



City of Saginaw

City of Saginaw

Meeting Date: 09/15/2015

Staff Contact: Dolph Johnson
Asst. City Manager

Agenda Item: 8
(CC-0915-14)

E-mail: djohnson@ci.saginaw.tx.us

Phone: 817-230-0325

SUBJECT: Consideration and Action regarding Ordinance No. 2015-08, Adopting and Setting the Property Tax Rate for the 2015 Tax Year

BACKGROUND/DISCUSSION:

Ordinance No. 2015-08 sets the tax rate at 54.4 cents (I&S 25.2063 and M&O 29.1937). This rate is reflected in the 2015-2016 fiscal year budget. The public hearings required by law have been held and notices have been published as required.

FINANCIAL IMPACT:

The financial impact will be the collection of property taxes at the rate adopted.

RECOMMENDATION:

Staff recommends that the property tax rate be increased by the adoption of the tax rate of 0.544000 (54.4 cents), which is effectively a 8.92% increase in the tax rate for the 2015 tax year as stated in Ordinance No. 2015-08.

***NOTE:** The motion must include the language above to satisfy the Truth in Taxation Law requirements.*

Attachments

Proposed Ordinance

Memo from Kim Quin

September 8th City Council Minutes

September 1st City Council Minutes

August 18th City Council Minutes

**CITY OF SAGINAW
ORDINANCE NO. 2015-08**

AN ORDINANCE LEVYING TAXES FOR THE USE AND SUPPORT OF THE CITY OF SAGINAW, TEXAS MUNICIPAL GOVERNMENT, AND PROVIDING FOR THE BOND AND INTEREST RETIREMENT FUNDS OF ALL OUTSTANDING GENERAL OBLIGATION BONDS OF THE CITY, FOR THE TAX YEAR 2015; APPORTIONING EACH LEVY FOR THE SPECIFIC PURPOSE AS STATED; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Saginaw, Texas, has done and performed all statutory requirements precedent to the setting of the City's tax rate for 2015; including the holding of all required public hearings, if required, after due notice, now, therefore:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAGINAW, TEXAS:

Section 1. That there is hereby levied and there shall be collected for the use and support of the municipal government of the City of Saginaw, Texas, and to provide an interest and sinking fund for the retirement of each series of outstanding general obligation bonds of the City of Saginaw, Texas, upon all property, real, personal and mixed, within the corporate limits of the City of Saginaw, Texas, subject to taxation, a tax of FIFTY-FOUR AND FOUR TENTHS CENTS (54.4000) on each ONE HUNDRED DOLLARS (\$100.00) valuation of property for the tax year 2015. **THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 0.41 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY -\$6.57 FOR THE YEAR.** Said tax being so levied and apportioned for the purposes hereinafter set forth, to-wit:

(a) For Interest and Sinking Funds of the City of Saginaw, Texas, for payment of the principal as it matures and interest as it accrues upon all outstanding General Obligation Bonds of the City of Saginaw, Texas, a tax of TWENTY-FIVE AND 2063/10,000THS CENTS (25.2063) on each ONE HUNDRED DOLLARS (\$100.00) valuation of property.

(b) For the maintenance and operation of the General Government of the City of Saginaw, Texas, (General Fund), a tax of TWENTY-NINE AND 1937/10,000THS CENTS (29.1937) on each ONE HUNDRED DOLLARS (\$100.00) valuation of property.

Section 2. All monies collected under this Ordinance are hereby appropriated and set apart for the purposes recited, and the City Manager shall cause books of account to be kept so as to readily and distinctly show amounts collected and expended and on hand at any time, in each of said funds, and it is hereby made the duty of every person collecting or receiving money for the City of Saginaw, pursuant to the supervision and direction of the City Manager, to deliver to the City and its designated officer or employee all such money so collected or received, together with a statement showing to what fund such should be deposited and from what source received. All receipts of the City of Saginaw, Texas, not specifically apportioned by this Ordinance are hereby made payable to the General Fund, unless the City Council shall by resolution or ordinance otherwise direct.

Section 3. This ordinance shall be in full force and effect immediately upon its adoption.

ADOPTED AND APPROVED this 15th day of September, 2015.

APPROVED:

Gary Brinkley, Mayor
City of Saginaw, Texas

ATTEST:

Janice England, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Bryn Meredith, City Attorney



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

MEMORANDUM

DATE: August 10, 2015

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 FY15/16 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 Tuesday, September 1, 2015.

The effective tax rate is .499468 and the rollback tax rate is .575159. The proposed 2015 tax rate is .544000. 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 8.92% higher than the effective tax rate and will generate 9.9% more tax revenues than last year.

