

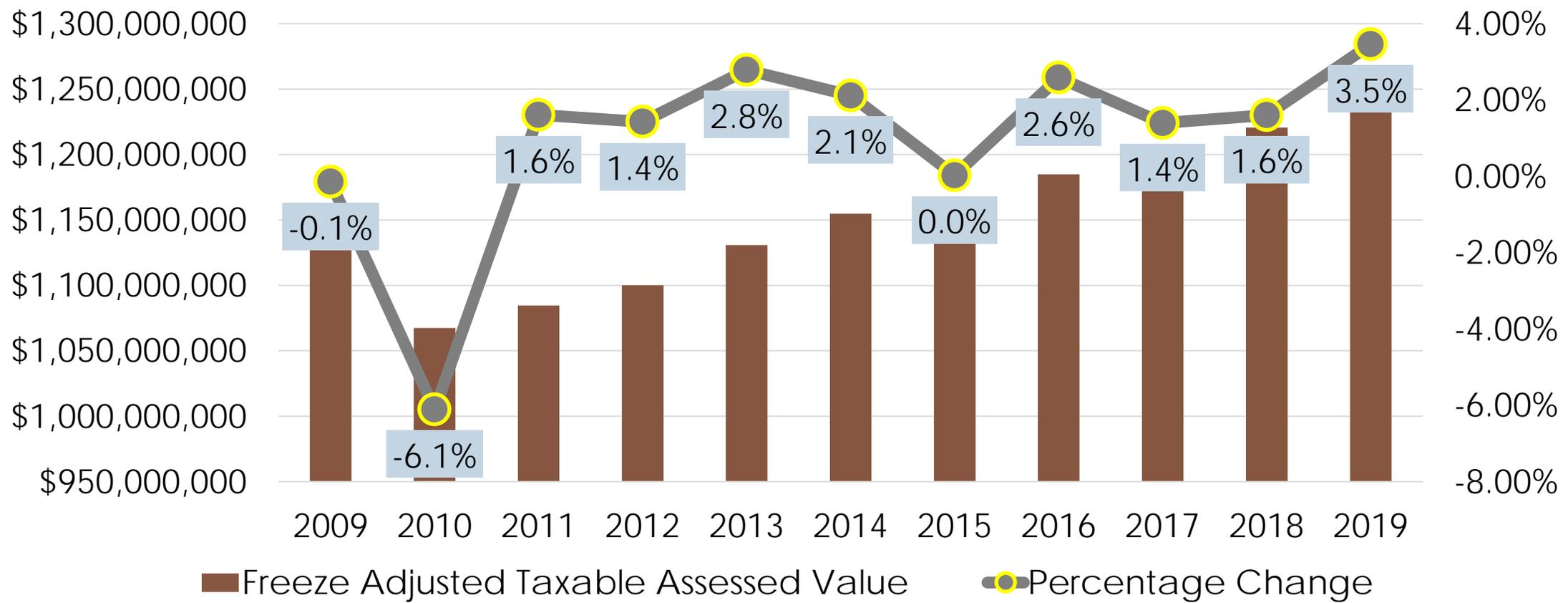


FY 2019-20 PROPOSED BUDGET & PLAN OF MUNICIPAL SERVICES

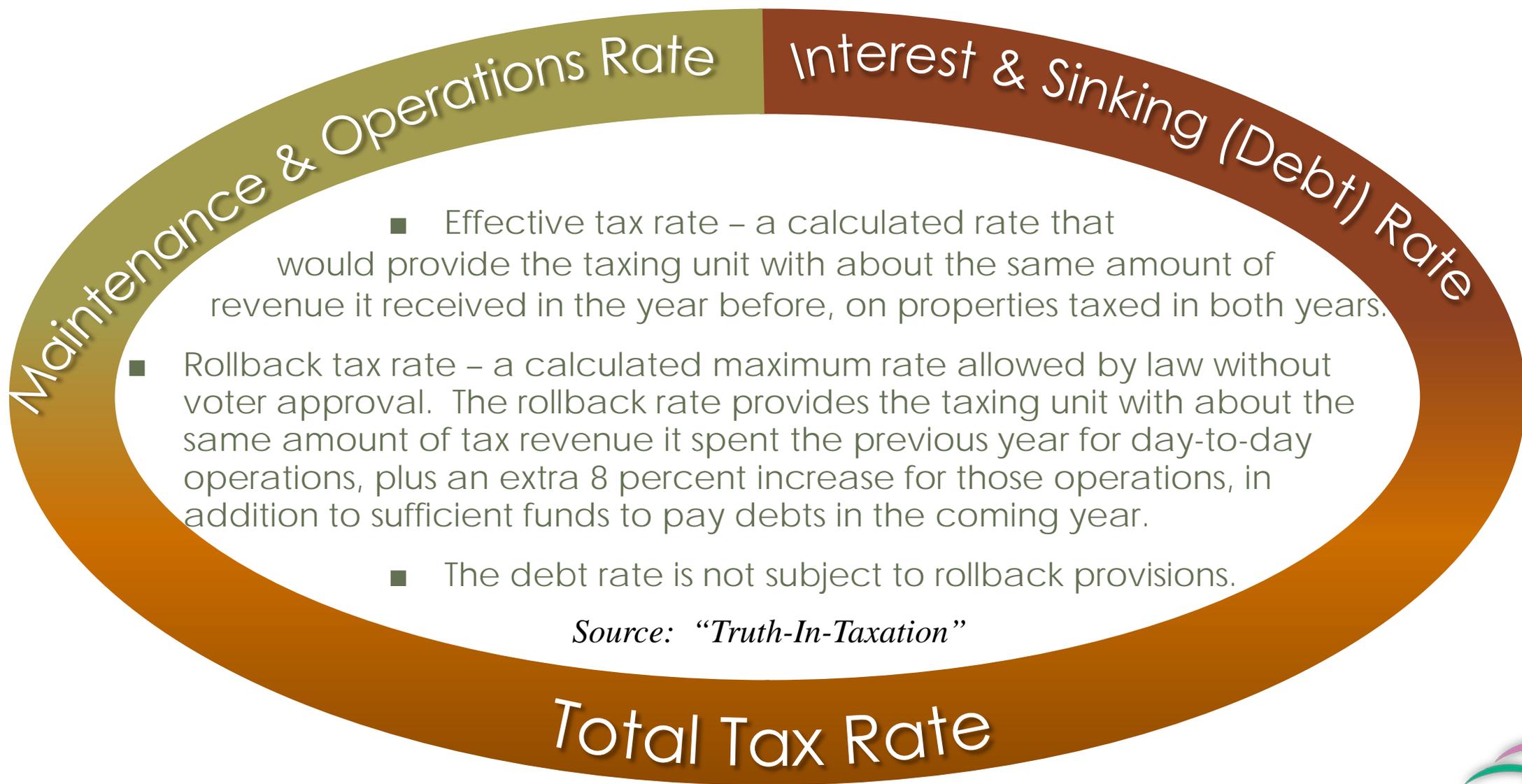
PROPERTY TAX

Discussion of Property Tax Rates and Revenue
FY 2019-2020

Property Values – Certified FY 2020



Property Tax Rate Components



Source: "Truth-In-Taxation"

Effective Tax Rate Calculation

2018 Taxable Value adjusted		\$1,340,542,673
Less tax ceilings		(\$131,636,429)
Plus loss for court decisions		\$0
Less properties that first qualified for an exemption in 2017		(\$15,156,366)
Equals 2018 Adjusted Taxable Value		\$1,193,749,878
Multiple by 2018 tax rate (/ \$100 value)	X	\$0.797908
Adjusted 2018 taxes		\$9,525,025
Adjusted 2018 taxes with refunds	+ \$14,341	\$9,539,366

Effective Tax Rate Calculation

2019 Certified Taxable Value	\$1,411,527,896
Plus protested values	\$789,590
Less tax ceilings	(\$148,604,033)
Less annexed properties	(\$6,300)
Less new taxable value	(\$30,639,172)
Equals 2019 Adjusted Taxable Value	\$1,233,067,981

