



SPECIAL CALLED

MEETING OF THE

TEMPLE CITY COUNCIL

MUNICIPAL BUILDING

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

FRIDAY, AUGUST 10, 2018

8:30 A.M.

AGENDA

I. CALL TO ORDER

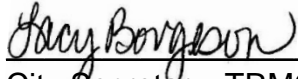
1. Invocation
2. Pledge of Allegiance

II. BUDGET ITEMS

3. **PUBLIC HEARING** – Conduct the first of two public hearings to receive comments on the proposed tax rate of 66.12 cents per \$100 valuation for fiscal year 2019 (2018 tax year), and announce meeting to adopt the proposed tax rate on August 24, 2018.
4. **2018-4926: FIRST READING - PUBLIC HEARING** – Consider adopting an ordinance approving the tax roll and authorizing calculation of the amount of tax that can be determined for all real and personal property in the City for the tax year 2018 (fiscal year 2019).
5. **2018-4927: FIRST READING - PUBLIC HEARING** - Consider adopting an ordinance setting a tax rate \$0.6612 per \$100 valuation, comprised of \$0.2982 for maintenance and operations and \$0.3630 for debt service, for Fiscal Year 2019 (Tax Year 2018), making the appropriation for the regular operation of the City.

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 5:15 pm, on Monday, August 6, 2018.



City Secretary, TRMC

SPECIAL ACCOMMODATIONS: *Persons with disabilities who have special communication or accommodation needs and desire to attend this meeting should notify the City Secretary's Office by mail or telephone 48 hours prior to the meeting date.*



COUNCIL AGENDA ITEM MEMORANDUM

08/10/18
Item #3
Special Agenda
Page 1 of 5

DEPT./DIVISION SUBMISSION & REVIEW:

Brynn Myers, 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 66.12 cents per \$100 valuation for fiscal year 2019 (2018 tax year), and announce meeting to adopt the proposed tax rate on August 24, 2018.

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

BACKGROUND: At the August 2, 2018 regular meeting, Council discussed the proposed tax rate of 66.12 cents per \$100 valuation and adopted a resolution scheduling the adoption of the proposed tax rate for August 24, 2018, and setting public hearings for August 10, 2018 and August 16, 2018 on the proposed tax rate for FY 2018-2019.

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 2018-2019 budget was prepared with a preliminary total tax rate of 67.72 cents per \$100 valuation and a preliminary tax base of \$4,388,842,772 (an estimated 5.79% increase from prior year).

On July 16, 2018, the Chief Appraiser certified the tax roll of \$4,397,616,969 (a 6.00% increase from prior year). On July 26, 2018, the Chief Appraiser calculated the effective tax rate of 64.34 cents. Changes in the tax rate components as compared to the preliminary budget filed June 22, 2018 are as follows:

Comparing proposed tax rate of 66.12 cents to the *preliminary* rate of 67.72 cents as proposed in the budget filed on June 22, 2018:

	PRELIMINARY FY 2019	PROPOSED FY 2019	Increase (Decrease)
Proposed Tax Rate			
M&O (Maintenance & Operation)	\$ 0.3142	\$ 0.2982	\$ (0.0160)
I&S (Interest & Sinking - Debt)	0.3630	0.3630	-
	<u>\$ 0.6772</u>	<u>\$ 0.6612</u>	<u>\$ (0.0160)</u>

An adjustment of the certified taxable value (\$4,397,616,969) from the preliminary taxable value (\$4,388,842,772); and an increase in the frozen tax levy to \$2,424,899 from a preliminary levy of \$2,415,698 will result in a net decrease to the M&O revenue by \$591,814 as compared to the preliminary budget filed on June 22, 2018. The increase in the certified taxable value as compared to the preliminary taxable value will result in a net increase in the I&S debt revenue by \$33,014.

Comparing the proposed tax rate of 66.12 cents to the *current FY 2018 adopted* tax rate of 67.72 cents:

	FY 2018	PROPOSED FY 2,019	Increase (Decrease)
Proposed Tax Rate			
M&O (Maintenance & Operation)	\$ 0.3142	\$ 0.2982	\$ (0.0160)
I&S (Interest & Sinking - Debt)	0.3630	0.3630	-
	<u>\$ 0.6772</u>	<u>\$ 0.6612</u>	<u>\$ (0.0160)</u>

The I&S component of the tax rate includes the estimated additional tax rate adjustment to support the enhanced transportation capital improvement program.

