

2023-2024 BUDGET PRESENTATION

AUGUST 3, 2023



CITY OF HELOTES |



FY 2023 – 2024 PROPOSED BUDGET

The Proposed Budget has been developed to:

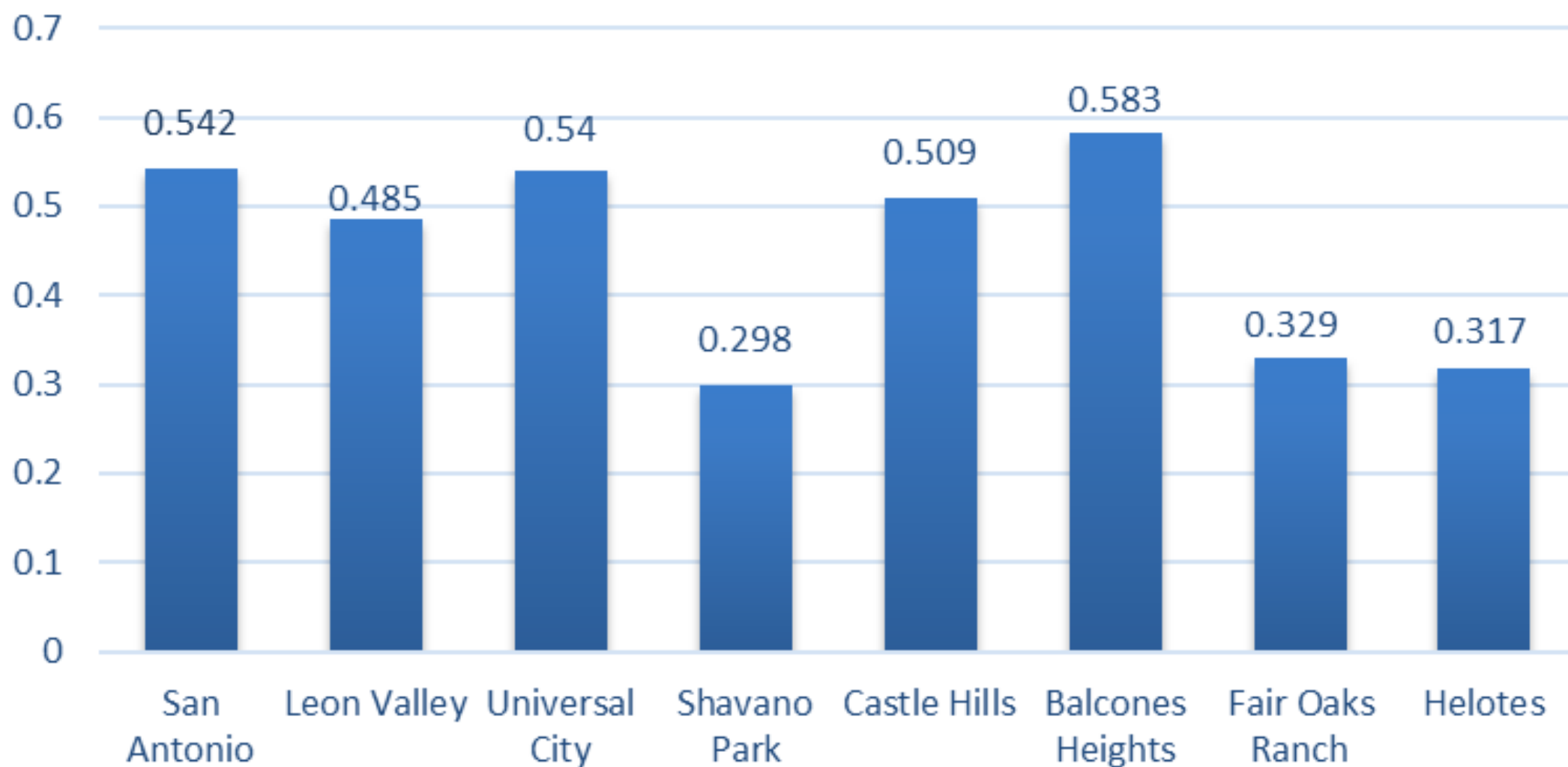
- Be consistent with the established mission, vision and goals of the City of Helotes;
- Allocate resources by City department to provide excellent municipal services to our citizens businesses, and visitors; and
- Highlight how the allocation of City financial and capital resources are targeted to maintain efficiency and our daily operations.