Therefore, if the City Council plans to adopt the proposed tax rate of .544000 and FY15/16 budget, the Truth-In-Taxation requirements are triggered and the following procedures must be followed:

- File a copy of the FY15/16 Proposed Budget with the City Secretary and post to the City website by August 21st.
- At the August 18th City Council Meeting, the Council must vote to consider a tax rate of .544000 which is an increase of 8.92% above the effective tax rate. A motion must be made to propose that the Council place on the September 15th agenda the adoption of the proposed tax rate and schedule two public hearings, September 1st and September 8th, on the proposal for increasing the tax rate.
- At the September 1st 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.

- At the Special Council Meeting on September 8th, 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.
- On September 4th the City must advertise a public hearing on the FY 15/16 Proposed Budget. This advertisement will state the proposed 9.9% increase in tax revenues.
- At the September 15th Council Meeting, the City Council must hold a public hearing on the FY15/16 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 2015 TAX YEAR PROPOSED PROPERTY TAX RATE FOR SAGINAW

A tax rate of \$0.544000 per \$100 valuation has been proposed for adoption by the governing body 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.

PROPOSED TAX RATE	\$0.544000 per \$100
PRECEDING YEAR'S TAX RATE	\$0.510000 per \$100
EFFECTIVE TAX RATE	\$0.499468 per \$100
ROLLBACK TAX RATE	\$0.575159 per \$100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for Saginaw from the same properties in both the 2014 tax year and the 2015 tax year.

The rollback tax rate is the highest tax rate that 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:

City of Saginaw
Assistant Finance Director
333 W. McLeroy Blvd.
817-230-0332
kquin@saginawtx.org
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 1, 2015 at 6:00 PM at Saginaw City Hall, 333 W McLeroy Blvd..

Second Hearing: September 8, 2015 at 6:00 PM at Saginaw City Hall, 333 W McLeroy Blvd..

(3)

CC-0915-09

Public Hearing – Proposed 2015 Property Tax Rate for Fiscal Year 2015-2016

Mayor Brinkley declared the public hearing opened at 6:01 p.m. City Manager Stanford briefly explained the proposed 2015 property tax rate. There being no public input, Mayor Brinkley declared the public hearing closed at 6:02 p.m. He announced that the adoption of the proposed property rate increase will be considered at the City Council Meeting on September 15, 2015. The meeting will be held at City Hall, 333 West McLeroy Boulevard, and will begin at 6:00 p.m.

(5) CC-0915-05

Public Hearing – Proposed 2015 Property Tax Rate for Fiscal Year 2015-2016

Mayor Brinkley declared the public hearing opened at 6:04 p.m. City Manager Stanford explained that this is the first of two public hearings required by law on the proposed 2015 tax rate. She stated that the proposed 2015 tax rate is .544000. The proposed tax rate is above the effective tax rate of .499468 which by State Law requires specific Truth-in-Taxation procedures that must be followed including tonight's public hearing. She explained that based on an average home value in Saginaw of \$116,232, the average homeowner will have an increase of \$39.73 per year in their property taxes.

Mayor Brinkley called for any public input. There was none. Mayor Brinkley declared the public hearing closed at 6:06 p.m.

Mayor Brinkley announced that the second public hearing on the proposed tax rate increase will be held on September 8, 2015 at 6:00 p.m. at the Saginaw City Hall and that the adoption of the proposed tax rate increase will be considered at the City Council Meeting on September 15, 2015 at 6:00 p.m. at the Saginaw City Hall.

(11) CC-0815-13
Presentation of Effective Tax Rate and Action to Place Adoption of Proposed Tax Rate on September 15, 2015 Agenda and Schedule Public Hearings on September 1, 2015 and September 8, 2015 for the Proposed Tax Rate

City Manager Stanford explained that the effective tax rate is .499468 and the roll back rate is .575159. The current tax rate is .51. She stated that State Law requires certain Truth-in-Taxation procedures that must be followed if the Council increases the tax rate above the effective rate or rollback rate, whichever is lower. The proposed 2015 tax rate is .544000. Therefore the Council must take action to place the adoption of the tax rate on the September 15, 2015 agenda, and schedule two public hearings on the proposed tax rate (September 1st and September 8th).

Motion was made by Mayor Pro-Tem Flory with a second by Councilmember Farr to place the adoption of the proposed tax rate of .544000 which is an increase of 8.92% above the effective rate on the September 15th agenda and schedule two public hearings on September 1st and September 8th for the proposed tax rate increase. Motion carried unanimously. 7-0-0-0

For: Mayor Brinkley, Mayor Pro-Tem Flory, Councilmembers Farr, Flippo, Tankersley, Barngrover, and Nethery

Against: None

Abstain: None

Absent: None