
ST. GEORGE PLACE MANAGEMENT DISTRICT



Our SGPMD is in Financial Distress

To sustain the level of service provided in previous years, it was necessary to utilize **cash reserves** to balance the 2025 budget.



We are currently operating at **a deficit** and have exhausted our cash reserves.

Why are we in this problem?

The SGPMD is subject to two different **caps**:

1. One Cap is the Required Voted Cap by Residents that is **\$0.115 per \$100 valuation**
2. The other is a Legislative Restricted Revenue Cap of **no more than 3.5% increase**. This cap has not applied because the tax rate equals the voted cap and cannot be raised.

Over the past ten years Cost of Service has increased beyond the valuations and the voted \$0.115 Cap.

We had a **decrease of \$19,782,670 of taxable value** from 2023 to 2024, resulting in a substantial decrease in our annual revenue.

Why are we in this problem?

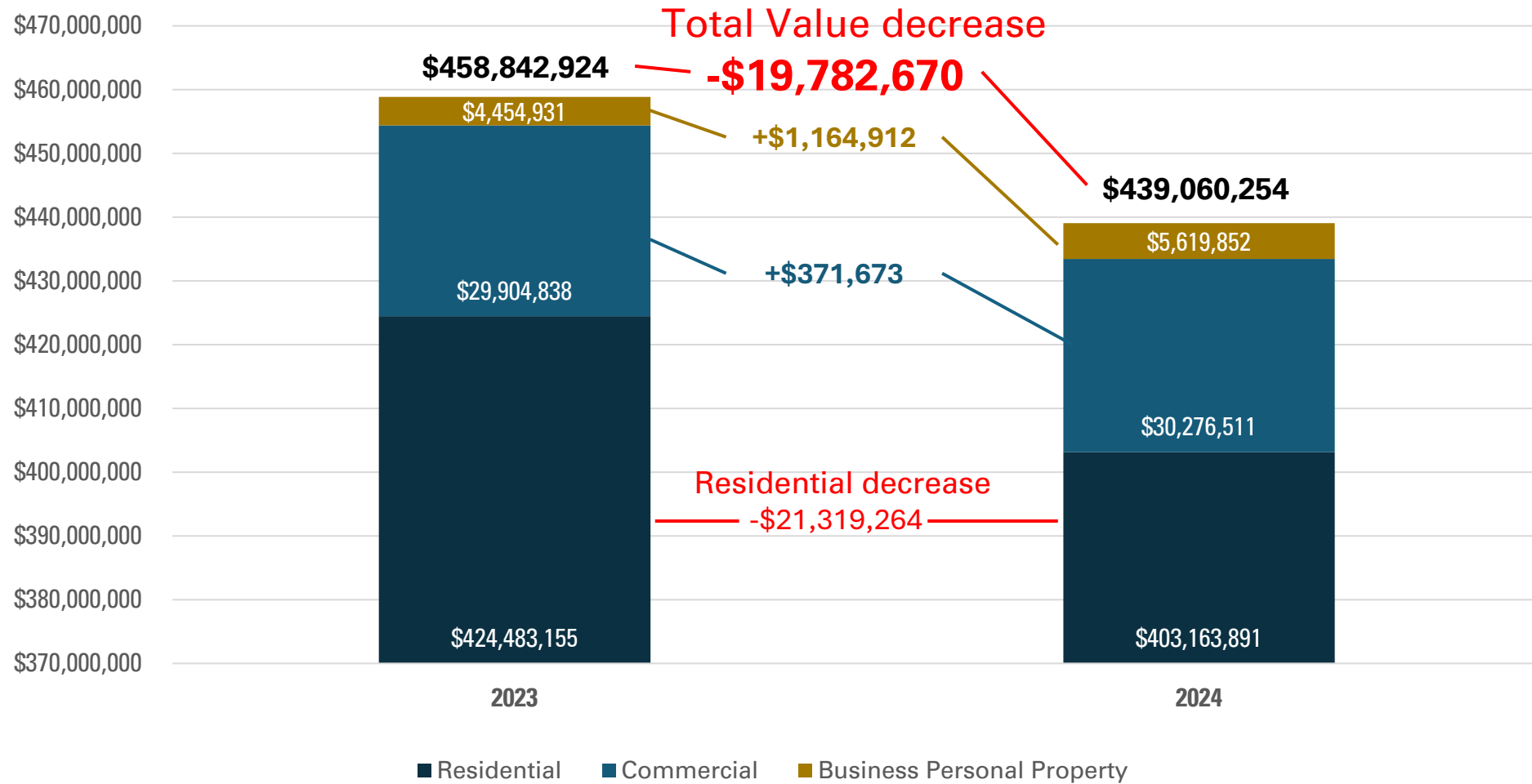
- We have been able to negotiate our Landscaping and Maintenance contract, and we were able to reduce costs. However, our community is experiencing a substantial amount of **deferred maintenance**, and we lack the financial resources needed to restore our neighborhood to standard. With **no reserve funds** in place, we are also unprepared to respond to any major, unforeseen infrastructure issues.
(Our neighborhood is experiencing a noticeable decline in the overall appearance).
- We anticipate **steady rate increases from our security service**, posing the possibility of no longer having the ability to offer 24-hour security.
- We will still be capped by state law to 3.5% increase per year in revenue, even if the maximum authorized tax rate is approved.

