SUBJECT: Public Hearing – Proposed 2016 Property Tax Rate for Fiscal Year 2016-2017

BACKGROUND/DISCUSSION:
This is the first of two required public hearings to be held for public input on the proposed 2016 tax rate. This item is for public input only. Other than holding the public hearing, no action will be taken.

FINANCIAL IMPACT:
This public hearing is necessary to adopt the proposed tax rate of 51.3 cents, which is a primary funding source of the fiscal year 2016-2017 budget.

RECOMMENDATION:

After the public hearing is closed, the Mayor must announce that the 2nd public hearing on the proposed tax rate increase will be held on September 13, 2016 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 20, 2016 at 6:00 p.m. at the Saginaw City Hall.

NOTE: THESE ANNOUNCEMENTS ARE VERY IMPORTANT AND MUST BE MADE TO SATISFY THE TRUTH IN TAXATION LAW REQUIREMENTS.

Attachments
Public Hearing Notice
August 16, 2016 City Council Minutes
Memo from Kim Quin
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.

<table>
<thead>
<tr>
<th>PROPOSED TAX RATE</th>
<th>$0.513000 per $100</th>
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</thead>
<tbody>
<tr>
<td>PRECEDING YEAR'S TAX RATE</td>
<td>$0.544000 per $100</td>
</tr>
<tr>
<td>EFFECTIVE TAX RATE</td>
<td>$0.487263 per $100</td>
</tr>
<tr>
<td>ROLLBACK TAX RATE</td>
<td>$0.513134 per $100</td>
</tr>
</tbody>
</table>

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.
CC-0816-12
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

City Manager Stanford explained that the effective tax rate is .487263 and the roll back rate is .513134. The current tax rate is .544000. 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 2016 tax rate is .513000. Therefore the Council must take action to place the adoption of the tax rate on the September 20, 2016 agenda, and schedule two public hearings on the proposed tax rate (September 6th and September 13th).

Motion was made by Councilmember Barngrover with a second by Mayor Pro-Tem Flory 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 on September 6th and September 13th for the proposed tax rate increase. Motion carried unanimously. 6-0-0-1

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

Against: None

Abstain: None

Absent: Councilmember Nethery
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.