



**SPECIAL MEETING OF THE
TEMPLE CITY COUNCIL**

MUNICIPAL BUILDING

CITY COUNCIL CHAMBERS – 2ND FLOOR

2 NORTH MAIN STREET

TEMPLE, TX

FRIDAY, AUGUST 9, 2013

8:00 A.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 58.64 cents per \$100 valuation for fiscal year 2014 (2013 tax year), and announce meeting to adopt the proposed tax rate on August 29, 2013.

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

I hereby certify that a true and correct copy of this Notice of Meeting was posted in a public place at 10:00 AM on August 2, 2013.

Lacy Borgeson

Lacy Borgeson, TRMC
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 _____ 2012.



COUNCIL AGENDA ITEM MEMORANDUM

08/09/13
Item #3
Special Agenda
Page 1 of 5

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 58.64 cents per \$100 valuation for fiscal year 2014 (2013 tax year), and announce meeting to adopt the proposed tax rate on August 29, 2013.

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

ITEM SUMMARY: At the August 1, 2013 regular meeting, Council discussed the proposed tax rate of 58.64 cents per \$100 valuation and adopted a resolution scheduling the adoption of the proposed tax rate for August 29, 2013, and setting public hearings for August 9, 2013 and August 15, 2013 on the proposed tax rate for FY 2013-2014. The following notices will be published after each public hearing:

- August 10th – “Notice of Tax Revenue Increase”
- August 16th – “Notice of Tax Revenue Increase”

The proposed meeting dates and publication schedules comply with the Truth-In-Taxation requirements set forth by State Law and the City Charter.

The FY 2013-2014 budget was prepared with a preliminary total tax rate of 58.64 cents per \$100 valuation and a preliminary tax base of \$3,483,874,044 (estimated 3% increase from prior year). The preliminary tax rate was based on the FY 2013 rate of 58.64 cents.

On July 15, 2013, the Chief Appraiser certified the tax roll of \$3,589,339,096 (a 6.12% increase from prior year). On July 17, 2013, the Chief Appraiser calculated a final effective tax rate of 56.03 cents. Changes in the tax rate components as compared to the preliminary budget filed June 28, 2013 are as follows:

Comparing proposed tax rate of 58.64 cents to the *preliminary* rate of 58.64 cents as proposed in the budget filed on June 28, 2013:

	PRELIMINARY FY 2014	PROPOSED FY 2014	Increase (Decrease)	Effective Tax Rate	% FY 2014 > ETR
Proposed Tax Rate					
M&O (Maintenance & Operation)	\$ 0.3300	\$ 0.3324	\$ 0.0024		
I&S (Interest & Sinking - Debt)	0.2564	0.2540	(0.0024)		
	<u>\$ 0.5864</u>	<u>\$ 0.5864</u>	<u>\$ (0.0000)</u>	\$ 0.5603	<u>4.66%</u>

An increase in the proposed M&O tax rate; an adjustment of the certified taxable value (\$3,589,339,096) from the preliminary taxable value (\$3,483,874,044); and an increase in the frozen tax levy to \$1,857,709 from a preliminary levy of \$1,795,796 will result in a net increase to the M&O revenue by \$458,469 as compared to the preliminary budget filed on June 28, 2013. The increase in the certified taxable value as compared to the preliminary taxable value with a lower proposed debt rate will result in a net increase in the I&S debt revenue by \$174,868.

Comparing the proposed tax rate of 58.64 cents to the *current FY 2013 adopted* tax rate of 58.64 cents:

	FY 2013	PROPOSED FY 2014	Increase (Decrease)
Proposed Tax Rate			
M&O (Maintenance & Operation)	\$ 0.3300	\$ 0.3324	\$ 0.0024
I&S (Interest & Sinking - Debt)	0.2564	0.2540	(0.0024)
	<u>\$ 0.5864</u>	<u>\$ 0.5864</u>	<u>\$ (0.0000)</u>

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

With the proposed tax rate of 58.64 cents per \$100 valuation, the cost to a homeowner with a taxable value of \$100,000 would increase by \$0 per year (\$0 per month) if there was no change in taxable value from the prior year.

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 \$96,066. In the current tax year, the average taxable value a residence homestead in Temple is \$97,958. With the proposed tax rate of 58.64 cents per \$100 valuation, there would be an annual increase of \$11.10 in taxes (\$0.93 per month).