HCAD Property Values

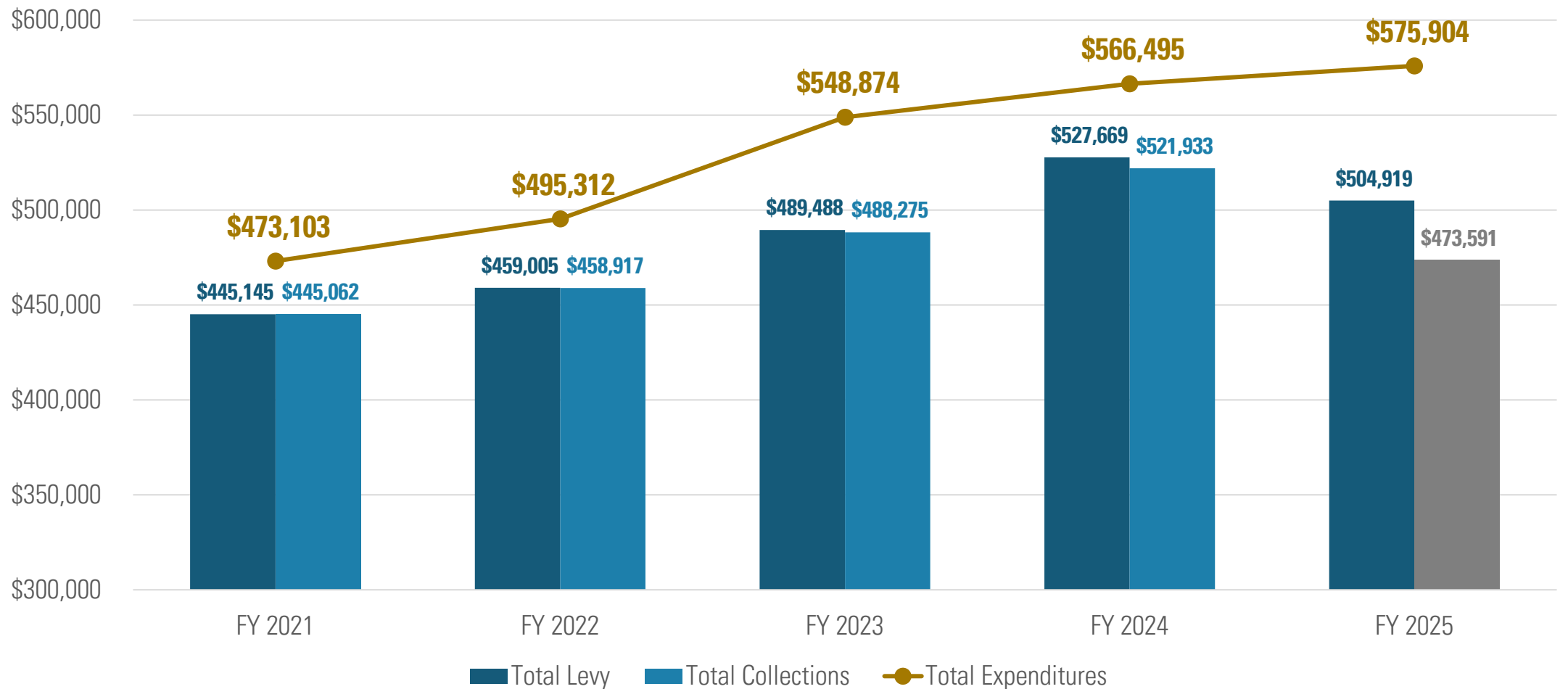
Year	Residential	Commercial	Business Personal Property	Total
2020	\$ 357,053,131	\$ 27,580,026	\$ 2,449,404	\$ 387,082,561
2021	\$ 369,175,053	\$ 27,221,021	\$ 2,738,336	\$ 399,134,410
2022	\$ 394,179,783	\$ 28,495,614	\$ 2,966,583	\$ 425,641,980
2023	\$ 424,483,155	\$ 29,904,838	\$ 4,454,931	\$ 458,842,924
2024	\$ 403,163,891	\$ 30,276,511	\$ 5,619,852	\$ 439,060,254
2025	\$ 434,601,425	\$ 32,172,084		\$ 466,773,509