PROPERTY TAX RATE 2023

- Bexar Appraisal District certified totals for Helotes 2023 net taxable value is \$1.697 billion, an increase of 12% over 2022.
- About forty (40%) percent of the City's 2023-2024 General Fund revenue is from property taxes.
- Helotes has one of the lowest property tax rates when compared to the other 25 suburban cities in Bexar County.

2022 Tax Rate Comparison of Cities





PROPERTY TAX HISTORY

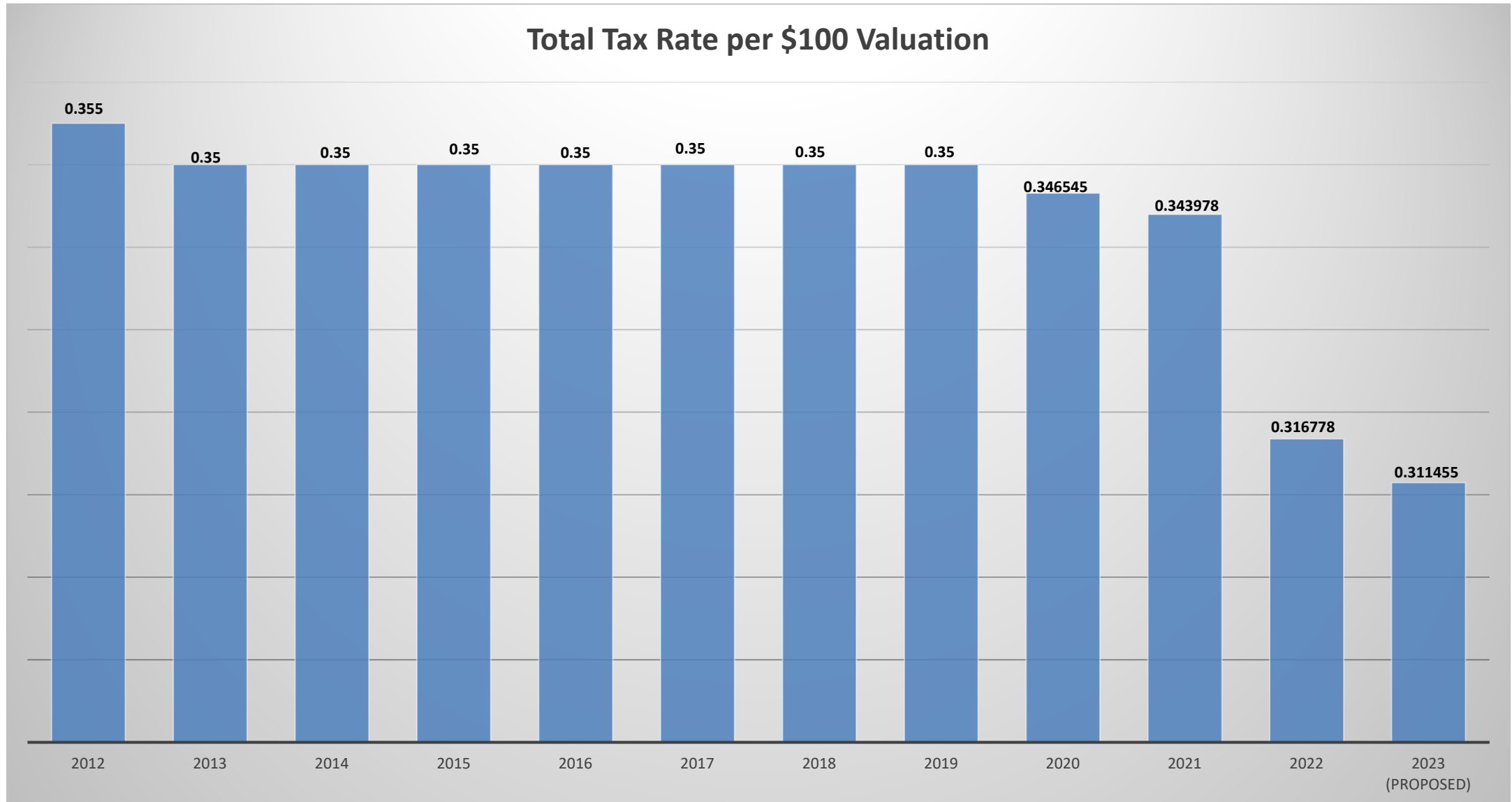
- From 2013 to 2020, the assessed value of taxable property has steadily increased.
- The City of Helotes has maintained the same or lower property tax rate since 2013.
- The Maintenance and Operations portion of the tax rate is approximately equal to the M & O tax rate adopted by the City Council in 2007.



