



## TEMPLE CITY COUNCIL

MUNICIPAL BUILDING

2 NORTH MAIN STREET

TEMPLE, TX

### NOTICE OF SPECIAL MEETING

FRIDAY, AUGUST 14, 2009

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 \$0.5646 per \$100 valuation for fiscal year 2010 (2009 tax year), and announce meeting to adopt the proposed tax rate on September 3, 2009.

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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 1:15 PM on August 10, 2009.

*Clydette Entzminger*  
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 \_\_\_\_\_ 2009.

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## COUNCIL AGENDA ITEM MEMORANDUM

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08/14/09  
Item #3  
Special 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 56.46 cents per \$100 valuation for fiscal year 2010 (2009 tax year), and announce meeting to adopt the proposed tax rate on September 3, 2009.

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

**ITEM SUMMARY:** At the August 6, 2009 regular meeting, Council discussed the proposed tax rate of 56.46 cents per \$100 valuation and adopted a resolution scheduling the adoption of the proposed tax rate for September 3, 2009, and setting public hearings for August 14, 2009 and August 20, 2009 on the proposed tax rate for FY 2009-2010. Following this action, the publication of a “Notice of Public Hearing on Tax Increase” occurred on August 7<sup>th</sup> and the “Notice of Tax Revenue Increase” will occur on August 15<sup>th</sup> and 21<sup>st</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 2009-2010 budget was prepared with a preliminary total tax rate of 57.45 cents per \$100 valuation and a preliminary tax base of \$3,170,164,601 (estimated 2.24% increase from prior year). The preliminary tax rate was based on the FY 2009 rate of 55.95 cents plus an additional 1.5 cents as approved by the voters for the May 2008 Fire General Obligation Bond debt.

On July 20, 2009, the Chief Appraiser certified the tax roll of \$3,221,022,514 (a 3.88% increase from prior year). On July 29, 2009, the Chief Appraiser calculated a final effective tax rate of 55.11 cents. The increase in the certified tax base necessitated a slight decrease in the proposed total tax rate from 57.45 to 56.46 cents (2.45% above the effective tax rate). Changes in the tax rate components as compared to the preliminary budget filed June 26, 2009 are as follows:

Comparing proposed tax rate of 56.46 cents to the *preliminary* rate of 57.45 cents as proposed in the budget filed on June 26, 2009:

	PRELIMINARY FY 2010	PROPOSED FY 2010	Increase (Decrease)	Effective Tax Rate	% FY 2010 > ETR
<b>Proposed Tax Rate</b>					
M&O (Maintenance & Operation)	\$ 0.3228	\$ 0.3173	\$ (0.0055)		
I&S (Interest & Sinking - Debt)	0.2517	0.2473	(0.0044)		
	<b>\$ 0.5745</b>	<b>\$ 0.5646</b>	<b>\$ (0.0099)</b>	<b>\$ 0.5511</b>	<b>2.45%</b>

The decrease in the proposed tax rate; an adjustment of the certified taxable value (\$3,221,022,514) from the preliminary taxable value (\$3,170,164,601); and a decrease in the frozen tax levy to \$1,593,291 from a preliminary levy of \$1,606,251 will result in a net increase to the M&O revenue by \$703 as compared to the preliminary budget filed on June 26, 2009.

Comparing the proposed tax rate of 56.46 cents to the *current FY 2009 adopted* tax rate of 55.95 cents:

	FY 2009	PROPOSED FY 2010	Increase (Decrease)
<b>Proposed Tax Rate</b>			
M&O (Maintenance & Operation)	\$ 0.3322	\$ 0.3173	\$ (0.0149)
I&S (Interest & Sinking - Debt)	0.2273	0.2473	0.0200
	<b>\$ 0.5595</b>	<b>\$ 0.5646</b>	<b>\$ 0.0051</b>

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

With the proposed tax rate of 56.46 cents per \$100 valuation, the cost to a homeowner with a taxable value of \$100,000 would be an annual increase of \$5.10, if there was no change in taxable value from the prior year. If a homeowner with a taxable value of \$100,000 in 2009 experienced an increase in taxable value of .90% (average increase in appraised value), the annual property tax would increase by \$10.18.

**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 \$91,038. In the current tax year, the average taxable value a residence homestead in Temple is \$93,371. With the proposed tax rate of 56.46 cents per \$100 valuation, there would be an annual increase of \$17.81 in taxes.

**FISCAL IMPACT:**

Changes from the preliminary tax rate and base used to calculate the filed budget on June 26, 2009 to the proposed rate with the certified tax roll as presented August 14, 2009 are as follows:

	Filed Budget 6/26/09	Proposed Budget 8/14/09	Increase/ (Decrease)
Tax Base*	\$3,170,164,601	\$3,221,022,514	\$50,857,913
Tax Rate:			
M&O	32.28¢	31.73¢	(0.55¢)
I&S	25.17¢	24.73¢	(0.44¢)
Total Tax Rate	57.45¢	56.46¢	(0.99¢)
Tax Levy:			
M&O	\$9,182,888	\$9,196,558	\$13,670
Frozen Taxes	1,606,251	1,593,291	(12,960)
I&S	7,160,263	7,167,693	7,430
Total Tax Levy*	\$17,949,402	\$17,957,542	\$8,140
Budget w/M&O at 99% Collection	\$17,841,510	\$17,849,643	\$8,133

\*Excludes Reinvestment Zone No. 1

General Fund:

***Explanation of Changes from Filed Budget to Proposed Budget @ 8/14/2009:***

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

Increased property tax - from preliminary to certified roll	\$ 703
Increased solid waste revenues (\$1.25 per month rate increase)	276,139
<b><i>Total Revenue Changes</i></b>	<b><u>\$ 276,842</u></b>

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

Increased personnel services, operations and capital to maintain 2x per week Residential garbage service and Brush/Bulk pickup at current service level	\$ 276,139
Corrected allocation for Keep Temple Beautiful - funded an additional \$7,400 for a total recommended funding level of \$23,900	7,400
Decrease in request for funding Bell County Communications Contract in FY 2010 based on their final budget as approved by their Executive Board	(14,530)
Increased Contingency for Judgments & Damages	7,833
<b><i>Total Expenditures Changes</i></b>	<b><u>\$ 276,842</u></b>
<b><i>Net Revenue Over (Under) Expenditures</i></b>	<b><u>\$ -</u></b>

Debt Service Fund:

***Explanation of Changes from Filed Budget to Proposed Budget @ 8/14/2009:***

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

Increased property tax - from preliminary to certified roll	\$ 7,430
Increased line item for property tax discount	(7,430)
<b><i>Total Revenue Changes</i></b>	<b><u>\$ -</u></b>

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

<b><i>Total Expenditures Changes</i></b>	<b><u>\$ -</u></b>
<b><i>Net Revenue Over (Under) Expenditures</i></b>	<b><u>\$ -</u></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		\$	%
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%
2009	0.2273	0.3322	0.5595	0.5433	0.0162	2.98%
<b>2010*</b>	<b>0.2473</b>	<b>0.3173</b>	<b>0.5646</b>	<b>0.5511</b>	<b>0.0135</b>	<b>2.45%</b>

\* PROPOSED tax rate