FISCAL IMPACT: Changes from the preliminary tax rate and base used to calculate the filed budget on June 28, 2013 to the proposed rate with the certified tax roll as presented August 9, 2013 are as follows:

	Filed Budget 6/28/13	Proposed Budget 8/9/13	Increase/ (Decrease)
Tax Base*	\$3,483,874,044	\$3,589,339,096	\$105,465,052
Tax Rate:			
M&O	33.00¢	33.24¢	0.24¢
I&S	25.64¢	25.40¢	(0.24¢)
Total Tax Rate	58.64¢	58.64¢	0.00¢
Tax Levy:			
M&O	\$10,332,339	\$10,733,526	\$401,187
Frozen Taxes	1,795,796	1,857,709	61,913
I&S	8,027,914	8,201,912	173,998
Total Tax Levy*	\$20,156,049	\$20,793,147	\$637,098
Budget:			
M&O at 99% Collection	\$12,006,853	\$12,465,322	\$458,469
I&S at 100.5% Collection	8,068,054	8,242,922	174,868
Total Tax Budget	\$20,074,907	\$20,708,244	\$633,337

*Excludes Reinvestment Zone No. 1

**FY 2014
GENERAL FUND PROPOSED BUDGET
SCHEDULE OF ADJUSTMENTS AFTER FILING PROPOSED BUDGET**

	Proposed Budget		Increase (Decrease)
	Filed Copy as of 6-28-13	Current as of 8-1-13	
Projected Revenues	\$ 60,225,562	\$ 60,684,031	\$ 458,469 ^A
Proposed Budget Expenditures	62,572,904	63,031,373	458,469 ^B
Excess Revenues Over (Under) Expenditures	(2,347,342)	(2,347,342)	-
Transfers In (Out):			
Less: Transfer Out To Debt Service Fund -			
Solid Waste/CNG	(754,688)	(754,688)	-
Landfill CO's	(137,970)	(137,970)	-
Transfer Out To Internal Service Fund [Health Ins]	(85,000)	(85,000)	-
Total Transfer In (Out)	(977,658)	(977,658)	-
Excess Revenues Over (Under) Expenditures for FY 2014	\$ (3,325,000)	\$ (3,325,000)	\$0.00
Recommended Use of Undesignated Fund Balance-Capital Projects			
-TEDC Matrix Funding	\$ 1,825,000	\$ 1,825,000	\$ -
-Capital Equipment Funding	1,150,000	1,150,000	-
-Capital Replacement - Garbage Trucks	250,000	250,000	-
-Strategic Investment Zone Funding	100,000	100,000	-
	\$ 3,325,000	\$ 3,325,000	\$ -

Explanation of Changes from Filed Budget to Proposed Budget @ 8/1/2013:

^A **Revenue Changes:**

Required adjustment from preliminary to certified tax roll	\$ 458,469
Total Revenue Changes	\$ 458,469

^B **Expenditure Changes:**

Correct error to Police Department overtime for GIU Division	11,516
Reduce contingency for adjustment to correct error	(11,516)
Increase contingency for additional revenues from preliminary to certified tax roll	458,469
Total Expenditures Changes	\$ 458,469

Net Revenue Over (Under) Expenditures **\$ -**

**FY 2014
DEBT SERVICE FUND PROPOSED BUDGET
SCHEDULE OF ADJUSTMENTS AFTER FILING PROPOSED BUDGET**

	Proposed Budget		Increase (Decrease)
	Filed Copy as of 6-28-13	Current as of 8-1-13	
Projected Revenues	\$ 8,484,054	\$ 8,658,922	\$ 174,868 ^A
Proposed Budget Expenditures	9,876,523	9,876,523	- ^B
Excess Revenues Over (Under) Expenditures	\$ (1,392,469)	\$ (1,217,601)	174,868
Transfers In (Out):			
Plus: Transfer In From Hotel/Motel Fund [Energy Program]	23,400	23,400	-
Plus: Transfer In From General Fund -			
Solid Waste/CNG	754,688	754,688	
Landfill CO's	137,970	137,970	-
Total Transfer In (Out)	916,058	916,058	-
Excess Revenues Over (Under) Expenditures for FY 2014	\$ (476,411)	\$ (301,543)	\$ 174,868
Recommended Use of Undesignated Fund Balance	476,411	301,543	(174,868) ^A
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Explanation of Changes from Filed Budget to Proposed Budget @ 8/1/2013:

^A **Revenue Changes:**

Adjustment from preliminary to certified tax roll	\$ 174,868
Total Revenue Changes	\$ 174,868

^B **Expenditure Changes:**

Total Expenditures Changes	\$ -
-----------------------------------	------

Net Revenue Over (Under) Expenditures	\$ 174,868
--	-------------------

ATTACHMENTS:

[Historical Tax Rate Information](#)

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

Fiscal Year	Adopted Tax Rate			Effective Tax Rate	Adopted Rate v. Effective Tax Rate	
	I & S	M & O	Total		\$	%
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%
2010	0.2473	0.3173	0.5646	0.5511	0.0135	2.45%
2011	0.2379	0.3300	0.5679	0.5742	-0.0063	-1.10%
2012	0.2439	0.3240	0.5679	0.5571	0.0108	1.94%
2013	0.2564	0.3300	0.5864	0.5592	0.0272	4.86%
2014 ¹	0.2540	0.3324	0.5864	0.5603	0.0261	4.66%

¹ - PROPOSED Tax Rate