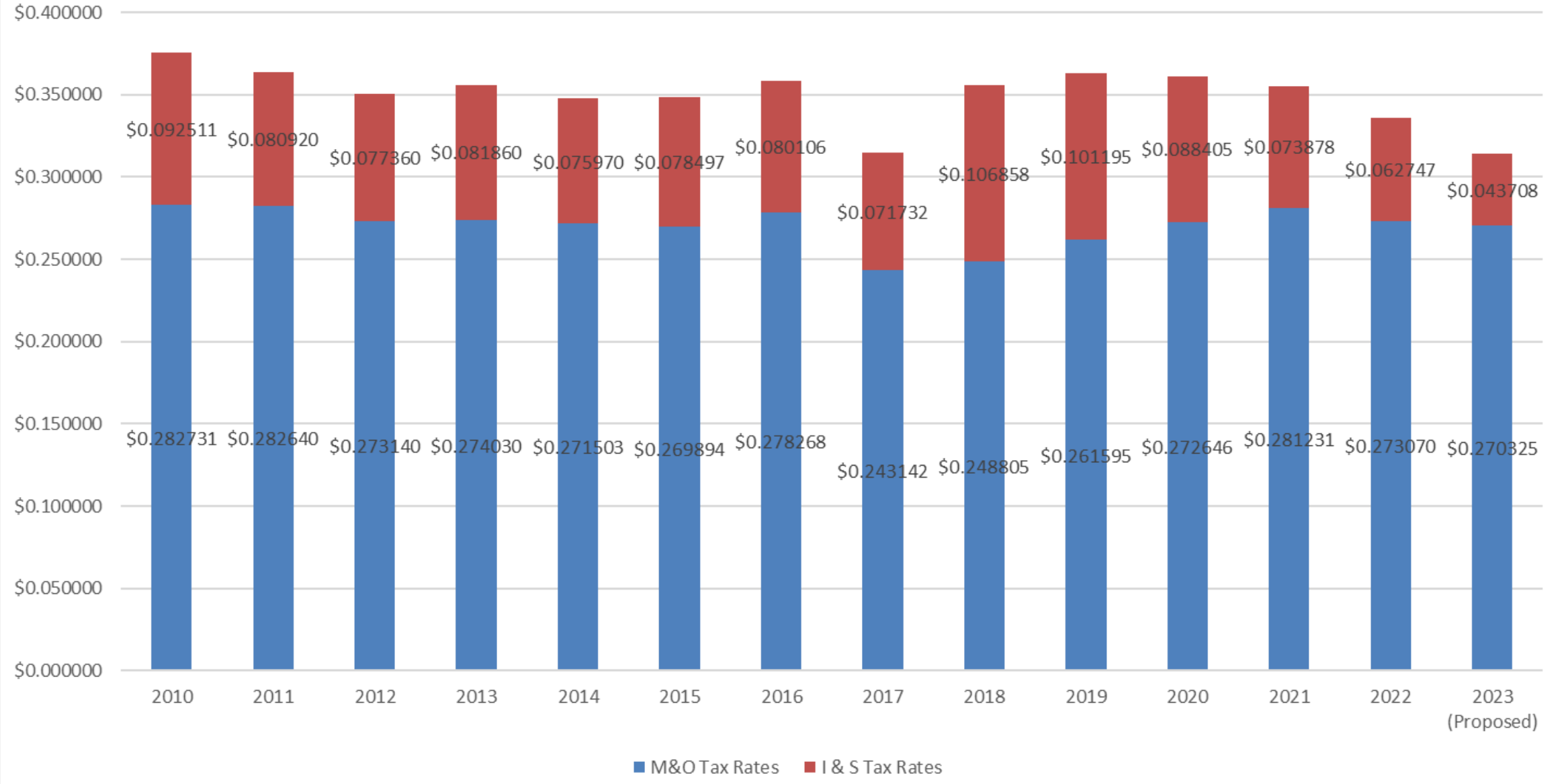
2023 PROPERTY TAX RATE PER \$100

■ Current 2022 Tax Rate	\$0.316778
■ No-New-Revenue Rate	\$0.301098
■ Voter-Approval Tax Rate	\$0.311455
■ Proposed 2023 Tax Rate	\$0.311455

Helotes Tax Rate FY 2013 – FY 2024



Property Tax Rate





2023 PROPERTY TAX FREEZE

- Bexar Appraisal District estimates that the number of property owners who qualify for tax freeze in the 2023 tax year will increase by 56.
- This includes the following:
 - Disabled Veteran;
 - Disabled Veteran Surviving Spouse;
 - Disabled Person; and
 - Over 65.



