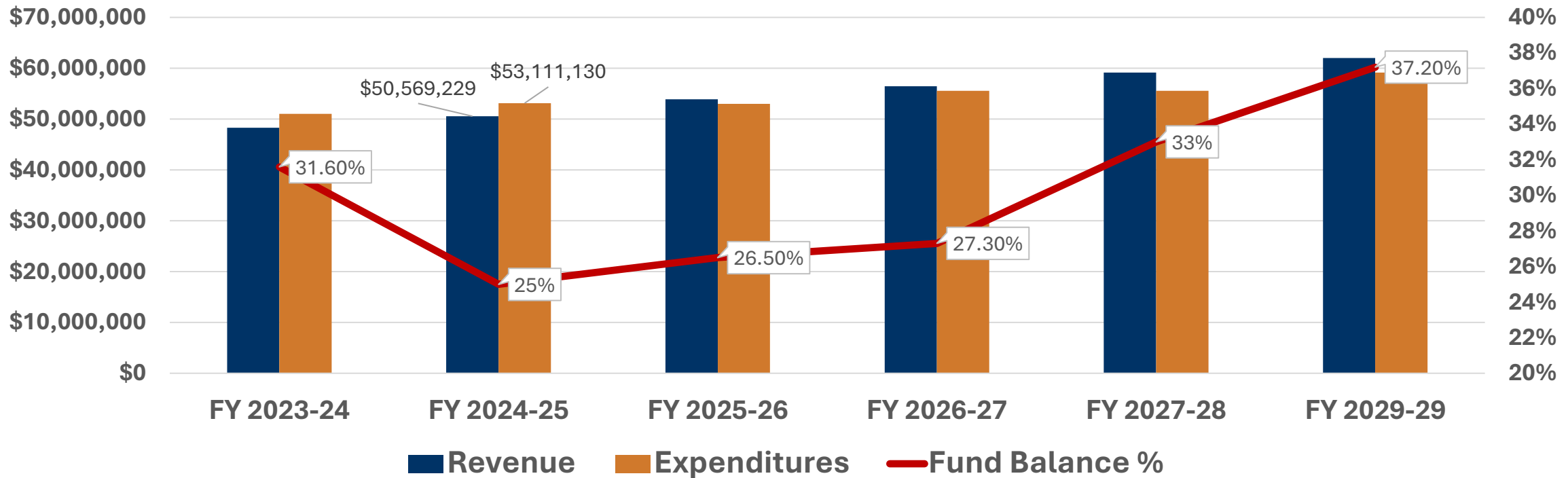


Court Fines



General Fund

5 Year Forecast

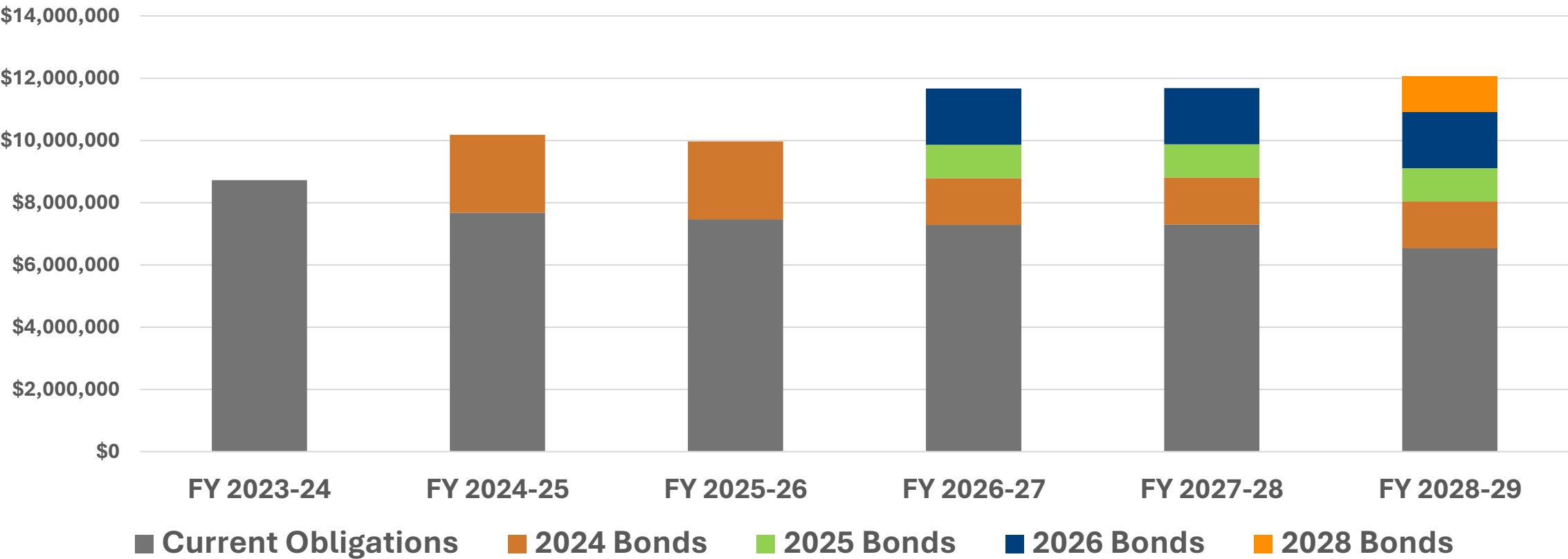




5 Year Summary – I&S Fund

- At I&S Rate of \$0.1574:
 - Includes the following upcoming debt issuances:
 - FY 23/24 - \$20,000,000
 - FY 24/25 - \$13,900,000
 - FY 25/26 - \$23,542,000
 - FY 27-28 - \$14,872,000

