

MEMORANDUM

To: Mayor and City Councilmembers
Steve Parker, City Manager

From: Susan Caddell, Director of Finance

Subject: Public Hearing on FY2025 Budgets

Date: August 27, 2024

Since our last meeting, one change has occurred in the FY2025 General Fund budget. Within the Finance Department is the portion the City pays of the Guadalupe County Appraisal District's (GCAD) budget. GCAD's budget is allocated based upon each taxing entities' tax levy. I had originally included \$280,000 in the budget. This included the quarterly payments made to the district as well as additional funding for potential expansion of their offices. I received a letter last week from the chief appraiser reallocating their budget. Due to the passage of Senate Bill 2, the school districts' homestead exemptions increased. This then lowered the school districts' allocation of the GCAD's budget. That difference had to be reallocated back to the other entities. The City's portion of this reallocation increased by \$16,288. I have included this increase in the ordinances to approve later in the agenda. I have also increased interest earnings to offset this increase in the expense. I did not include the potential increase due to their expansion. The plans have not been approved yet and costs have not yet been determined. Once we receive that information, the budget can be adjusted later in FY25.

In addition, since we presented the budget, we have been awarded a regional solid waste grant in the amount of \$25,000 from AACOG with a matching from the City of \$12,500. This will allow us to have a hazardous waste collection event in the spring of 2025. Of the match, \$258.63 will be spent in FY24. I have included the match and grant expenditures less the amount expended in FY24 within the Finance Department's budget as well as increase interest earnings.

I will be available for questions prior to and during the meeting. Please let me know if you have any questions.