SALES TAX

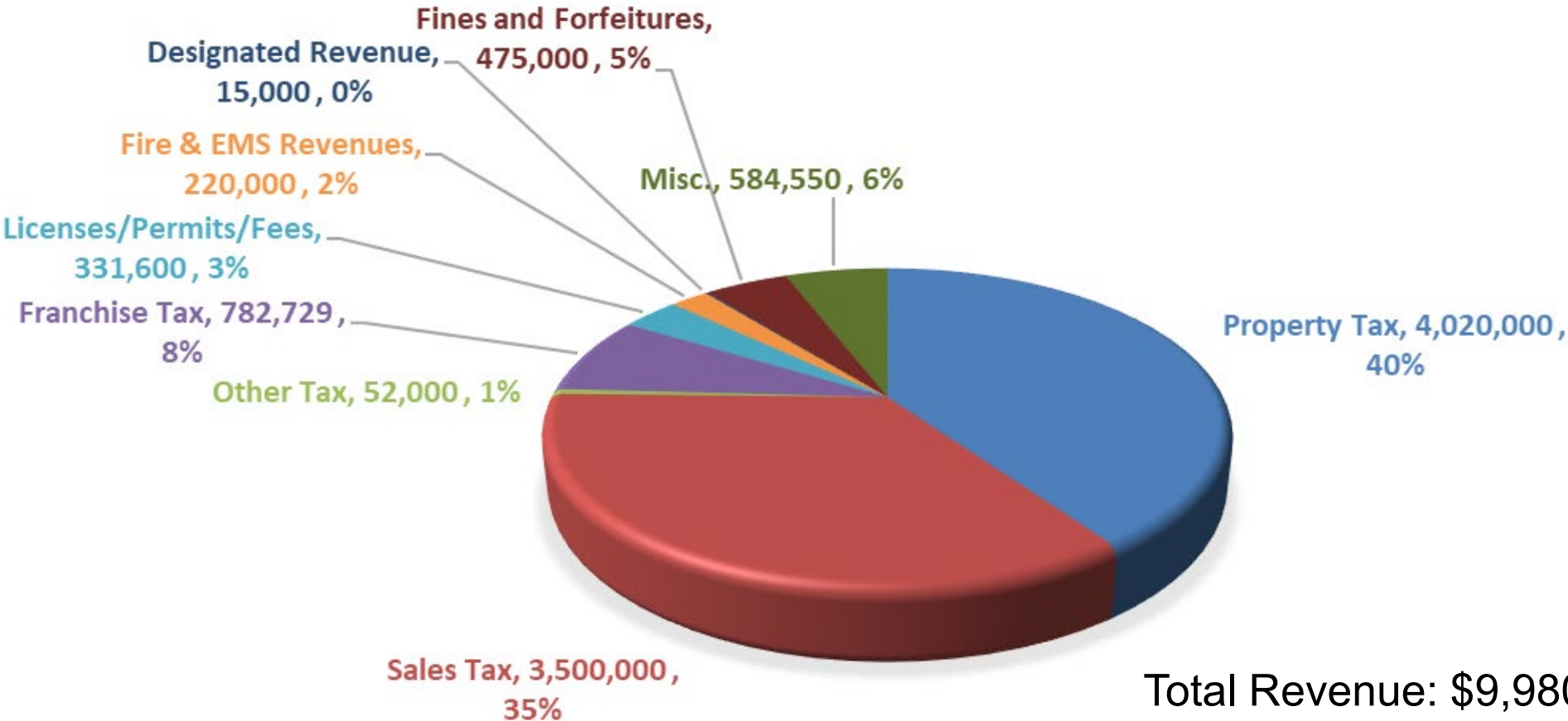
- Sales tax revenue is the second largest source of revenue for the city.
- The City's current sales tax rate is 8.25% which includes 6.25% to the State, 1.25% to the City's General Fund, .25% to Street Maintenance and .50% to Economic Development Corporation (EDC)