General Fund Debt Service



WATER/SEWER FUND



FY 2024-25

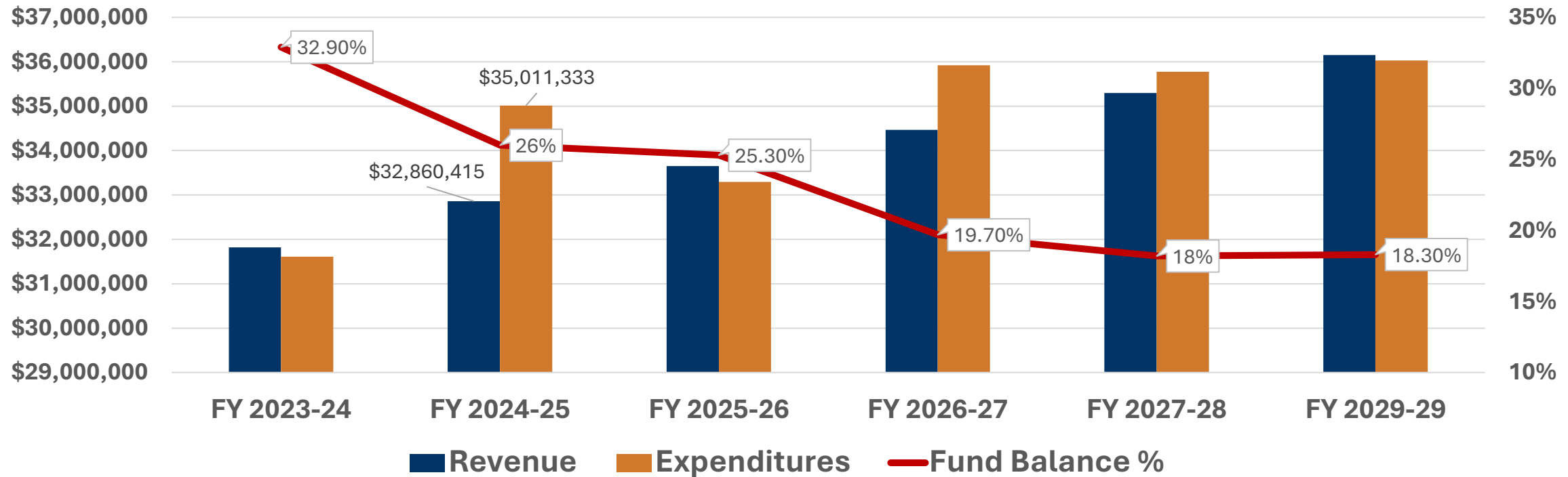
Budget Highlights

Water & Sewer Fund

- Positions:
 - 5 – Water/Wastewater Worker 1
 - 1 - Meter Technician
 - Reclassify Customer Service Representative to Administrative Assistant
- Vehicles and Equipment:
 - SCADA Service Truck
 - Supervisor Truck
 - Well Route Truck
