



**SPECIAL CALLED
MEETING OF THE
TEMPLE CITY COUNCIL
MUNICIPAL BUILDING**

**2 NORTH MAIN STREET
CITY COUNCIL CHAMBERS – 2ND FLOOR
TEMPLE, TX**

FRIDAY, AUGUST 14, 2015

8:30 A.M.

AGENDA

I. CALL TO ORDER

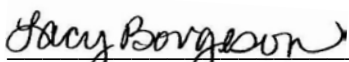
1. Invocation
2. Pledge of Allegiance

II. BUDGET ITEMS

3. **PUBLIC HEARING** – Conduct the first of two public hearings to receive comments on the proposed tax rate of .6298 cents per \$100 valuation for fiscal year 2016 (2015 tax year), and announce meeting to adopt the proposed tax rate on August 27, 2015.

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 6:35 PM, on Thursday, August 6, 2015.



Lacy Borgeson, TRMC
City Secretary



COUNCIL AGENDA ITEM MEMORANDUM

08/14/15
Item #
Special Agenda
Page 1 of 6

DEPT./DIVISION SUBMISSION & REVIEW:

Jonathan Graham, 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 62.98 cents per \$100 valuation for fiscal year 2016 (2015 tax year), and announce meeting to adopt the proposed tax rate on August 27, 2015.

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

BACKGROUND: At the August 6, 2015 regular meeting, Council discussed the proposed tax rate of 62.98 cents per \$100 valuation and adopted a resolution scheduling the adoption of the proposed tax rate for August 27, 2015, and setting public hearings for August 14, 2015 and August 20, 2015 on the proposed tax rate for FY 2015-2016.

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 2015-2016 budget was prepared with a preliminary total tax rate of 63.64 cents per \$100 valuation and a preliminary tax base of \$3,902,505,382 (an estimated 5.49% increase from prior year).

On July 20, 2015, the Chief Appraiser certified the tax roll of \$3,840,746,157 (a 3.83% increase from prior year). On July 28, 2015, the Chief Appraiser calculated the effective tax rate of 57.20 cents. Changes in the tax rate components as compared to the preliminary budget filed June 26, 2015 are as follows:

Comparing proposed tax rate of 62.98 cents to the *preliminary* rate of 63.64 cents as proposed in the budget filed on June 26, 2015:

	PRELIMINARY FY 2016	PROPOSED FY 2016	Increase (Decrease)
Proposed Tax Rate			
M&O (Maintenance & Operation)	\$ 0.3300	\$ 0.3234	\$ (0.0066)
I&S (Interest & Sinking - Debt)	0.3064	0.3064	-
	<u>\$ 0.6364</u>	<u>\$ 0.6298</u>	<u>\$ (0.0066)</u>

An adjustment of the certified taxable value (\$3,840,746,157) from the preliminary taxable value (\$3,902,505,382); and a decrease in the frozen tax levy to \$2,048,325 from a preliminary levy of \$2,049,789 will result in a net decrease to the M&O revenue by \$312,142 as compared to the preliminary budget filed on June 26, 2015. The decrease in the certified taxable value as compared to the preliminary taxable value will result in a net decrease in the I&S debt revenue by \$189,423 and impact the transfer in by \$105,000.

Comparing the proposed tax rate of 62.98 cents to the *current FY 2015 adopted* tax rate of 58.64 cents:

	FY 2015	PROPOSED FY 2016	Increase (Decrease)
Proposed Tax Rate			
M&O (Maintenance & Operation)	\$ 0.3300	\$ 0.3234	\$ (0.0066)
I&S (Interest & Sinking - Debt)	0.2564	0.3064	0.0500
	<u>\$ 0.5864</u>	<u>\$ 0.6298</u>	<u>\$ 0.0434</u>

The estimated tax rate impact for the Parks' General Obligation Bond projects approved by voters on May 9, 2015 is 5 cents. The I&S component of the tax rate includes the additional 5 cents.

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

With the proposed tax rate of 62.98 cents per \$100 valuation, the cost to a homeowner with a taxable value of \$100,000 would increase by \$43.40 per year (\$3.62 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 \$100,044. In the current tax year, the average taxable value a residence homestead in Temple is \$103,075. With the proposed tax rate of 62.98 cents per \$100 valuation, there would be an annual increase of \$62.51 in taxes (\$5.21 per month).