SALES TAX

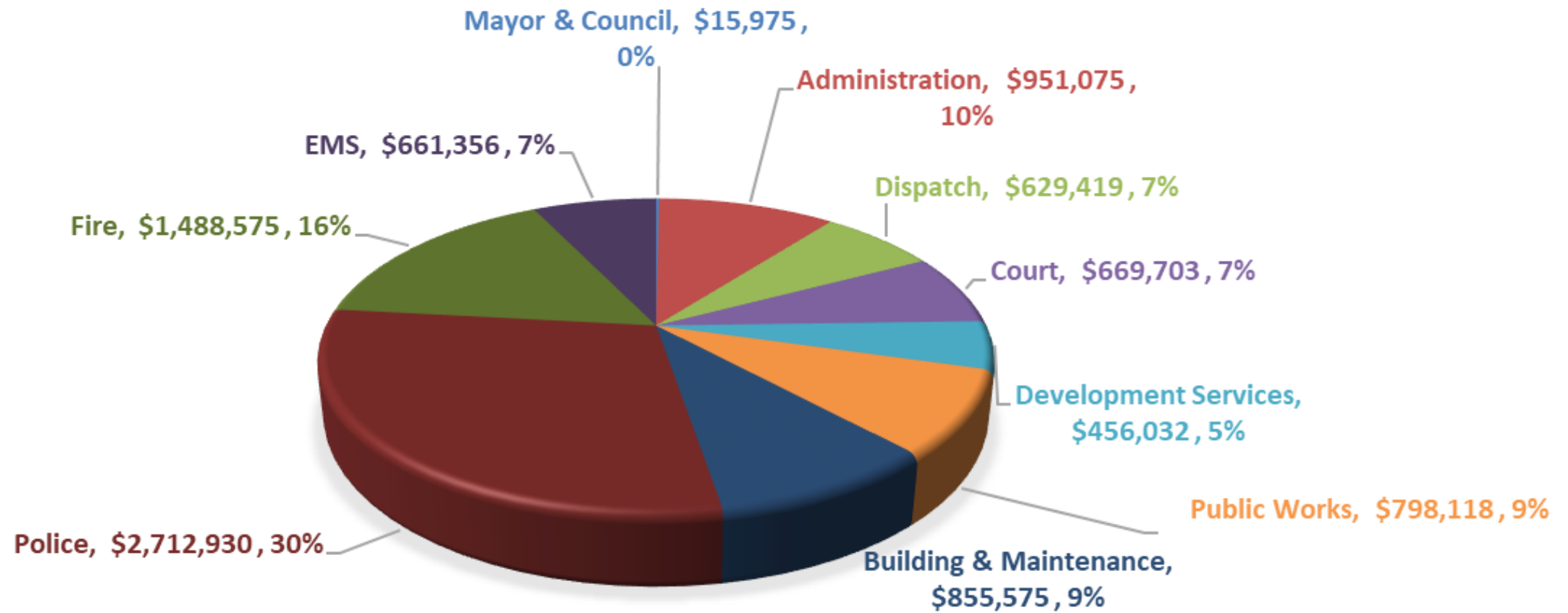
- For the Proposed Budget, \$ 3,300,000 is projected to be collected by the City from sales tax.
- \$ 1,200,000 is budgeted for the Street Maintenance Fund
- \$ 1,500,000 is budgeted for EDC
- \$3,300,000 is budgeted for the General Fund which represents thirty-five (35%) percent of the total General Fund revenue.

FY 2023-24 PROPOSED GENERAL FUND REVENUES



FY 2023-24 PROPOSED GENERAL FUND DEPARTMENTAL EXPENDITURES

Total Allocations = \$9,238,758





GENERAL FUND TOTAL % OF BUDGET EXPENDITURES

■ Public Safety (Police, Dispatch, Fire, EMS)	60%
■ Administration/City Sec/HR/Mayor & Council	10%
■ Court/Warrants	7%
■ Building/Grounds/IT/380 Agreements	9%
■ Public Works	9%
■ Development Services	<u>5%</u>
Total Budget Percentage	100%



PROPOSED FY 2023-2024 BUDGET

Department	FYE2023 Amended Budget	FYE2023 Year End Estimate	Proposed FYE 2024 Budget
City Council	\$15,975	\$6,700	\$15,945
Administration	\$707,170	\$598,507	\$951,075*
Dispatch	\$526,182	\$465,142	\$629,419
City Secretary	\$117,458	\$120,675	\$0*
Municipal Court	\$614,248	\$610,640	\$669,703
Human Resources	\$86,897	\$85,084	\$0*
Development Services	\$428,322	\$348,065	\$456,032
Animal Control / Public Works	\$686,977	\$645,328	\$798,118
Buildings / Grounds	\$685,204	\$634,926	\$885,575
Police	\$2,386,648	\$2,023,340	\$2,712,930
Fire	\$1,269,648	\$1,261,839	\$1,488,575
EMS	\$602,439	\$605,860	\$661,356
Total	\$8,127,195	\$7,406,108	\$9,238,758