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

With the proposed tax rate of 66.12 cents per \$100 valuation, the cost to a homeowner with a taxable value of \$100,000 would decrease by \$16.00 per year (\$1.33 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 \$112,302. In the current tax year, the average taxable value a residence homestead in Temple is \$116,935. With the proposed tax rate of 66.12 cents per \$100 valuation, there would be an annual increase of \$12.66 in taxes (\$1.06 per month).

FISCAL IMPACT:

Changes from the preliminary tax rate and base used to calculate the filed budget on June 22, 2018 to the proposed rate with the certified tax roll as presented August 10, 2018 are as follows:

	Filed Budget 06/22/18	Proposed Budget 08/10/18	Increase/ (Decrease)
<i>Tax Base*</i>	\$4,388,842,772	\$4,397,616,969	\$8,774,197
<i>Tax Rate:</i>			
(General) M&O	31.42¢	29.82¢	(1.60¢)
(Debt) I&S	36.30¢	36.30¢	0.00¢
Total Tax Rate	67.72¢	66.12¢	(1.60¢)
<i>Tax Levy:</i>			
(General) M&O	\$12,268,598	\$11,710,076	(\$558,522)
Frozen Taxes	2,415,698	2,424,899	9,201
(Debt) I&S	14,174,096	14,254,720	80,624
Total Tax Levy*	\$28,858,392	\$28,389,695	(\$468,697)
<i>Budget:</i>			
Projected Revenues	\$74,509,833	\$74,018,019	(\$491,814)
Proposed Expenditures	77,521,308	77,029,494	(\$491,814)

*Excludes Reinvestment Zone No. 1

**FY 2019
GENERAL FUND PROPOSED BUDGET
SCHEDULE OF ADJUSTMENTS AFTER FILING PROPOSED BUDGET**

	Proposed Budget		Increase (Decrease)
	Filed Copy as of 06-22-18	Current as of 08-10-18	
Projected Revenues	\$ 74,509,833	\$ 74,018,019	\$ (491,814) ^A
Proposed Budget Expenditures	76,014,508	75,522,694	(491,814) ^B
Excess Revenues Over (Under) Expenditures	(1,504,675)	(1,504,675)	-
Transfers In (Out):			
Less: Transfer Out To Debt Service Fund -			
LTN 2013 - Sanitation Vehicles, CNG Facility and Recycling Containers	(983,300)	(983,300)	-
CO 2017 - Sanitation Vehicles	(274,000)	(274,000)	-
CO 2017 - PS P25 Radios	(249,500)	(249,500)	-
Total Transfer In (Out)	(1,506,800)	(1,506,800)	-
Excess Revenues Over (Under) Expenditures for FY 2019	\$ (3,011,475)	\$ (3,011,475)	\$ -
Recommended Use of Undesignated Fund Balance:			
- TEDC Matrix Funding	\$ 863,236	\$ 863,236	\$ -
- Strategic Investment Zone Funding	100,000	100,000	-
- Capital Funded with Fund Balance	1,524,739	1,854,739	330,000
- Capital Replacement - Sanitation Vehicles	274,000	274,000	-
- Capital Replacement - PS P25 Radios	249,500	249,500	-
	\$ 3,011,475	\$ 3,341,475	\$ 330,000

Explanation of Changes from Filed Budget to Proposed Budget @ 08/02/2018:

^A **Revenue Changes:**

Required adjustment from preliminary to certified tax roll	\$ (591,814)
Adjusted revenue estimates	100,000
Total Revenue Changes	\$ (491,814)

^B **Expenditure Changes:**

Various operational adjustments	\$ (161,814)
Funding source change for Axon (O&M to Undesignated Fund Balance)	(330,000)
Total Expenditures Changes	\$ (491,814)

