



# City of San Marcos 2009 Budget Policy Statement

Adopted: May 20, 2008

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## **I. Fund Balance Goals**

### **★ Fund Balances**

Goal for fund balances will be at the following levels:

- General Fund: 25 %
- Water/ Wastewater Fund: 25 %
- Electric Utility Fund: 25 %

## **II. General Fund**

### **GENERAL FUND**

#### **★ Property Tax Rate**

- No property tax increase.

### **WATER/ WASTEWATER FUND**

- Rate increase expected.
- City Manager will bring back more information to Council regarding a potential adjustment.

### **ELECTRIC UTILITY FUND**

- No electric rate increase.

### **CAPITAL IMPROVEMENTS PROGRAM**

#### **★ CIP/ New Debt**

#### **CO- Tax Supported**

- Fall 2008 – \$7.6 million for Loop 110
- \$25 million over the next two years

#### **Revenue Bonds**

- \$6.8 million for Electric
- \$8.6 million for Water
- \$9.4 million for Wastewater

### **III. Major Policy Issues**

#### **★ Operating Expenses**

- Limit department increases for operating expense line items to 3.5%

#### **★ Employee Benefits/ Raises**

- Council is interested in evaluating, implementing and/or phasing in the Classification and Compensation study and funding the Civil Service pay plan.

#### **★ Personnel**

- Six percent (6%) increase in personnel costs.

#### **★ Capital Outlay**

- Appropriate \$900,000 from the General Fund for needed Capital Outlay.
- Appropriate \$185,000 from the Water/Wastewater Fund for needed Capital Outlay.
- Appropriate \$500,000 from the Electric Fund for needed Capital Outlay.

#### **★ Greenspace**

- Invest \$ 5,000 in developing Greenspace.

### **IV. External Programs**

#### **★ Hotel/ Motel Fund**

- Council requests to receive Hotel Motel program proposed budgets for FY2009 using zero based budgeting. They will evaluate program performance indicators and if Hotel Occupancy Tax legal requirements were met for the previous calendar year. Upon evaluation, the Council will look at the distribution percentages or budget totals.

<b><u>Current Distribution</u></b>	
CVB	45.0%
Arts Commission	4.5%
Main Street	15.5%
Hispanic Chamber	5.5%
Tanger/ Prime Advertising	3.5%
Council Tourism Account	1.0%
Future Conference Center	21.5%
Branding/ Marketing San Marcos	<u>3.5%</u>
	100%

- Committed to the Future Conference Center and Branding items.

#### **★ Social Services**

- Increase social service funding by 3.5% for an increase to \$426,420.

★ **Economic Development**

- Continue funding Economic Development San Marcos' [annual](#) contract [at \\$248,000](#) ~~and with the Chamber of Commerce with \$49,000 going to the~~ Small Business ~~program and \$248,000 for the annual contract at \$49,000.~~

★ **Lobbying Contracts**

- Continue funding a lobbying contract at \$180,000 and bring back options on how others secure contracts with State and Federal- Possible RFP Process.

★ **Miscellaneous Issues**

- Fund Rail Relo Now at \$25,000.