Adjusted 2018 taxes with refunds	\$9,539,366
Divide By 2019 Adjusted Taxable Value	/ \$1,233,067,981
Total Effective Tax Rate (per \$100 of value)	\$0.773628

Property Tax Debt Requirements

Issue	Principal	Interest	Total Debt Requirement
2006 Refunding	\$120,000	\$9,224	\$129,224
2007 Refunding	276,000	44,622	320,622
2007 Certificates of Obligation	355,000	128,838	483,838
2010 General Obligation Bonds	50,000	46,288	96,288
2011 General Obligation Bonds	330,000	241,600	571,600
2012 Refunding	87,000	9,480	96,480
2013 General Obligation Bonds	210,000	80,994	290,994
2013 PPF CO	50,000	8,342	58,342
2014 CO	175,000	47,088	222,088
2015 CO	95,000	94,348	189,348
2015 GO Refunding	95,000	11,624	106,624

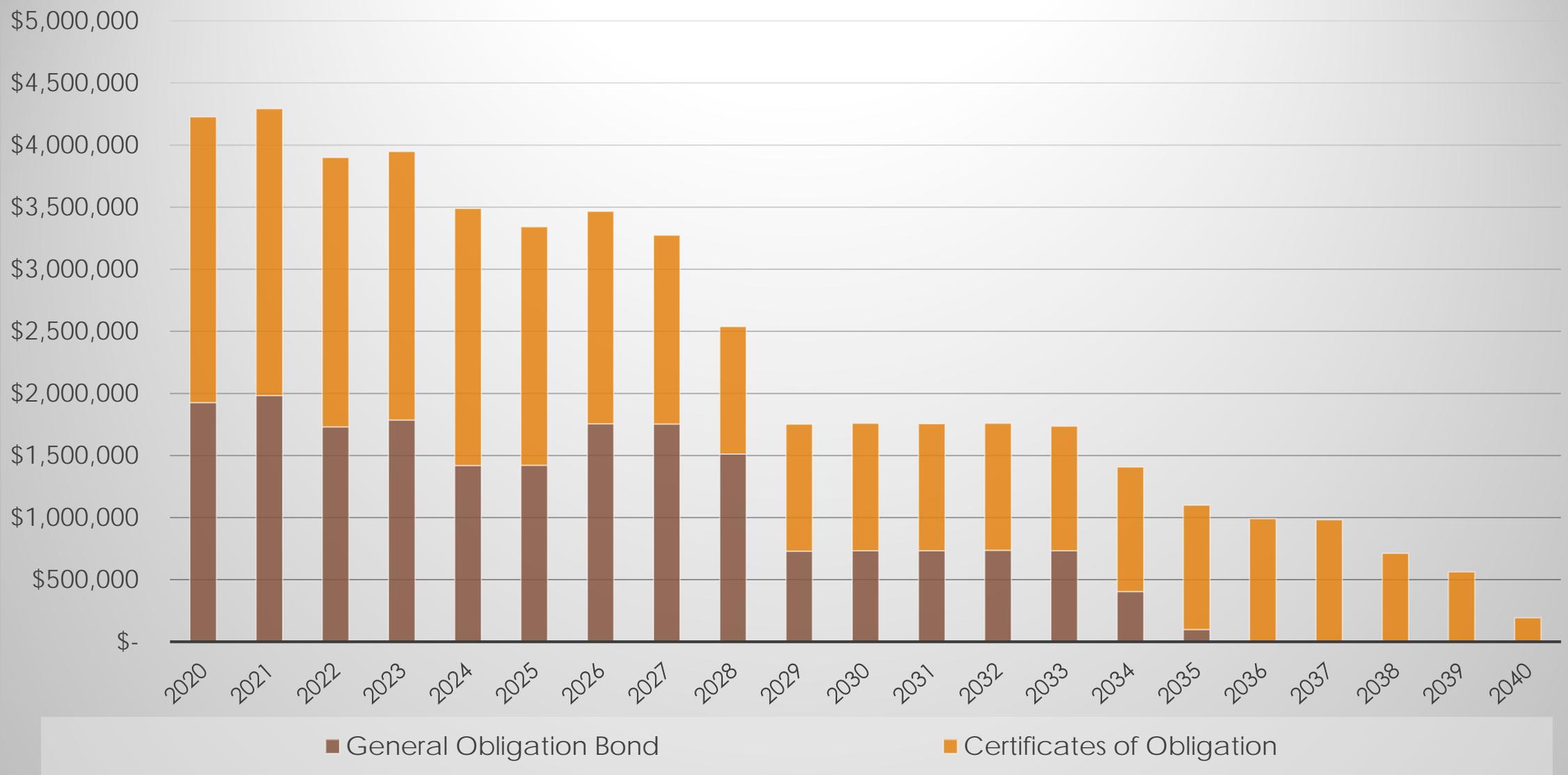
Property Tax Debt Requirements

Issue	Principal	Interest	Total Debt Requirement	
2016 CO	100,000	21,700	121,700	
2016 GO Refunding	185,000	130,100	315,100	
2017 CO	300,000	129,509	429,509	
2018 CO	205,000	122,769	327,769	
2019 CO	325,000	183,542	508,542	
Arbitrage	13,300	-	13,300	Prior Year Total
SUBTOTALS	\$2,971,300	\$1,310,068	\$4,281,368	\$4,012,746

Property Tax Debt Requirements

Issue	Principal	Interest	Total Debt Requirement	
Subtotal	\$2,971,300	\$1,310,068	\$4,281,368	
Other Sources				
Less: EDC Reimbursement	(120,000)	(12,150)	(132,150)	
Less: Fund Balance Usage	(30,000)		(30,000)	
Less: Revenue from tax freeze	(323,616)	-	(323,616)	
Total Other Sources	(473,616)	(12,150)	(485,766)	
0.300353				Prior Year Total
Net Debt Requirements	\$2,497,684	\$1,297,918	\$3,795,602	\$3,601,255

Tax Supported Debt Service Requirements



Rollback Debt Tax Rate Calculation

Total debt to be paid with property tax revenue (adjusted debt)		\$3,795,602
Divide by Total Taxable Value (excluding tax ceilings)	/	\$1,263,713,453
Equals Debt Tax Rate (per \$100 of value)		\$0.300353

This calculation includes existing and anticipated debt payments in the FY 2020 Proposed Budget.

