



## TEMPLE CITY COUNCIL

MUNICIPAL BUILDING

2 NORTH MAIN STREET

TEMPLE, TX

### NOTICE OF SPECIAL MEETING

FRIDAY, AUGUST 15, 2008

CITY COUNCIL CHAMBERS – 2<sup>ND</sup> FLOOR

5:00 P.M.

AGENDA

#### **I. CALL TO ORDER**

1. Invocation
2. Pledge of Allegiance

#### **II. BUDGET ITEMS**

3. PUBLIC HEARING – Conduct the first of two public hearings to receive comments on the [proposed tax rate](#) of \$0.5595 per \$100 valuation for fiscal year 2009 (2008 tax year), and announce meeting to adopt the proposed tax rate on August 28, 2008.
4. Discuss the proposed FY 2008-2009 City of Temple budget.
5. [2008-2475-R](#): Consider adopting a resolution authorizing a Chapter 380 development agreement with the potential developers of a tract of land in south Temple north of FM 93 and east of South 31<sup>st</sup> Street to provide for the development of that property and the conveyance of certain right-of-way and infrastructure to the City.

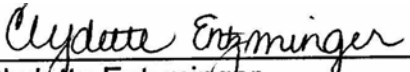
*Executive Session: Pursuant to Section 551.087 of the Government Code, the City Council may meet in executive session to discuss either commercial or financial information that the City has received from a business prospect that the City wishes to locate, stay or expand within the City limits and with which the City is conducting economic development negotiations, or to deliberate the offer of a financial or other incentive to a business prospect the public discussion of which would adversely affect ongoing economic development negotiations. The City Council may also meet in executive session pursuant to Section 551.072 of the Government Code, to deliberate the purchase, exchange, lease, or value of real property when the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person.*

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***The City Council reserves the right to discuss any items in executive (closed) session whenever permitted by the Texas Open Meetings Act.***

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I hereby certify that a true and correct copy of this Notice of Meeting was posted in a public place at 12:00 PM on August 8, 2008.

  
\_\_\_\_\_  
Clydette Entzminger  
City Secretary

I certify that this Notice of Meeting Agenda was removed by me from the outside bulletin board in front of the City Municipal Building on \_\_\_\_\_ day of \_\_\_\_\_ 2008.

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## COUNCIL AGENDA ITEM MEMORANDUM

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08/15/08  
Item #3  
Regular Agenda  
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### **DEPT./DIVISION SUBMISSION & REVIEW:**

David Blackburn, City Manager  
Traci L. Barnard, Director of Finance

**ITEM DESCRIPTION:** PUBLIC HEARING – Conduct the first of two public hearings to receive comments on the proposed tax rate of 55.95 cents per \$100 valuation for fiscal year 2009 (2008 tax year), and announce meeting to adopt the proposed tax rate on August 28, 2008.

**STAFF RECOMMENDATION:** Conduct a public hearing but no action is required.

**BACKGROUND:** At the August 7, 2008 regular meeting, Council discussed the proposed tax rate of 55.95 cents per \$100 valuation and adopted a resolution scheduling the adoption of the proposed tax rate for August 28, 2008, and setting public hearings for August 15, 2008 and August 21, 2008 on the proposed tax rate for FY 2008-2009. Following this action, the publication of a “Notice of Public Hearing on Tax Increase” occurred on August 8<sup>th</sup> and the “Notice of Tax Revenue Increase” will occur on August 16<sup>th</sup> and 22<sup>nd</sup>. The proposed meeting dates and publication schedules comply with the Truth-In-Taxation requirements set forth in SB 18 adopted by the 79<sup>th</sup> Legislature and the City Charter.