Net Revenue Over (Under) Expenditures

\$ -

**FY 2019
DEBT SERVICE FUND PROPOSED BUDGET
SCHEDULE OF ADJUSTMENTS AFTER FILING PROPOSED BUDGET**

	Proposed Budget		Increase (Decrease)
	Filed Copy as of 06-22-18	Current as of 08-10-18	
Projected Revenues	\$ 15,578,295	\$ 15,611,309	\$ 33,014 ^A
Proposed Budget Expenditures	17,450,971	17,450,971	- ^B
Excess Revenues Over (Under) Expenditures	\$ (1,872,676)	\$ (1,839,662)	33,014
Transfers In (Out):			
Plus: Transfer In From General Fund -			
LTN 2013 - Sanitation Vehicles, CNG Facility and Recycling Containers	983,300	983,300	-
CO 2017 - Sanitation Vehicles	274,000	274,000	-
CO 2017 - PS P25 Radios	249,500	249,500	-
Plus: Transfer In From Drainage Fund -			
CO 2017 - Drainage CIP	264,169	264,169	-
Total Transfer In (Out)	1,770,969	1,770,969	-
Excess Revenues Over (Under) Expenditures for FY 2018	\$ (101,707)	\$ (68,693)	\$ 33,014
Recommended Use of Undesignated Fund Balance	101,707	68,693	(33,014) ^A
	\$ -	\$ -	\$ -

Explanation of Changes from Filed Budget to Proposed Budget @ 08/02/2018:

^A **Revenue Changes:**

Required adjustment from preliminary to certified tax roll	\$ 33,014
Decrease in recommended use of Undesignated Fund Balance	(33,014)
Total Revenue Changes	\$ -

^B **Expenditure Changes:**

None	\$ -
Total Expenditures Changes	\$ -
Net Revenue Over (Under) Expenditures	\$ -

ATTACHMENTS:

None



COUNCIL AGENDA ITEM MEMORANDUM

08/10/18
Item #4
Special Agenda
Page 1 of 2

DEPT./DIVISION SUBMISSION & REVIEW:

Traci L. Barnard, Director of Finance

ITEM DESCRIPTION: FIRST READING – Consider adopting an ordinance approving the tax roll and authorizing calculation of the amount of tax that can be determined for all real and personal property in the City for the tax year 2018 (fiscal year 2019).

STAFF RECOMMENDATION: Adopt ordinance as presented in item description, on first reading and schedule second reading, public hearing, and final adoption for August 24, 2018.

BACKGROUND: The proposed ordinance will adopt the ad valorem property tax roll certified by the Tax Appraisal District of Bell County, in the amount of \$4,838,107,737. The total 2018 taxable value is as follows:

Taxable Value –

	Certified <u>Taxable Value</u>	% of +/- <u>from Prior Year</u>
City of Temple	\$3,926,920,106	6.49%
Freeze Taxable*	<u>470,696,863</u>	<u>2.09%</u>
Total Adjusted Value	\$4,397,616,969	6.00%
Tax Increment District (Reinvestment Zone No. 1)	<u>440,490,768</u>	<u>3.38%</u>
Total Taxable Value	<u>\$4,838,107,737</u>	<u>5.76%</u>

FISCAL IMPACT: The tax levy at the proposed tax rate of \$0.6612 in the 2018-2019 fiscal year is:

TAX RATE			TAX LEVY		
	FY 2019	FY 2018		FY 2019	FY 2018
Maintenance & Operations	\$ 0.2982	\$ 0.3142	Maintenance & Operations	\$ 11,710,076	\$ 11,586,407
Debt Service	0.3630	0.3630	Debt Service	14,254,720	13,385,951
	--	--	Frozen Taxes*	2,424,899	2,382,511
Total Tax Rate	<u>\$ 0.6612</u>	<u>\$ 0.6772</u>	Total Tax Levy	<u>\$ 28,389,695</u>	<u>\$ 27,354,869</u>
			Budget w/M&O at 99% Collection and I&S at 100% Collection	<u>\$ 28,248,345</u>	<u>\$ 27,215,180</u>
Tax Increment District (Reinvestment Zone No. 1)			Tax Increment District (Reinvestment Zone No. 1)		
Total Tax Rate	<u>\$ 0.6612</u>	<u>\$ 0.6772</u>	Total Tax Levy	<u>\$ 2,912,525</u>	<u>\$ 2,885,341</u>