 - Mini Dump Truck
 - Backhoe
- Transfer to CIP Fund

Water & Sewer Fund

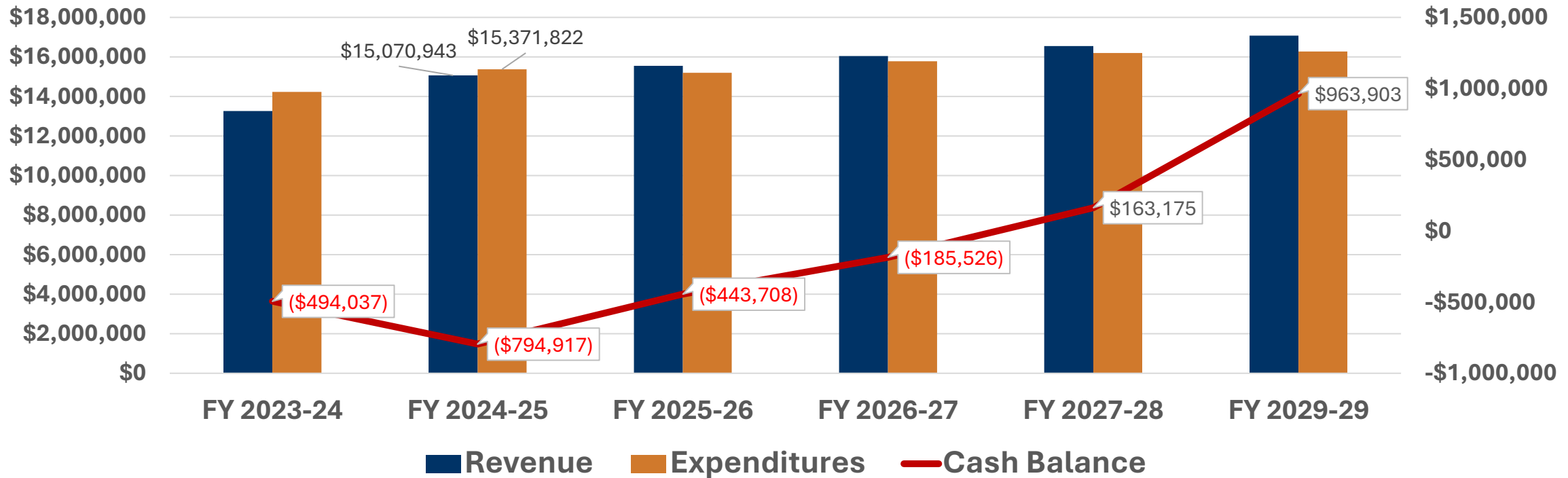
5 Year Forecast



EMS FUND

EMS Fund

5 Year Forecast





FY 2024-25

Budget Highlights

EMS Fund

- Positions at Mid-year:
 - PT to FT Supply Coordinator
 - 12-hour Battalion Chiefs
 - Peak Hour Truck
- Fee increase adds \$1.3 million in revenue

DISCUSSION