Note: Values for 2025 are preliminary, Business Personal Property not available at this time.

HCAD Property Values



Collection & Expenditure Trends



Note: For 2025, Expenditures are from 2025 Budget, Collections are Year-To-Date (01/01-06/30)

Board Fiscal Management – Maintain Services

Tax Year	Fiscal Year	Tax Levy	Expenditures	Deficit
2020	2021	\$445,145	\$473,103	(\$27,958)
2021	2022	\$459,005	\$495,312	(\$36,307)
2022	2023	\$489,488	\$548,874	(\$59,386)
2023	2024	\$527,669	\$566,495	(\$38,826)
2024	2025	\$504,919	\$575,904	(\$70,985)

Notes: Actual collections may vary due to Tax Protest Settlements resulting in changes to certified values. 2025 Expenditures are from FY 2025 Budget.
Budget is being balanced with unspent reserves, which are being depleted.

Where Are We Today

Considering **Current
Property Tax Values** of
the Neighborhood
+
Voted Tax Rate Cap
(\$0.115)



FY 2026 Budget
~\$50K shortfall

to meet current obligations and
needs to service the District



Without voter approval to
increase the voted cap and
vote a new tax subject to the
State 3.5% Cap, shortfall is
unsustainable to meet the
needs of the District

SGPMD Board Proposal

To avoid future shortfalls the district is proposing two ballot measures.

1. PROPOSITION A

Adopt a maximum M&O (Maintenance & Operations) not to exceed \$0.20/\$100 valuation of taxable property

2. PROPOSITION B

Approve an ad valorem tax rate of \$0.145/\$100 valuation for the current year for the purpose of securing funds for planning, constructing, acquiring, maintaining, repairing, and operating all necessary land, plants, works, facilities, improvements, appliances, and equipment of the District, and for any other lawful purpose.

Appendix: Additional Information

History of SGPMD Tax Rate

- District Created SGMD in **2016** to Replace PID Number 2 which was funded By a **\$0.07 per Square Foot** of the Lot Assessment to provide Supplemental Services to the community.
- Services included Supplemental Security, Landscape Maintenance & Repair, and other Necessary Maintenance.
- **Why Was PID Replaced?** Because the \$0.07 per Square Foot Lot Could Not Be Changed and it Was Unable to Produce Revenue to Keep Pace With Inflation.

History of SGPMD Tax Rate

- Upon Creation of SGPMD Voters approved a **\$0.115 Capped Rate**.
- Significant Legislation since SGP Voter Approval of the Tax Rate is that the Legislature imposed a 3.5% Revenue Growth Cap which is determined by Valuation and Tax Rate.
- What Does This Mean? This means that the SGMD Tax Levy is subject to State Revenue Cap: between ad valorem value and tax rate levy the District **revenue shall not increase by more than 3.5% in a year without voter approval**.
- **THUS, Since SGPMD already has a Voter Cap, the rate cannot be increased even if the State Cap allows it to be increased. Thus, inflation limits ability to maintain current level of service**
- **To sustain the current level of services, we need to increase the CAP and TAX RATE**