Rollback M & O Tax Rate Calculation

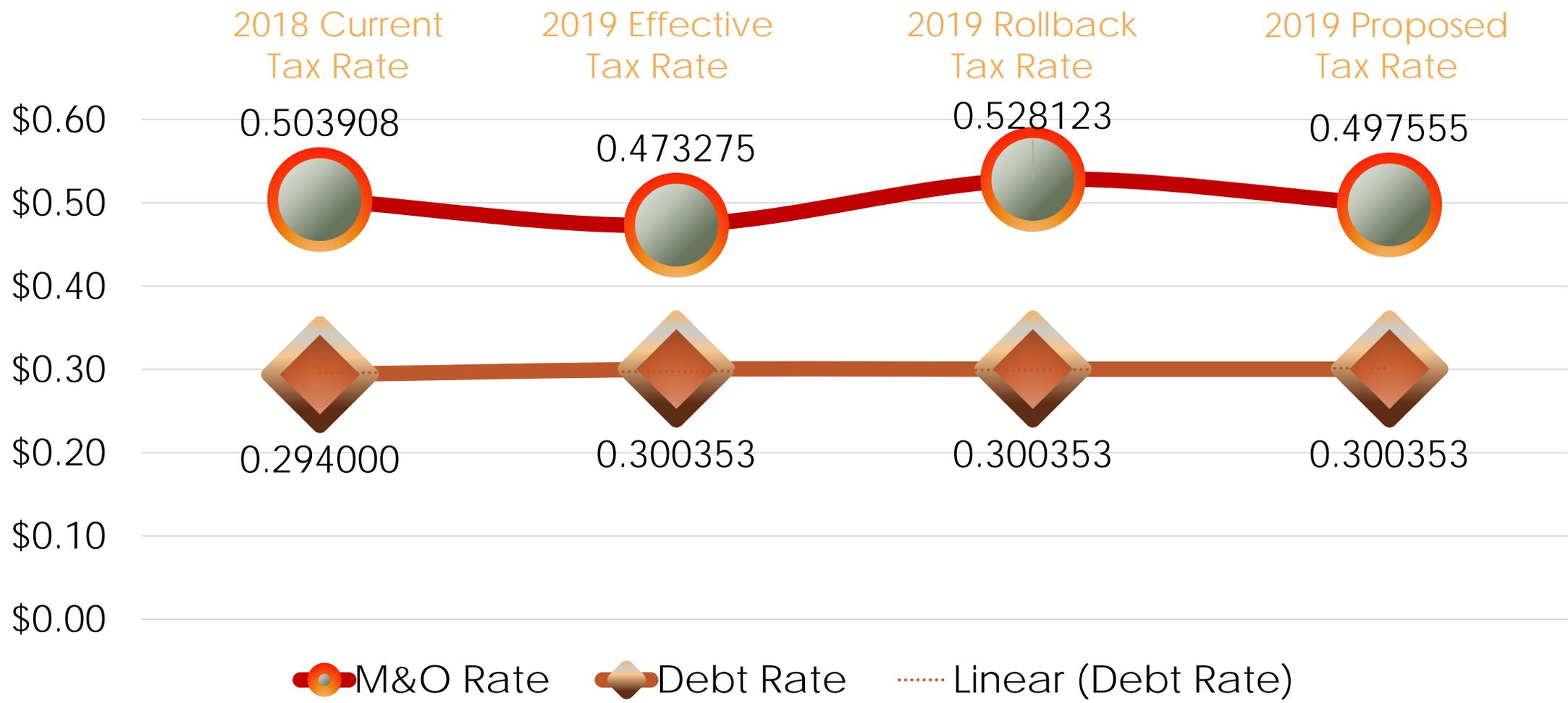
2018 M & O tax rate/\$100	\$0.503908
2018 Adjusted Taxable Value	\$1,193,749,878
2018 M & O taxes	\$6,015,401
Plus taxes refunded for years preceding tax year 2018	\$14,341
Equals adjusted M & O taxes	\$6,029,742
Divide adjusted M & O taxes by 2019 adjusted taxable value	\$1,233,067,981
Equals 2019 Effective M & O rate/\$100	\$0.489003
2019 Rollback M & O rate/\$100 (Effective M & O rate x 1.08)	\$0.528123

Total Rollback Tax Rate Calculation

Tax Rate Year	2019	Prior Year (2018)
Debt Rate	\$0.300353	\$0.2940
+ M & O Rollback Rate	\$0.528123	\$0.5361
= Total Rollback Rate	\$0.828476	\$0.8301

* Total Rollback Rate at 3.5% - 0.806471

Tax Rate Calculations



Changes in Property Tax Revenue

Estimated Values – April 2019

Identifier	Freeze Adjusted Taxable	Proposed Tax Rate	Total Tax Revenue
Property Tax Value/ Non-Freeze Tax Levy	\$1,245,970,436	\$0.797908	\$9,941,698
Freeze Tax Levy			\$968,662
Total Tax Levy			\$10,910,360
Collection Rate (applicable to M&O rate)			99%
Anticipated Revenue from Levy			\$10,801,256
Less Required For Debt Service			(\$4,119,218)
Total General Fund Property Tax Revenue (Page 78 Proposed Budget)			\$6,682,039

Changes in Property Tax Revenue

Certified Values – July 2019

Identifier	Freeze Adj'd Taxable	Current Rate \$0.797908	Effective TR \$0.773628	Rollback TR \$0.828476
Property Values/ Non-Freeze Tax Levy	\$1,262,934,875	\$10,077,058	\$9,770,418	\$10,463,112
Freeze Tax Levy		\$976,455	\$976,455	\$976,455
Total Tax Levy		\$11,053,513	\$10,746,873	\$11,439,567
Collection Rate (applicable to M&O rate)		99%	99%	99%
Anticipated Revenue from Levy		\$10,942,978	\$10,639,404	\$11,325,172
FY 2018 Proposed Tax Revenue		\$10,801,257	\$10,801,257	\$10,801,257
Proposed Budget Tax Revenue Change		\$141,721	(\$161,853)	\$523,915
Property Tax Revenue Change to M & O		\$141,721	(\$161,853)	\$523,915
Property Tax Revenue Change to I & S		-	-	-