* City Secretary and Human Resources combined into Administration and Finance

City Authorized Positions



Department/Division	FY 2023		FY 2024	
	Full Time	Part Time	Full Time	Part Time
Administration and Finance	4	5	6	5
City Secretary	1	0	0*	0
Human Resources	1	0	0*	0
Municipal Court/Warrant	4	5	4	5
Development Services	4	0	4	0
Dispatch	8	0	8	0
Public Works/Animal Control/Code Compliance	11	0	11	0
Police	29	5	31	5
Fire	12	0	12	0
EMS	6	0	6	0
TOTOL	80	16	82	16

* City Secretary and Human Resources combined into Administration and Finance



FUND STATEMENTS — GENERAL FUND

- The Proposed General Fund total revenues for FY 2023-2024 are projected to be \$9,980,829 which represents a 10.32% increase from the current year amended budget.
- The Proposed General Fund departmental expenditures for FY 2023-2024 is \$9,238,758 representing a 13.67% increase from the current year amended budget.

OVERALL PROGRAM CHANGES FY 2023-2024



- In order to continue to remain competitive in recruiting and retaining qualified staff, a five (5%) percent COLA is included in the proposed budget.



OVERALL PROGRAM CHANGES FY 2023-2024

- Quoted health care premiums is a significant increase
 - Staff meet with Insurance Broker to view all options to be able to meet the needs of our staff but to also provide them with other options
 - Other bids from several different insurance carriers were above what was proposed by the current carrier



GENERAL FUND - HIGHLIGHTS

- Highlights of the proposed budget are:
 - Increase in Sales Tax revenue
 - Increase in property valuation
 - Two additional Police Officers
 - Upgrade City IT System
 - Staff Incentives



GENERAL FUND — HIGHLIGHTS CONT.

- City Engineer
 - 3rd Party Contract — Ardurra Engineering
 - Increase in hourly rate (had not increased since 2015)
- City Inspector
 - 3rd Party Contract — BB Inspections LLC.
 - Increase in hourly rate (had not increased since 2015)
- Microsoft 365
 - Current Server Software will become unsupported by end of 2024
- Upgrade of full IT system to include all servers, backups and switches
 - Current system is over 12 years old — usual lifespan of IT systems is 7 to 10 years



GENERAL FUND – HIGHLIGHTS CONT.

- Tuition Reimbursement
 - All City Employees – towards higher education classes in their field of work
- Bilingual Employee Differential
- Certification Pay
 - Current Range \$300 to \$900
 - New Range \$300 to \$1,500



GENERAL FUND – HIGHLIGHTS CONT.

- Knox Key Secure and Med Vault Upgrade
 - Current system software is not upgradable
 - Cloud License
- Foam Injection System for Engine 1
 - Allows the Engine to have a standard foam injection system, not as a separate unit
 - Capital Replacement Project to start planning/budgeting (\$6k/year for 3 years)



GENERAL FUND — HIGHLIGHTS CONT.

