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

TO: Mayor and City Council
FROM: Peter Zaroni, Acting Director, Office of Management and Budget
Milo Nitschke, Director, Finance Department
THROUGH: Terry M. Brechtel, City Manager
COPIES: Erik Walsh, Assistant to the City Manager; Melissa Byrne Vossmer, Assistant City Manager; Executive Team; File
SUBJECT: Debt Service Tax Rate - Fiscal Year 2005
DATE: September 16, 2004

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, 2004, and ending on December 31, 2004.

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 2005 show an increase in net taxable value of approximately \$2.099 billion, or 4.91% above last year. Included in this total is \$1.246 billion for new improvements and \$69,500 in annexations which equates to real growth of 2.80% 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 \$854 million or 1.91%.

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 2005 is calculated at 21.150 cents per \$100 taxable valuation, which is equal to the FY 2004 debt service tax rate of 21.150 cents and is consistent with the requirements of the City's Debt Management Plan.

FINANCIAL IMPACT

The Debt Service tax rate for FY 2005 will generate \$95.906 million in revenues for payment of debt and is consistent with the tax rate recommended in the City Manager's Proposed Budget.

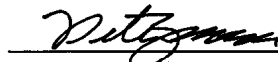
COORDINATION

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.

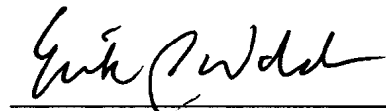
SIGNATURES



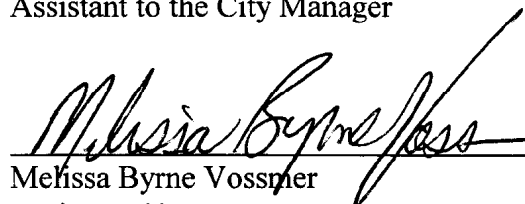
Peter Zanoni
Acting Director, Office of Management and Budget



Milo Nitschke
Director, Finance Department




Erik Walsh
Assistant to the City Manager



Melissa Byrne Vossner
Assistant City Manager

Approved:



Terry M. Brechtel
City Manager