* - Frozen value = \$470,696,863

ATTACHMENTS:

[Ordinance](#)
[2018 Certified Tax Roll](#)



COUNCIL AGENDA ITEM MEMORANDUM

08/10/18
Item #5
Special Agenda
Page 1 of 2

DEPT./DIVISION SUBMISSION & REVIEW:

Traci L. Barnard, Director of Finance

ITEM DESCRIPTION: FIRST READING – PUBLIC HEARING: Consider adopting an ordinance setting a tax rate \$0.6612 per \$100 valuation, comprised of \$0.2982 for maintenance and operations and \$0.3630 for debt service, for Fiscal Year 2019 (Tax Year 2018), making the appropriation for the regular operation of the City.

STAFF RECOMMENDATION: Adopt ordinance as presented in item description, on first reading and schedule second reading, public hearing, and final adoption for August 24, 2018.

ITEM SUMMARY: The Fiscal 2018-2019 Budget will require adoption of a property tax rate of \$0.6612 per \$100 of taxable assessed property value. The proposed tax rate will generate \$25,964,796 of property tax levy when applied to an ad valorem tax base of \$4,397,616,969 less \$470,696,863 of freeze taxable value. In addition, there will be \$2,424,899 in frozen tax levy for a total property tax levy of \$28,389,695. The proposed tax rate of \$0.6612 represents a 2.77% increase over the effective tax rate of \$0.6434.

The fiscal year 2018-2019 tax rate is comprised of the Maintenance and Operation rate and the Debt Service rate. These two components are as follows:

TAX RATE			TAX LEVY		
	FY 2019	FY 2018		FY 2019	FY 2018
Maintenance & Operations	\$ 0.2982	\$ 0.3142	Maintenance & Operations	\$ 11,710,076	\$ 11,586,407
Debt Service	0.3630	0.3630	Debt Service	14,254,720	13,385,951
	--	--	Frozen Taxes*	2,424,899	2,382,511
Total Tax Rate	\$ 0.6612	\$ 0.6772	Total Tax Levy	\$ 28,389,695	\$ 27,354,869
			Budget w/M&O at 99% Collection and I&S at 100% Collection	\$ 28,248,345	\$ 27,215,180
Tax Increment District (Reinvestment Zone No. 1)			Tax Increment District (Reinvestment Zone No. 1)		
Total Tax Rate	\$ 0.6612	\$ 0.6772	Total Tax Levy	\$ 2,912,525	\$ 2,885,341

* - Frozen value = \$470,696,863

The residential homestead exemption for property owners is \$5,000 or 20% of the assessed value whichever is greater. In addition to the homestead exemption, property owners 65 years of age or older will continue to receive an additional \$10,000 exemption and all disabled individual property owners will receive an exemption of \$10,000 in accordance with Texas Tax Code Section 11.13.

The ad valorem tax freeze on the residence homestead of a person who is disabled or sixty-five (65) years of age or older (as approved in an election held in the City of Temple on May 7, 2005) applies to Tax Year 2006 (FY 2007). The amount of the qualifying homeowners tax ceiling was determined on the Tax Year 2005 (FY 2006). Future city taxes on that homestead cannot exceed the 2005 tax amount (but may be less). The tax limitation, however, may be adjusted higher for an increase in improvements to the homestead, other than repairs and those improvements made to comply with governmental regulations.

The motion to adopt an ordinance setting a tax rate that exceeds the effective tax rate must be made in the following form: **“I move that the property tax rate be decreased by the adoption of a tax rate of \$0.6612, which is effectively a 2.77 percent increase in the tax rate.”**

Pursuant to Section 11.20 of the City Charter, all taxpayers shall be allowed discounts for the payment of taxes due to the City if such taxes are paid in the year for which such taxes are due as follows: 3% in October; 2% in November; and 1% in December.

FISCAL IMPACT:

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

With the proposed tax rate of \$0.66122 per \$100 valuation, the cost to a homeowner with a taxable value of \$100,000 would decrease by \$16.00 per year (\$1.33 per month) if there was no change in taxable value from the prior year.

ATTACHMENTS:

[Assessed Value of Taxable Property Ordinance](#)