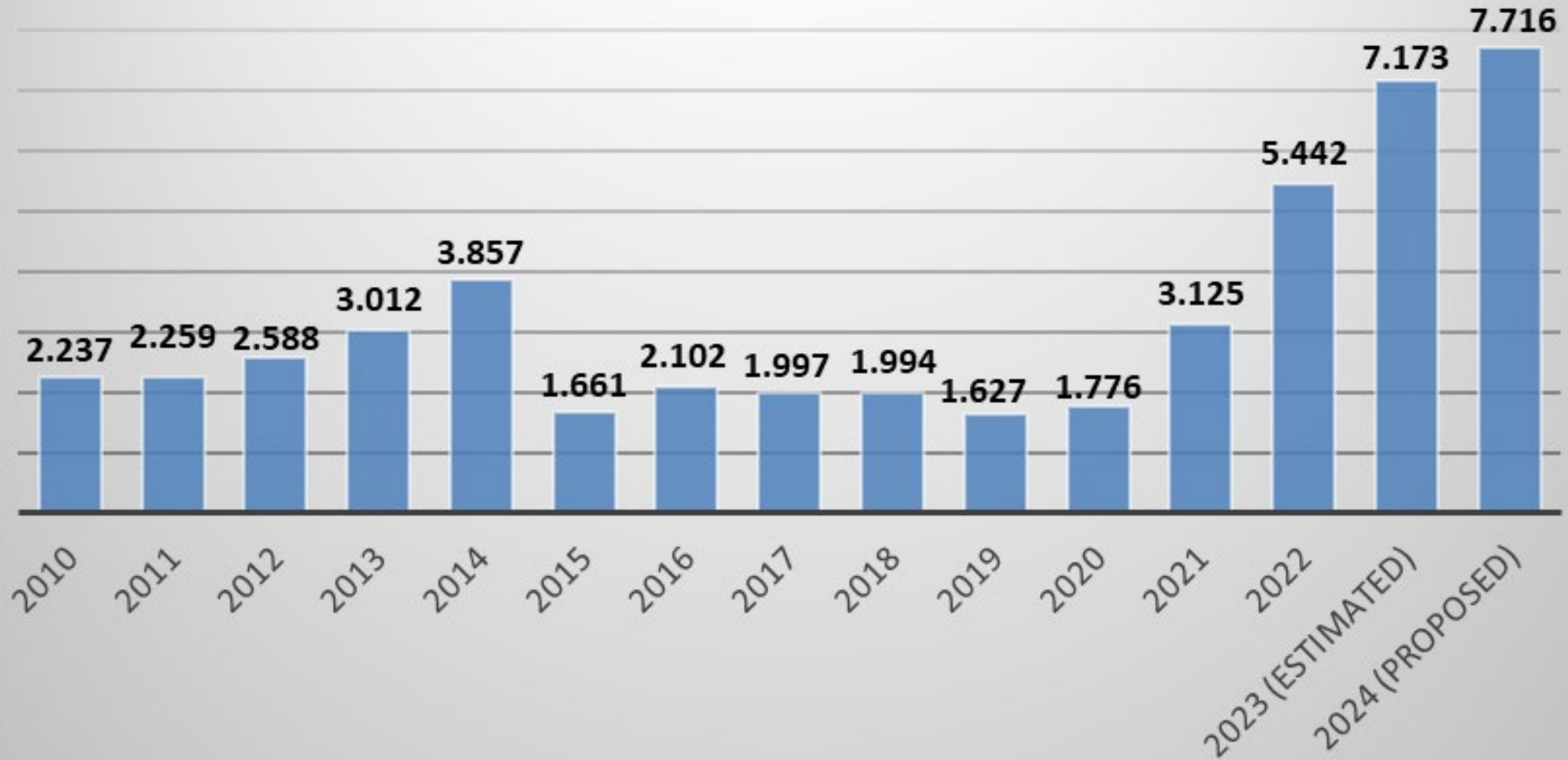
- Flood Monitoring System Upgrade
 - Potential upgrades on the HALT System to bring it up to date for more accurate/consistent data
 - Capital Replacement Project to start planning/budgeting (\$37k/year for 5 years)



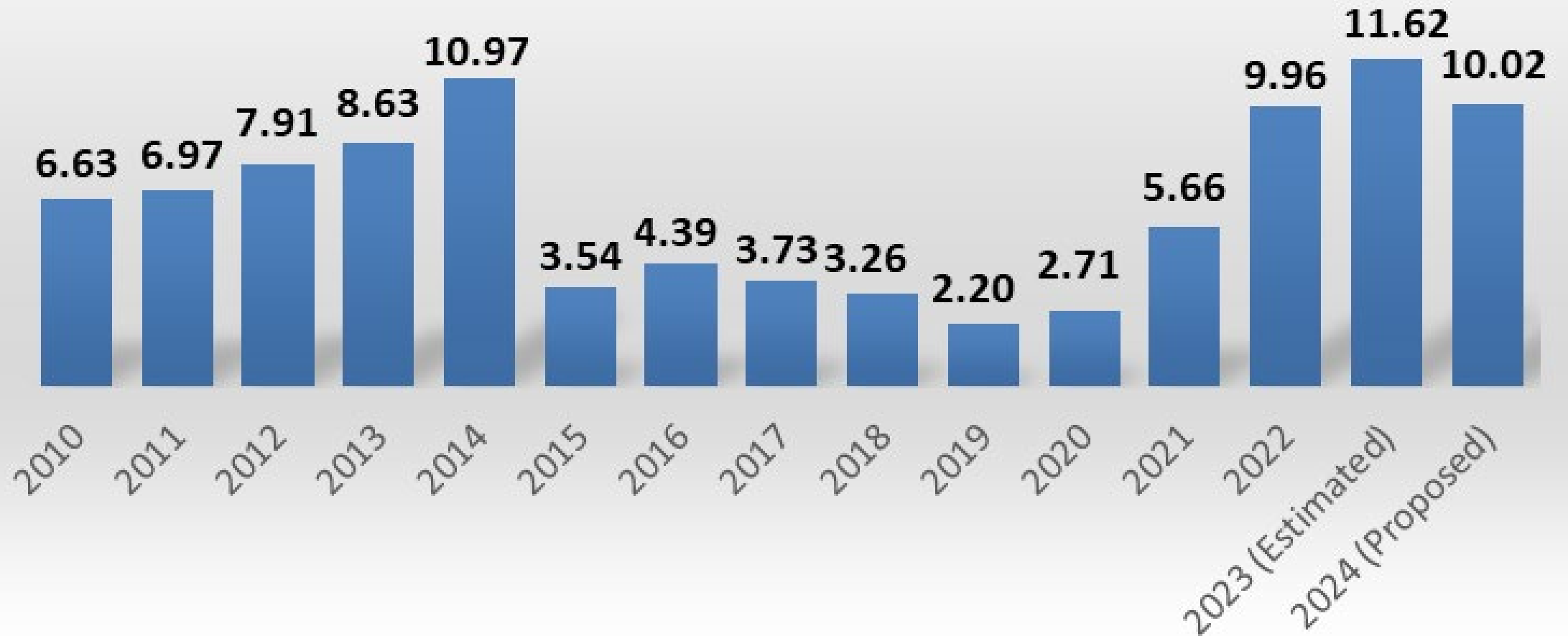
GENERAL FUND — HIGHLIGHTS CONT.