The FY 2008-2009 budget was prepared with a preliminary total tax rate of 57.81 cents per \$100 valuation. This rate was based on the FY 2008 rate of 56.81 cents plus an additional 1 cent as approved by the voters for the November 2007 Parks General Obligation Bond debt. On July 21, 2008, the Chief Appraiser calculated a final effective tax rate of 54.33 cents. The final effective tax rate as compared to the preliminary tax rate used in the filed budget June 27, 2008, required a decrease in the proposed total tax rate from 57.81 to 55.95 cents (2.98% above the effective tax rate). Changes in the tax rate components as compared to the preliminary budget filed June 27, 2008 are as follows:

Comparing proposed tax rate of 55.95 cents to the *preliminary* rate of 57.81 cents as proposed in the budget filed on June 27, 2008:

	PRELIMINARY FY 2009	PROPOSED FY 2009	Increase (Decrease)	Effective Tax Rate	% FY 2009 > ETR
<b>Proposed Tax Rate</b>					
M&O (Maintenance & Operation)	\$ 0.3438	\$ 0.3322	\$ (0.0116)		
I&S (Interest & Sinking - Debt)	0.2343	0.2273	(0.0070)		
	<b>\$ 0.5781</b>	<b>\$ 0.5595</b>	<b>\$ (0.0186)</b>	<b>\$ 0.5433</b>	<b>2.98%</b>

The decrease in the proposed tax rate, along with an adjustment of the certified taxable value (\$3,100,594,231) from the preliminary taxable value (\$3,017,035,099) will decrease the M&O revenue by \$39,453 as compared to the preliminary budget filed on June 27, 2008. The frozen tax levy increased to \$1,540,393 from a preliminary levy total of \$1,536,357. This increase of \$4,036 will help offset the decrease in revenue as mentioned above. The net decrease of \$35,417 in property tax revenue will be offset by an increase in electric franchise revenues.

Comparing the proposed tax rate of 55.95 cents to the *current FY 2008 adopted* tax rate of 56.81 cents:

	FY 2008	PROPOSED FY 2009	Increase (Decrease)
<b>Proposed Tax Rate</b>			
M&O (Maintenance & Operation)	\$ 0.3392	\$ 0.3322	\$ (0.0070)
I&S (Interest & Sinking - Debt)	0.2289	0.2273	(0.0016)
	<b>\$ 0.5681</b>	<b>\$ 0.5595</b>	<b>\$ (0.0086)</b>

**Example 1 – Annual Property Tax - \$100,000 Taxable Value:**

With the proposed tax rate of 55.95 cents per \$100 valuation, the cost to a homeowner with a taxable value of \$100,000 would be an annual savings of \$8.60 if there was no change in taxable value from the prior year. If a homeowner with a taxable value of \$100,000 in 2008 experienced an increase in taxable value of 4.92% (average increase in appraised value), the annual property tax would increase by \$18.93.

**Example 2 – Annual Property Tax - Average Taxable Value for City of Temple:**

The preceding tax year's average taxable value of a residence homestead in Temple was \$85,865. In the current tax year, the average taxable value a residence homestead in Temple is \$91,038. With the proposed tax rate of 55.95 cents per \$100 valuation, there would be an annual increase of \$21.56 in taxes.

**FISCAL IMPACT:**

Changes from the preliminary tax rate and base used to calculate the filed budget on June 27, 2008 to the proposed rate with the certified tax roll as presented August 15, 2008 are as follows:

	Filed Budget 6/27/08	Proposed Budget 8/15/08	Increase/ (Decrease)
Tax Base*	\$3,017,035,099	\$3,100,594,231	\$83,559,132
Tax Rate:			
M&O	34.38¢	33.22¢	(1.16¢)
I&S	23.43¢	22.73¢	(0.07¢)
Total Tax Rate	57.81¢	55.95¢	(1.86¢)
Tax Levy:			
M&O	\$9,315,113	\$9,275,660	(\$39,453)
Frozen Taxes	1,536,357	1,540,393	4,036
I&S	6,348,258	6,346,651	(1,607)
Total Tax Levy*	\$17,199,728	\$17,162,704	(\$37,024)

\*Excludes Reinvestment Zone No. 1

General Fund:

**Explanation of Changes from Filed Budget to Proposed Budget @ 8/15/2008:**

<sup>A</sup> **Revenue Changes:**

Reduced property tax - from preliminary to certified roll	\$ (35,417)
Increased electric franchise revenue	35,417
<b>Total Revenue Changes</b>	<b>\$ -</b>

<sup>B</sup> **Expenditure Changes:**

Increased Compensation Contingency to appropriate funding for Civil Service and General Government compensation pay plan adjustments to include performance pay and incentive/certification pay adjustments.	\$ 184,700
Reduced personnel services for all departments to fund compensation pay plan adjustments. Changes to personnel services include deferring implementation date for General Government employees and a reduction in health insurance premiums to actual rate.	(184,700)
<b>Total Expenditures Changes</b>	<b>\$ -</b>
<b>Net Revenue Over (Under) Expenditures</b>	<b>\$ -</b>

Debt Service Fund:

*Explanation of Changes from Filed Budget to Proposed Budget @ 8/15/2008:*

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<sup>A</sup> *Revenue Changes:*

Reduced property tax - from preliminary to certified roll	\$ (1,607)
Increased interest earnings	13,786
<b>Total Revenue Changes</b>	<b>\$ 12,179</b>

<sup>B</sup> *Expenditure Changes:*

<b>Total Expenditures Changes</b>	<b>\$ -</b>
<b>Net Revenue Over (Under) Expenditures</b>	<b>\$ 12,179</b>

**ATTACHMENTS:**

[Historical Tax Rate Information](#)

**CITY OF TEMPLE, TEXAS**  
**ADOPTED TAX RATE VS. EFFECTIVE TAX RATE**

Fiscal Year	Adopted Tax Rate			Effective Tax Rate	Increase in Adopted Rate over Effective Tax Rate	
	I & S	M & O	Total		\$	%
2000	\$0.2302	\$0.3270	\$0.5572	\$0.5404	\$0.0168	3.11%
2001	0.2402	0.3520	0.5922	0.5518	0.0404	7.32%
2002	0.2445	0.3520	0.5965	0.5792	0.0173	2.99%
2003	0.2620	0.3273	0.5893	0.5722	0.0171	2.99%
2004	0.2537	0.3510	0.6047	0.5972	0.0075	1.26%
2005	0.2349	0.3674	0.6023	0.5731	0.0292	5.10%
2006	0.2199	0.3546	0.5745	0.5579	0.0166	2.98%
2007	0.2339	0.3395	0.5734	0.5568	0.0166	2.98%
2008	0.2289	0.3392	0.5681	0.5516	0.0165	2.99%
<b>2009*</b>	<b>0.2273</b>	<b>0.3322</b>	<b>0.5595</b>	<b>0.5433</b>	<b>0.0162</b>	<b>2.98%</b>

\* PROPOSED tax rate



## COUNCIL AGENDA ITEM MEMORANDUM

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08/15/08  
Item #5  
Regular Agenda  
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### **DEPT./DIVISION SUBMISSION & REVIEW:**

David Blackburn, City Manager

**ITEM DESCRIPTION:** Consider adopting a resolution authorizing a Chapter 380 development agreement with the potential developers of a tract of land in south Temple north of FM 93 and east of South 31<sup>st</sup> Street to provide for the development of that property and the conveyance of certain right-of-way and infrastructure to the City.

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**STAFF RECOMMENDATION:** Adopt resolution as presented in item description.

**ITEM SUMMARY:** We have been approached by several individuals about the City participating in the acquisition of a piece of property that, if developed, would improve vehicle access and public safety to a large portion of property bounded by FM 93 to the south, South 31<sup>st</sup> Street to the west and Hartrick Bluff Road to the east.

We will discuss in executive session the price of property which might be acquired by the City and the terms of a development agreement under Chapter 380 of the Local Government Code which might be negotiated with the potential developers of that property.

**FISCAL IMPACT:** Unknown at this time

### **ATTACHMENTS:**

To be provided at the meeting