**FY 2024 Tax Rate Approach**

- Provides funding in the General Fund to accomplish primary budget goals/objectives
- Rolls over unused increment rate (0.9 cents) from FY 2023
- Sufficient borrowing capacity to support:
  - 2023 Bond Program
  - Rolling tax note program for vehicle replacement

**PROPOSED TAX RATE**

<table>
<thead>
<tr>
<th>Maintenance and Operations Portion (General Fund)</th>
<th>Interest and Sinking Portion (Debt Service)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20.00¢</td>
<td>20.89¢</td>
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</tbody>
</table>

Approximately 0.5 cents **LOWER** than last year’s Tax Rate of 41.39¢
DEBT SERVICE FUND
Outstanding Commitments by Funding Source

Outstanding Debt Service Obligation Schedule
FY 2023 FINANCING STRATEGY
FY 2023 FINANCING STRATEGY

Components

$35M
First Bond Issuance associated with the 2023 Bond Program

$10M
Certificate of Obligation supported entirely by the New Braunfels Economic Development Corporation

$13.24M
Bond refunding opportunity based on current rates. Savings will be applied to the 2023 bond capacity/commitment

$2M
Tax Note to support vehicle replacement. First issuance associated with potential new equipment replacement funding strategy
Property value growth in FY 2023 and FY 2024 provided additional flexibility for supporting the 2023 bond issuance(s) without an impact to Debt Service portion of the tax rate.

The City’s debt portfolio currently includes 5 outstanding Tax Notes

- The Collective debt service (annual payments) on the tax notes represents 2.65 cents of the City’s total Debt Service Rate

With 2.65 cents dedicated to a rolling tax note program to support equipment replacement, the remaining 18.24 cents is sufficient to support existing and projected debt service for all other capital investments

- This strategy did not impact the issuance schedule for the 2023 bond program

I&S (Debt Service) Portion of Property Tax Rate

- $0.2500
- $0.2000
- $0.1500
- $0.1000
- $0.0500
- $0

Long Term Bond Program Investments
- $0.1824

Rolling Tax Note Program
- $0.0265
Could change based on higher growth in property values, fluctuations in interest rates and project delivery schedule.
DEBT SERVICE FUND
Alternative Vehicle/Equipment Replacement Strategy

Borrowing Capacity

Financing Timeline - Rolling Tax Note

Rolling Tax Note Program
2023 Bond Debt Service
Property Tax Supported Debt Service (Current)

Funding:
- No Issuance Planned

FY 2023: $2,000,000
FY 2024: $4,000,000
FY 2025: $6,000,000
FY 2026: $8,000,000
ENTERPRISE FUNDS
ENTERPRISE FUNDS
Golf Course Fund

Monthly Golf Rounds

Annual Golf Rounds

<table>
<thead>
<tr>
<th>Month</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023 (projected)</th>
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<tbody>
<tr>
<td>Oct-18</td>
<td>43,213</td>
<td>41,459</td>
<td>51,360</td>
<td>57,847</td>
<td>59,349</td>
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<td>Jan-19</td>
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<td>Apr-19</td>
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<td>Jul-19</td>
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<td>Jul-23</td>
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</table>
Popularity of the Landa Park Golf Course remains at an all time high

Assistant Superintendent included to continue to maintain course condition

Surplus reserves in the Golf Course Fund will be utilized to support several initiatives:
- Back patio renovation
- Bunker maintenance machine replacement
- Restripe parking lot
- Triplex mower attachments
- Design services – bunker renovation project

Golf Course - FY 2024 Proposed Budget

Revenues
- Charges for Services
- Interfund Transfers
- Annual Expenditures
- Resource Requests

Expenditures
- Vehicles/Equipment
- Employees
- Infrastructure

ENTERPRISE FUNDS
Golf Course Fund
ENTERPRISE FUNDS

Airport Fund

Fuel Gallons Sold

Annual Gallons Sold

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023 (projected)</th>
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<tbody>
<tr>
<td>Oct-18</td>
<td>555,045</td>
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<td>Jan-19</td>
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<td>Apr-19</td>
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<td>550,159</td>
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<td>Jul-19</td>
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<td></td>
<td>753,224</td>
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<tr>
<td>Oct-19</td>
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<td>728,000</td>
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</tbody>
</table>

Gallons sold for each month from Oct-18 to Jul-23.
Airport Maintenance Technician to provide adequate coverage, safety and customer service

Development and Design Control Document (DDCD)

Partial matching requirement for North Ramp improvement project

– Project will be primarily supported by TxDOT
Facility Specialist to provide more support from room setup and breakdown
Server for security camera system
Upgraded booking system software
Air Conditioning chiller replacement – already approved by City Council
Funding included for critical commercial container replacements

Technology initiatives to support creating route efficiency/optimization and, in-car camera monitoring and customer account management

Vehicle replacement fund transfer suspended to structurally balance FY 2024 budget
  - Transfer commitment is $1 million annually
Employee costs have increased to address recruitment and retention issues
- Staffing levels/vacancies reached a point where services were potentially going to be deferred/modified

Contractual increases to refuse disposal costs

Revenue generated from recycling materials eliminated through changes in the recycling commodities market

Operating cost increases such as vehicles maintenance, refuse containers, etc. have also impacted costs over the past several years

Staff is currently evaluating various methods to ensure solvency in FY 2025 and beyond. Rate adjustments will be a component of that evaluation, however there could be opportunities to adjust services and events in various ways that create significant cost savings
ENTERPRISE FUNDS
Solid Waste Fund – Policy Considerations

- Rate study nearing completion
  - Residential rates have not been adjusted since 2010
  - Commercial rates last adjusted in 2018
- Aligning service delivery with demand from residential and commercial customers
  - Could result in significant cost savings
- Technology initiatives in FY 2024 will allow for route optimization and other service delivery efficiencies
- Staff recommends workshop with City Council in the fall to present options for the City Council as well as an implementation timeline

Vehicles/Equipment
Technology
TAKEAWAYS
FY 2024 PROPOSED BUDGET

TAKEAWAYS

1. Fourth consecutive property tax rate decrease

2. Compensation increases effective in October. Accomplishes all four of the objectives established at the July 6 retreat

3. 27 General Fund positions (30 overall) added to address service demands

4. Continued one-time investments. Many of which will result in creating efficiencies, increasing productivity, or enhancing customer service

5. Begins to establish capacity for FY 2025 and beyond to support unfunded initiatives and resource demands
UPCOMING BUDGET WORKSHOPS

August 7
Budget Presentation

August 8
Tax Rate Detail, General Fund

August 10
Enterprise Funds & Debt Service Fund

August 14
Hotel Occupancy Tax Fund and Convention and Tourism Fund