- Total Station
 - Evidence Capture Device to be used at the scene of major incidents and accidents; to record the full picture of what has occurred.
- Fuel cost
- Vehicle Maintenance
 - Several vehicles are no longer under warranty from the manufacture
- Medical Supplies

General Fund Balance (in Millions)



General Fund Balance Reverse (Months)



PROJECTED GENERAL FUND REVENUES/ALLOCATIONS FOR CURRENT FISCAL YEAR ENDING 9/30/23

Beginning Balance 10/1/22	\$5,444,422
Projected Operating Revenues	10,045,673
Projected Departmental Expenditures	<u>-7,406,108</u>
Projected Working Capital Current Operations	\$2,639,565
Assets & Liabilities	-\$510,000
Proposed transfer to Capital Replacement	-\$400,000
Projected General Fund Balance 9/30/23	\$7,173,987



GENERAL FUND BALANCE AT 9/30/23

- Projected General Fund Balance at the end of FY 2023 will equal to \$7,173,987
- The Government Finance Officers Association recommends fund balances be at least three months of operating expenses in case of emergencies which is \$1,851,525
- City Policy is to have at two months of operating expenses which is \$1,234,350

PROPOSED GENERAL FUND BALANCE FY 2024

Projected Beginning Balance 10/1/23	\$7,173,987
Proposed Operating Revenues	\$9,980,829
Proposed Departmental Expenditures	<u>-\$9,238,758</u>
Working Capital from Operations	\$742,071
Estimated Unreserved Fund Balance 9/30/24	\$7,716,058

OTHER GOVERNMENTAL FUNDS PROPOSED FY 2023-2024

Funding Summary					
	Capital Projects	Street Maintenance	Court Technology	PEG	School Safety
Projected Fund Balance 10/1/23	\$ 737,300	\$ 3,925,723	\$86,473	\$ 101,611	\$ 60,401
Revenues/Transfers	\$421,250	\$1,313,000	\$ 31,715	\$ 20,300	\$ 17,200
Expenditures	(1) -\$ 140,300	(2)-\$1,802,200	(3)- \$10,400	(4) - \$10,500	(5)-\$ 15,500
Projected Balance 9/30/24	\$ 1,018,250	\$ 3,436,523	\$ 107,788	\$ 111,411	\$ 62,101

- 1) FY24 – Fire Truck Lease Payment; 1 PD vehicle; 1 PW vehicle; transfer \$400,000 for vehicles and lease payments, \$37,000 for HALT System and \$6,000 FoamPro System
- 2) Street Maintenance sales tax revenue of \$1,300,000 - total sales tax of ¼ cent dedicated to Streets Fund
 - Annual SMP and Culvert Project
- 3) Court and Warrant Hardware and Software
- 4) Anticipation of the requirement to pay mthly fee to utilize PEG channel
- 5) School Safety Lights - \$16,000; Educational Material for Schools \$5,000

NEXT STEPS

Thursday, August 24, 2023	Proposed Fee Schedule
Thursday, September 14, 2023	Public Hearing for FY 2023-2024 Proposed Budget and 2023 Property (Ad Valorem) Tax Rate
Thursday, September 28, 2023	City Council consideration of FY 2023-2024 Proposed Budget and 2023 Property (Ad Valorem) Tax Rate

COUNCIL ACTION NEEDED

- I move the City hold a public hearing for the Proposed FY 2023 – 2024 Budget on September 14, 2023.
- I move the City have an action item to adopt the Proposed FY 2023 – 2024 Budget on September 28, 2023.