Current District Services

Services

- SEAL Security 24/7 Patrol
- Mosquito Spraying
- Zoning Enforcement
- Landscaping & Beautification

Maintenance*

- Gates
- Monuments
- Irrigation
- Tree
- Walls
- Sidewalks/Curbs

*Public Areas Only

Capital Asset Management Needs

Recommend \$20,000 in Future Annual Budgets to Maintain a Fund Which

Includes:

- Brick Wall Repair
- Street/Sidewalk Repair
- Aged Landscape Replacement
- 20-Year-Old Irrigation Replacement

S.E.A.L. Statistics

	24-Hour Hotline	Alarm	Arrest	Assault	Burglary of Habitation	Burglary of Vehicle	Damage/Deface	Disturbance/Noise	EMS/FD/PD	Gunshot Calls	Robbery	Suspicious Person	Suspicious Vehicle	Theft	Vacation Watch	Vehicle Collision
2021	457	26	0	0	2	8	3	25	19	0	0	66	44	13	114	1
2022	456	26	3	0	4	5	1	25	9	0	0	75	59	9	101	4
2023	575	38	3	2	1	0	3	45	30	4	1	86	72	9	151	2
2024	584	37	5	1	6	2	4	65	26	1	0	109	70	14	139	2
2025	185	5	0	0	2	5	2	11	11	0	0	27	21	3	28	0

Note: 2025 Numbers are Year-To-Date (01/01-05/31)

Landscaping & Maintenance

Landscaping Expenditures 2021-2025

	2021	2022	2023	2024	2025
Maintenance	\$ 41,207	\$ 74,970	\$ 74,233	\$ 75,047	\$ 27,655
Irrigation Repairs	\$ 2,230	\$ 6,793	\$ 22,882	\$ 10,647	\$ 4,431
Landscape Replacement	\$ 1,430	\$ -	\$ 662	\$ 11,745	\$ 538
New Landscape	\$ -	\$ 797	\$ -	\$ -	\$ -
Seasonal Plants	\$ -	\$ 3,400	\$ -	\$ -	\$ 792
Landscaping Water	\$ 23,478	\$ 23,964	\$ 7,403	\$ 44,007	\$ 4,315
TOTAL	\$ 68,345	\$ 109,924	\$ 105,179	\$ 141,446	\$ 37,731

Note: 2025 Numbers are Year-To-Date (01/01-05/31)

2025 Approved Budget

Ordinary Revenue/Expense

6-4301 Current Tax Collection	\$ 490,000
6-4302 Prior Year Tax Collections	\$ 75,995
6-4331 Penalties & Interest	\$ 5,000
4-4335 Collection Fees	\$ 4,000
6-4361 Zoning Reinforcement Fee	\$ 12,000
6-4362 Plan Review Fees	\$ 500
6-4390 Overpayments & Refunds	\$ (2,000)
6-5380 Miscellaneous Income	\$ -
6-5391 Interest	\$ 10,000
Total Income	\$ 595,495

Expense

6-6320 Legal Fees	\$ 10,000
6-6321 Auditing Fees	\$ 9,000
6-6325 Zoning Enforcement	\$ 12,000
6-6331 Tax Assessor-Collector	\$ 19,000
6-6333 Bookkeeping	\$ 15,000
6-6334 Administration Fees	\$ 24,000
6-6335 Maintenance & Repairs	\$ 12,000
6-6336 Landscaping	\$ 113,664

6-6337 Management Fees – Civic Assoc	\$ 9,200
6-6338 Legal Notices & Other Publications	\$ 500
6-6339 Mosquito Abatement	\$ 2,400
6-6341 Maint Sound Barrier/Gates	\$ 15,000
6-6351 Website	\$ 2,400
6-6352 Utilities	\$ 1,700
6-6353 Insurance & Surety Bond Premium	\$ 2,000
6-6365 Travel Expenses	\$ 100
6-6375 Office Expenses	\$ 3,000
6-6470 Security Personnel	\$ 311,440
6-6550 Bank Charges	\$ 2,000
6-6564 Curb Repair	\$ 1,500
6-7395 Miscellaneous Expense/Capital	\$ 10,000
Total Expense	\$ 575,904
Reserve	\$ 19,591