FISCAL IMPACT:

Changes from the preliminary tax rate and base used to calculate the filed budget on June 26, 2015 to the proposed rate with the certified tax roll as presented August 14, 2015 are as follows:

	Filed Budget 6/26/15	Proposed Budget 8/14/15	Increase/ (Decrease)
<i>Tax Base*</i>	\$3,902,505,382	\$3,840,746,157	(\$61,759,225)
<i>Tax Rate:</i>			
M&O	33.00¢	32.34¢	(0.66¢)
I&S	30.64¢	30.64¢	0.00¢
Total Tax Rate	63.64¢	62.98¢	(0.66¢)
<i>Tax Levy:</i>			
M&O	\$11,570,345	\$11,140,000	(\$430,345)
Frozen Taxes	2,049,789	2,048,325	(1,464)
I&S	10,742,890	10,554,409	(188,481)
Total Tax Levy*	\$24,363,024	\$23,742,734	(\$620,290)
<i>Budget:</i>			
Projected Revenues	\$66,246,836	\$65,934,694	(\$312,142)
Proposed Expenditures	69,042,358	68,730,216	(312,142)

*Excludes Reinvestment Zone No. 1

**FY 2016
GENERAL FUND PROPOSED BUDGET
SCHEDULE OF ADJUSTMENTS AFTER FILING PROPOSED BUDGET**

	Proposed Budget		Increase (Decrease)
	Filed Copy as of 06-26-15	Current as of 08-14-15	
Projected Revenues	\$ 66,246,836	\$ 65,934,694	\$ (312,142) ^A
Proposed Budget Expenditures	67,996,088	67,788,946	(207,142) ^B
Excess Revenues Over (Under) Expenditures	(1,749,252)	(1,854,252)	(105,000)
Transfers In (Out):			
Less: Transfer Out To Debt Service Fund -			
Solid Waste/CNG	(753,300)	(753,300)	-
FY 2016 Bldg Improvements/Garbage Trucks	(105,000)	-	105,000 ^B
Landfill CO's	(187,970)	(187,970)	-
Total Transfer In (Out)	(1,046,270)	(941,270)	105,000
Excess Revenues Over (Under) Expenditures for FY 2015	\$ (2,795,522)	\$ (2,795,522)	\$ -
Recommended Use of Undesignated Fund Balance - Capital Projects			
- TEDC Matrix Funding	\$ 700,000	\$ 700,000	\$ -
- Capital Equipment Funding	2,095,522	2,095,522	-
	<u>\$ 2,795,522</u>	<u>\$ 2,795,522</u>	<u>\$ -</u>
Explanation of Changes from Filed Budget to Proposed Budget @ 08/14/2015:			
^A Revenue Changes:			
Required adjustment from preliminary to certified tax roll		\$ (427,491)	
Adjusted discount for current taxes		61,279	
Adjusted revenue estimates		54,070	
Total Revenue Changes		<u>\$ (312,142)</u>	
^B Expenditure and Transfer Out Changes:			
Decreased transfer out		\$ (105,000)	
Various operational adjustments		(98,729)	
Adjusted allocation estimated for Public Service Agencies		(50,000)	
Adjusted allocation estimated for Civil Service Compensation Study		(25,000)	
Adjusted electric utility estimates		(24,325)	
Decreased operations & maintenance component with TEDC		(9,808)	
Adjusted contingency for adjustment from preliminary to certified tax roll		720	
Total Expenditures Changes		<u>\$ (312,142)</u>	
Net Revenue Over (Under) Expenditures		<u>\$ -</u>	

**FY 2016
DEBT SERVICE FUND PROPOSED BUDGET
SCHEDULE OF ADJUSTMENTS AFTER FILING PROPOSED BUDGET**

	Proposed Budget		Increase (Decrease)
	Filed Copy as of 06-26-15	Current as of 08-14-15	
Projected Revenues	\$ 12,015,828	\$ 11,826,405	\$ (189,423) ^A
Proposed Budget Expenditures	13,614,332	13,319,332	(295,000) ^B
Excess Revenues Over (Under) Expenditures	\$ (1,598,504)	\$ (1,492,927)	105,577
Transfers In (Out):			
Plus: Transfer In From General Fund -			
Solid Waste/CNG	753,300	753,300	-
FY 2016 Bldg Improvements/Garbage Trucks	105,000	-	(105,000) ^A
Landfill CO's	187,970	187,970	-
Total Transfer In (Out)	1,046,270	941,270	(105,000)
Excess Revenues Over (Under) Expenditures for FY 2016	\$ (552,234)	\$ (551,657)	\$ 577
Recommended Use of Undesignated Fund Balance	552,234	551,657	(577) ^A
	\$ -	\$ -	\$ -
Explanation of Changes from Filed Budget to Proposed Budget @ 08/14/2015:			
^A Revenue and Transfer In Changes:			
Required adjustment from preliminary to certified tax roll		\$ (189,423)	
Decreased transfer in		(105,000)	
Decreased recommended use of Undesignated Fund Balance		(577)	
Total Revenue Changes		\$ (295,000)	
^B Expenditure Changes:			
Decreased principal to be paid on G.O., Series 2015		\$ (120,000)	
Decreased principal to be paid on LTN, Series 2016		(85,000)	
Decreased interest to be paid on C.O., Series 2015		(70,000)	
Decreased interest to be paid on LTN, Series 2016		(20,000)	
Total Expenditures Changes		\$ (295,000)	
Net Revenue Over (Under) Expenditures		\$ -	

ATTACHMENTS:

None