Governing Body Options & Impact of the General Fund

Tax Revenue Calculation	FY 2020 Proposed Budget Tax Rate	Current Tax Rate	Effective Tax Rate	Rollback Tax Rate
Total Tax Rate	\$0.797908	\$0.797908	\$0.773628	\$0.828476
Estimated Beginning Fund Balance	\$6,312,159	\$6,312,159	\$6,312,159	\$6,312,159
FY 2020 Projected Revenues	\$17,370,784	\$17,512,505	\$17,208,931	\$17,894,699
FY 2020 Projected Expenditures ¹	\$18,191,185	\$18,191,185	\$18,191,185	\$18,191,185
Projected Ending Fund Balance	\$5,491,758	\$5,633,479	\$5,329,905	\$6,015,673
Ideal Fund Balance ²	\$4,425,459	\$4,425,459	\$4,425,459	\$4,425,459
Over/(Under) Ideal Fund Balance	\$1,066,299	\$1,208,020	\$904,446	\$1,590,214

¹ Expenditures are consistent with the Proposed Budget.

² Any changes to proposed expenditures will require "Ideal Fund Balance" to be recalculated.



Governing Body Options & Impact of the General Fund

FY 2020 Tax Rates	Tax Rate	Gross General Fund Impact	Minimum Expense reduction needed
Proposed Budget Tax Rate	\$0.797908	\$141,721	N/A
Effective Tax Rate	\$0.773628	(\$161,853)	(\$161,853)
Rollback Tax Rate	\$0.828476	\$523,915	N/A

Governing Body Options & Impact of the General Fund

Changes	Proposed Budget	Amount	Changes to Proposed Budget
Revenue	\$17,370,784		\$17,523,457
Certified Property Values – CURRENT TAX RATE		\$141,721	
CCISD Contract for PD Services		\$10,952	
Expenditures	\$18,191,185		\$18,338,126
Change: Health Insurance Increase (at 20%)		\$146,941	
Revenue Over/(Under) Expense Changes	(\$820,401)	\$5,732	(\$814,668)
Projected Ending Fund Balance	\$5,491,758		\$5,497,491
Ideal Fund Balance	\$4,425,459		\$4,462,194
Over/(Under) Ideal Fund Balance	\$1,066,299		\$1,035,297

Governing Body Options & Impact of the General Fund

FY 2020 Tax Rates	Tax Rate	Gross General Fund Impact	Minimum Expense reduction needed
Proposed Budget Tax Rate	\$0.797908	\$141,721	N/A
Effective Tax Rate	\$0.773628	(\$161,853)	(\$161,853)
Rollback Tax Rate	\$0.828476	\$523,915	N/A

CHANGES ON OTHER FUNDS

Water and Sewer Fund

Changes	Proposed Budget	Amount	Changes to Proposed Budget
Revenue	\$13,383,232		\$13,383,232
Expenditures	\$13,889,410		\$13,889,410
Change: Health Insurance Increase (at 20%)		\$31,992	
Change: Fathom (Excess Calls) Decrease		(31,992)	
Revenue Over/(Under) Expense Changes	(\$506,178)	-	(\$506,178)
Projected Ending Fund Balance	\$2,464,549		\$2,464,549
Ideal Fund Balance	\$2,263,360		\$2,263,360
Over/(Under) Ideal Fund Balance	\$201,189		\$201,189

Solid Waste Fund

Changes	Proposed Budget	Amount	Changes to Proposed Budget
Revenue	\$4,687,725		\$4,687,725
Expenditures	\$4,719,408		\$4,719,408
Change: Health Insurance Increase (at 20%)		\$19,964	
Change: Personnel Cost (Vacancies) Decrease		(\$9,964)	
Change: Contingency Decrease		(\$10,000)	
Revenue Over/(Under) Expense Changes	(\$31,683)	-	(\$31,683)
Projected Ending Fund Balance	\$2,678,691		\$2,678,691
Ideal Fund Balance	\$1,074,156		\$1,074,156
Over/(Under) Ideal Fund Balance	\$1,604,535		\$1,604,535

