



# City of Saginaw

## City of Saginaw

**Meeting Date:** 8/21/2018

**Staff Contact:** Gabe Reaume  
City Manager

**Agenda Item:** 9  
(CC-0818-15)

**E-mail:** [greaume@saginawtx.org](mailto:greaume@saginawtx.org)

**Phone:** 817-230-0324

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**SUBJECT:** Presentation of Effective Tax Rate and Action to Place Adoption of Proposed Tax Rate on the September 18, 2018 Agenda and Schedule Public Hearings on September 4, 2018 and September 11, 2018 for the Proposed Tax Rate

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**BACKGROUND/DISCUSSION:**

The effective tax rate is .454363 and the rollback rate is .471806. The proposed 2018 tax rate is .471800. 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 2017 tax rate was .495000. If the Council chooses to adopt the proposed 2018 tax rate of .471800, the Truth-in-Taxation requirements are triggered. If the Council chooses to increase the tax rate above the effective tax rate of .454363, 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 .471800 which is an increase of 3.84% above the effective rate on the September 18<sup>th</sup> agenda, and schedule two public hearings, September 4<sup>th</sup> and September 11<sup>th</sup> for the proposed tax rate increase.

Attachments

Memo from Kim Quin  
Tax Rate Notice



## City of Saginaw

333 West McLeroy  
P.O. Box 79070  
Saginaw, Texas 76179  
817-232-4640  
Fax 817-232-4644  
[www.ci.saginaw.tx.us](http://www.ci.saginaw.tx.us)

### MEMORANDUM

**DATE:** August 9, 2018

**TO:** Gabe Reaume, City Manager  
Dolph Johnson, Assistant City Manager

**FROM:** Kim Quin, Finance Director

**CC:** Janice England, City Secretary

**SUBJECT:** City Council actions required to adopt the FY18/19 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 by Saturday, August 25, 2018. We plan to publish on Thursday, August 23, 2018.

The effective tax rate is .454363 and the rollback tax rate is .471806. The proposed 2018 tax rate is .471800. 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 3.84% higher than the effective tax rate and will generate 7.01% more tax revenues than last year.

Therefore, if the City Council plans to adopt the proposed tax rate of .471800 and FY18/19 budget, the Truth-In-Taxation requirements are triggered and the following procedures must be followed:

- At the August 21<sup>st</sup> City Council Meeting, the Council must vote to consider a tax rate of .471800 which is an increase of 3.84% above the effective tax rate. A motion must be made to propose that the Council place on the September 18<sup>th</sup> agenda the adoption of the proposed tax rate and schedule two public hearings, September 4<sup>th</sup> and September 11<sup>th</sup>, on the proposal for increasing the tax rate.
- Publish the "Notice of 2018 Tax Year Proposed Property Tax Rate" in the newspaper before August 25<sup>th</sup>.
- File a copy of the FY18/19 Proposed Budget with the City Secretary and post to the City website by August 25<sup>th</sup>.

- At the September 4<sup>th</sup> 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 7<sup>th</sup> the City must advertise a public hearing on the FY 18/19 Proposed Budget. This advertisement will state the proposed 7.01% increase in tax revenues.
- At the Special Council Meeting on September 11<sup>th</sup>, 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 18<sup>th</sup> Council Meeting, the City Council must hold a public hearing on the FY18/19 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 2018 TAX YEAR PROPOSED PROPERTY TAX RATE FOR CITY OF SAGINAW

A tax rate of \$0.471800 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 the City of Saginaw proposes to use revenue attributable to the tax rate increase for the purpose of funding increased public safety, market competitive employee benefits, and a comprehensive economic development program.

PROPOSED TAX RATE	\$0.471800 per \$100
PRECEDING YEAR'S TAX RATE	\$0.495000 per \$100
EFFECTIVE TAX RATE	\$0.454363 per \$100
ROLLBACK TAX RATE	\$0.471806 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 2017 tax year and the 2018 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  
Finance Director, City of Saginaw  
333 West McLeroy  
817-230-0332  
kquin@saginawtx.org

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

First Hearing: September 4, 2018 at 6:00 PM at Saginaw City Hall.

Second Hearing: September 11, 2018 at 6:00 PM at Saginaw City Hall.