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Debt Service Tax Rate

AGENDA ITEM NO. 5(c)

CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
OFFICE OF MANAGEMENT & BUDGET AND FINANCE DEPARTMENT

TO: Mayor and City Council

FROM: Louis A. Lendman, Director, Office of Management and Budget
Milo Nitschke, Director, Finance Department

THROUGH: Terry M. Brechtel, City Manager

COPIES: Christopher J. Brady, Assistant City Manager; Melissa Byrne Vossmer, Assistant City Manager; Executive Team; File

SUBJECT: Debt Service Tax Rate - Fiscal Year 2004

DATE: September 18, 2003

SUMMARY AND RECOMMENDATION

This ordinance sets the ad valorem tax rate to pay the principal and interest on the funded debt of the City of San Antonio at 21.150 cents per \$100.00 of taxable valuation for the tax year beginning on January 1, 2003, and ending on December 31, 2003.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

Property tax values are determined by the Bexar Appraisal District (BAD) in conformance with State law. Values for the City of San Antonio recently reported by BAD for FY 2004 show an increase in net taxable value of approximately \$2.468 billion, or 5.94% above last year. Included in this total, are \$1.329 billion for new improvements and \$7.651 million in annexations, which equates to real growth of 3.22% over last year's total taxable value. The taxable value less new improvements and annexations yields the base valuation. The increase in the base valuation from last year is \$1.131 billion or 2.72%.

POLICY ANALYSIS

Calculation of the debt service portion of the property tax rate is dependent on the City's debt service requirements. The debt service rate for FY 2004 is calculated at 21.150 cents per \$100 taxable valuation, which represents a 0.500 cent decrease from the FY 2003 debt service tax rate of 21.650 cents and is consistent with the requirements of the City's Debt Management Plan.

FINANCIAL IMPACT

The Debt Service tax rate for FY 2004 will generate \$90.540 million in revenues for payment of debt and is consistent with the tax rate recommended in the City Manager's Proposed Budget.

September 18, 2003

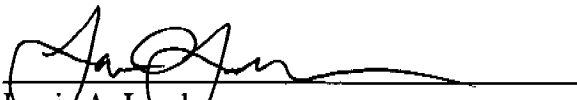
COORDINATION


This item has been coordinated between the Office of Management and Budget and the Finance Department.

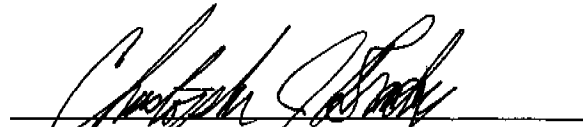
SUPPLEMENTAL COMMENTS

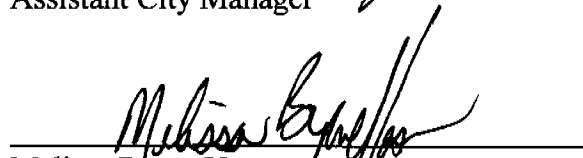
The requirements of the City's Ethics Ordinance are not applicable.

SIGNATURES



Louis A. Lendman
Director, Office of Management and Budget


Milo Nitschke
Director, Finance Department


Christopher J. Brady
Assistant City Manager


Melissa Byrne Vossmer
Assistant City Manager

Approved:


Terry M. Brechtel
City Manager