



# Reconsider Cash Funding Capital Projects

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PRESENTED TO THE FINANCE COMMITTEE ON  
MAY 8, 2024

# Overview of Presentation

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- S.B.2 Tax Implication
- Eligible Projects
- Property Value Growth
- Debt Capacity
- Review next steps



# Reconsider Cash Funding Capital Projects

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- When calculating the voter-approval tax rate, debt service payments and the necessary tax rate to fund the debt service payments are automatically included in the total voter-approval tax rate.
- This means the City could increase the debt service portion of the tax rate without risking going over the voter-approval tax rate.

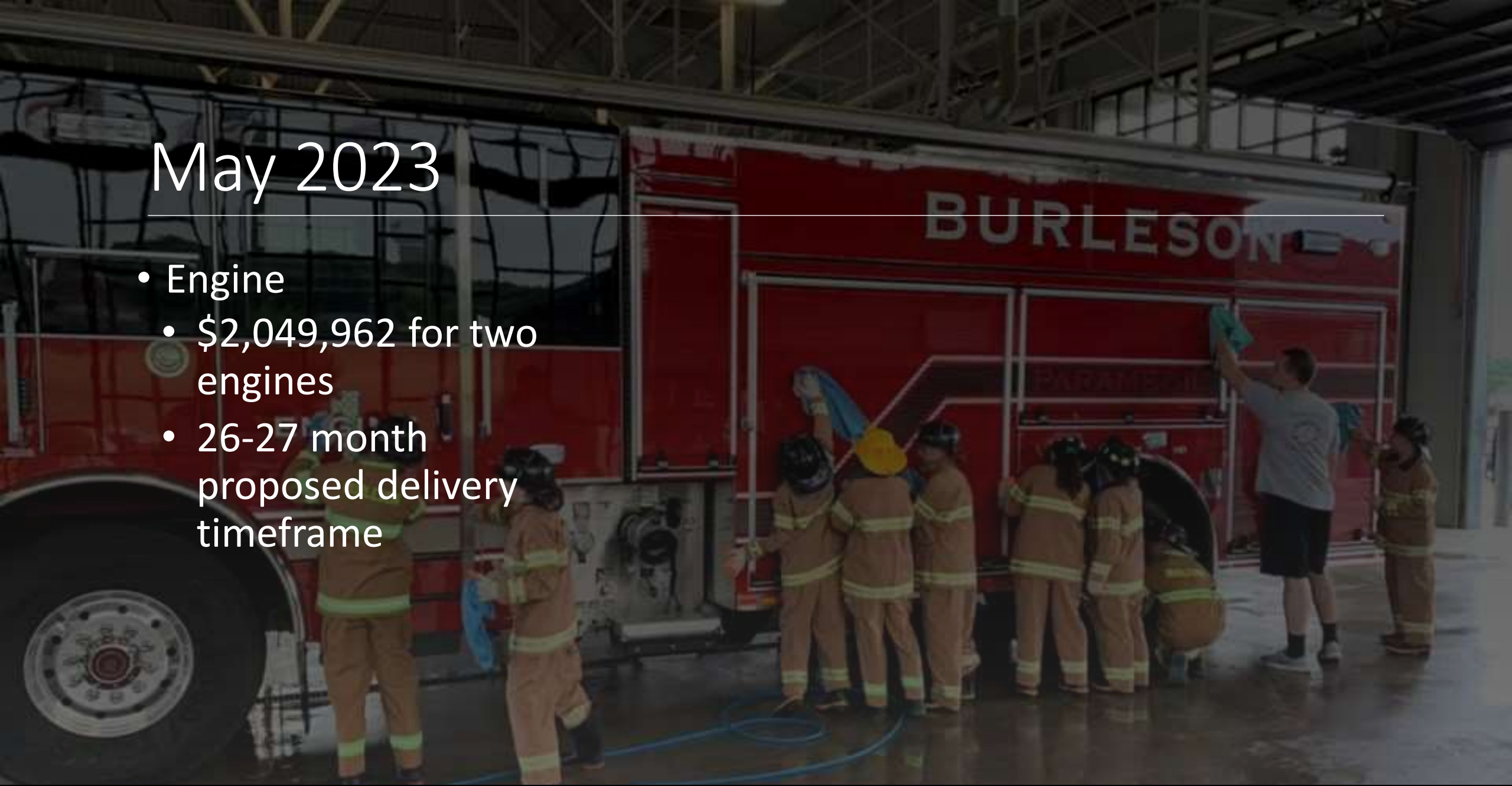
# Terminology and Calculations for Taxing Units

