



CITY OF SAGINAW

Meeting Date: 08/16/2016

Staff Contact: Nan Stanford
City Manager

Agenda Item: 9
(CC-0816-12)

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SUBJECT: Presentation of Effective Tax Rate and Action to Place Adoption of Proposed Tax Rate on September 20, 2016 Agenda and Schedule Public Hearings on September 6, 2016 and September 13, 2016 for the Proposed Tax Rate

BACKGROUND/DISCUSSION:

The effective tax rate is .487263 and the rollback rate is .513134. The proposed 2016 tax rate is .513000. State Law requires certain Truth-in-Taxation procedures that must be followed if the City increases the tax rate above the effective tax rate or rollback rate, whichever is lower. The 2015 tax rate was .544000. If the Council chooses to adopt the proposed 2016 tax rate of .513000, the Truth-in-Taxation requirements are triggered. If the Council chooses to increase the tax rate above the effective tax rate of .487263, the specific requirements that must be followed are listed in the attached memo.

FINANCIAL IMPACT:

This item will have a financial impact but the purpose of tonight's action is to satisfy State Law and the Truth-in-Taxation procedures.

RECOMMENDATION:

Staff recommends the Council vote to place the adoption of the proposed tax rate of .513000 which is an increase of 5.28% above the effective rate on the September 20th agenda, and schedule two public hearings, September 6th and September 13th for the proposed tax rate increase.

Attachments

Memo from Kim Quin
Tax Rate Notice



City of Saginaw

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817-232-4640
Fax 817-232-4644
www.ci.saginaw.tx.us

MEMORANDUM

DATE: August 15, 2016

TO: Nan Stanford, City Manager
Dolph Johnson, Assistant City Manager/Finance Director

FROM: Kim Quin, Assistant Finance Director/Budget Analyst

CC: Janice England, City Secretary

SUBJECT: City Council actions required to adopt the FY16/17 tax rate and budget

Attached is the Notice of Proposed Property Tax Rate that is required by state law and must be published in the Star Telegram and posted on the City's website before Saturday, August 27, 2016.

The effective tax rate is .487263 and the rollback tax rate is .513134. The proposed 2016 tax rate is .513000. State law requires certain Truth-In-Taxation procedures must be followed if the City increases the tax rate above the effective tax rate or the rollback tax rate, whichever is lower. The proposed tax rate is 5.28% higher than the effective tax rate and will generate 5.55% more tax revenues than last year.

Therefore, if the City Council plans to adopt the proposed tax rate of .513000 and FY16/17 budget, the Truth-In-Taxation requirements are triggered and the following procedures must be followed:

- At the August 16th City Council Meeting, the Council must vote to consider a tax rate of .513000 which is an increase of 5.28% above the effective tax rate. A motion must be made to propose that the Council place on the September 20th agenda the adoption of the proposed tax rate and schedule two public hearings, September 6th and September 13th, on the proposal for increasing the tax rate.
- Publish the "Notice of 2016 Tax Year Proposed Property Tax Rate" in the newspaper before August 27th.
- File a copy of the FY16/17 Proposed Budget with the City Secretary and post to the City website by August 27th.

- At the September 6th Council Meeting, the City Council will hold the first public hearing on the tax rate increase. The City Council will not take any action on the tax rate at this meeting, but will hear any public comments about the proposed tax rate. After the end of the Public Hearing, the City Council must announce the date, time, and location at which they will vote on the tax rate.
- By September 9th the City must advertise a public hearing on the FY 16/17 Proposed Budget. This advertisement will state the proposed 5.55% increase in tax revenues.
- At the Special Council Meeting on September 13th, the City Council will hold the second public hearing on the tax rate increase. The City Council will hear any public comments about the proposed tax rate. After the end of the Public Hearing, the City Council must announce the date, time, and location at which they will vote on the tax rate.
- At the September 20th Council Meeting, the City Council must hold a public hearing on the FY16/17 Proposed Budget. After the hearing has ended, the Council must take separate votes on the budget, then the tax rate increase, and lastly the tax rate. The wording of the resolutions and motion to set the tax rate must include specific language to conform to the Truth-In-Taxation laws.

NOTICE OF 2016 TAX YEAR PROPOSED PROPERTY TAX RATE FOR CITY OF SAGINAW

A tax rate of \$0.513000 per \$100 valuation has been proposed for adoption by the governing body of City of Saginaw. This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate.

The governing body of City of Saginaw proposes to use revenue attributable to the tax rate increase for the purpose of increased public safety services and increase personnel costs.

PROPOSED TAX RATE	\$0.513000 per \$100
PRECEDING YEAR'S TAX RATE	\$0.544000 per \$100
EFFECTIVE TAX RATE	\$0.487263 per \$100
ROLLBACK TAX RATE	\$0.513134 per \$100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for City of Saginaw from the same properties in both the 2015 tax year and the 2016 tax year.

The rollback tax rate is the highest tax rate that City of Saginaw may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:

$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) / 100$$

For assistance or detailed information about tax calculations, please contact:

Kim Quin
Assistant Finance Director
333 West McLeroy Blvd
817-230-0332
kquin@ci.saginaw.tx.us
ci.saginaw.tx.us

You are urged to attend and express your views at the following public hearings on the proposed tax rate:

First Hearing: September 6, 2016 at 06:00 PM at Saginaw City Hall.

Second Hearing: September 13, 2016 at 06:00 PM at Saginaw City Hall.