*“Voter-Approval Tax Rate”* means a rate expressed in dollars per \$100 of taxable value calculated as follows:



# May 2023

- Engine
  - \$2,049,962 for two engines
  - 26-27 month proposed delivery timeframe







# Required Equipment

- \$550,038 for Fire, EMS, and radio equipment for engines
  - Hose
  - Nozzles
  - Rescue Tools
  - Power Tools
  - LUCAS Device
  - Heart Monitor
  - Radios
  - Cradle Points & IPADs



# Outdoor Warning Sirens

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- \$350,000 for Fire, EMS, and radio equipment for engines
  - FY 2024-2025
  - FY 2025-2026
  - FY 2026-2027

# Debt Capacity Assumptions

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- 3% annual growth in assessed property values
- Roadway impact fee utilization
- Refinancing opportunities
- Debt service fund requirements



# 10 Year Assessed Value Growth

Year	Assessed Value	Growth (YoY)
2023	5,715,360,285	5.25%
2022	5,430,469,325	7.24%
2021	5,063,981,931	7.57%
2020	4,707,770,267	7.16%
2019	4,393,345,069	9.61%
2018	4,008,018,365	10.37%
2017	3,631,532,375	11.94%
2016	3,244,305,751	7.70%
2015	3,012,339,710	8.22%
2014	2,783,585,949	11.85%
2013	2,488,710,642	--

**Average Growth 8.69%**

**Outliers Removed 11.94%**  
**5.25%**

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**Avg Growth less Outlier 8.71%**

# 20 Year Assessed Value Growth

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2015	3,012,339,710	8.22%
2014	2,783,585,949	11.85%
2013	2,488,710,642	3.29%
2012	2,409,544,329	4.70%
2011	2,301,320,977	3.52%
2010	2,223,129,859	(0.42%)
2009	2,232,469,943	13.06%
2008	1,974,524,949	9.85%
2007	1,797,526,269	8.89%
2006	1,650,828,318	12.72%
2005	1,464,603,715	11.60%
2004	1,312,421,076	12.26%
2003	1,169,064,040	--

**Average Growth 8.32%**

**Outliers Removed 13.06%**  
-0.42%

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**Avg Growth less Outlier: 8.54%**

# Debt Capacity

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- 8.9 million over the next 5 years
  - Less \$ 1,200,000 – Police Expansion - Gas Line Relocation Project
  - Less \$ 700,000 – Police Expansion – Sally Port
  - Less \$ 1,534,652 – Public Safety Radios
  - Less \$ 550,000 – Hidden Creek/Gardens Traffic Signal
  - Total remaining \$ 4,915,348
- Assumes 3% growth

# Debt Capacity

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- \$ 36.0 million over the next 5 years
  - Plus \$ 5,545,000 – Reduce Fund Balance of the Debt Service Fund (i.e., Cash Defeasance)
  - Less \$ 1,200,000 – Police Expansion – Gas Line Relocation Project
  - Less \$ 700,000 – Police Expansion – Sally Port
  - Less \$ 1,534,652 – Public Safety Radios
  - Less \$ 550,000 – Hidden Creek/Gardens Traffic Signal
  - Less \$ 2,600,000 – Two Fire Engines and Equipment
  - Less \$ 350,000 – Eight Storm Sirens
  - Total remaining \$ 35,180,255
- Assumes
  - 7.5% growth in FY 2024-2025
  - 5.5% growth in FY 2025-2026 thru FY 2028-2029
  - 3.0 % growth over the next 15 years



## **Next Steps**

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Budget Amendment

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Five-year Forecast

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Debt Issuance

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Budget Amendment

# QUESTIONS/COMMENTS

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# Options

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Approve as presented  
or with modifications



Deny request