Golf Course Fund

Changes	Proposed Budget	Amount	Changes to Proposed Budget
Revenue	\$322,290		\$322,290
Expenditures	\$322,290		\$322,290
Change: Health Insurance Increase (at 20%)		\$744	
Change: Reduction of hours (Clerk/Golf Shop Assistant)		(\$744)	
Revenue Over/(Under) Expense Changes	-	-	-
Projected Ending Fund Balance	(\$1,399,730)		(\$1,399,730)
Ideal Fund Balance	\$72,748		\$72,748
Over/(Under) Ideal Fund Balance	(\$1,472,478)		(\$1,472,478)

Drainage Fund

Changes	Proposed Budget	Amount	Changes to Proposed Budget
Revenue	\$1,008,487		\$1,008,487
Expenditures	\$1,872,424		\$1,872,424
Change: Health Insurance Increase(at 20%)		\$6,324	
Change: Seasonal Labor Expense Decrease		(\$6,324)	
Revenue Over/(Under) Expense Changes	(\$863,937)	-	(\$863,937)
Projected Ending Fund Balance	\$727,333		\$727,333

Street Maintenance Fund

Changes	Proposed Budget	Amount	Changes to Proposed Budget
Revenue	\$440,155		\$440,155
Expenditures	\$882,568		\$882,568
Change: Health Insurance Increase (at 20%)		\$2,976	
Change: Change: Personnel Cost (Vacancies) Decrease		(\$2,976)	
Revenue Over/(Under) Expense Changes	(\$442,413)	-	(\$442,413)
Projected Ending Fund Balance	\$102,674		\$102,674

Hotel Occupancy Tax Fund

Changes	Proposed Budget	Amount	Changes to Proposed Budget
Revenue	\$167,337		\$167,337
Expenditures	\$167,337		\$167,337
Change: Health Insurance Increase (at 20%)		\$744	
Change: Contingency Decrease		(\$744)	
Revenue Over/(Under) Expense Changes	-	-	-
Projected Ending Fund Balance	\$116,314		\$116,314

City Wide Grant Fund

Changes	Proposed Budget	Amount	Changes to Proposed Budget
Revenue	\$112,039		\$112,478
Change: Centex Trauma (Fire Department)		\$439	
Expenditures	\$112,039		\$112,478
Change: Centex Trauma (Fire Department)		\$439	
Revenue Over/(Under) Expense Changes	-	-	-
Projected Ending Fund Balance	-	-	-

Court Efficiency Fund

Changes	Proposed Budget	Amount	Changes to Proposed Budget
Revenue	\$2,273		\$2,273
Expenditures	\$2,893		\$2,273
Change: Remove NR (headsets)		(\$620)	
Revenue Over/(Under) Expense Changes	(\$620)	\$620	-
Projected Ending Fund Balance	\$10,207		\$10,827

Court Technology Fund

Changes	Proposed Budget	Amount	Changes to Proposed Budget
Revenue	\$21,164		\$21,164
Expenditures	\$13,615		\$12,723
Change: Remove NR (scanner)		(\$892)	
Revenue Over/(Under) Expense Changes	\$7,549	\$892	8,441
Projected Ending Fund Balance	\$33,191		\$34,083

Upcoming Dates

- August 1, 2019
 - Outside Entities and Hotel Occupancy Tax Funds requests (Workshop)
 - Record vote on proposed tax rate
 - Set Public Hearing on Tax increase
- August 6, 2019
 - Review City Council Recommended Changes(Workshop)
- August 13, 2019
 - 1st Public Hearing on Tax Increase
- August 20, 2019
 - 2nd Public Hearing on Tax Increase

Upcoming Dates

- September 3, 2019
 - Adopt FY 2020 Budget
 - Adopt Tax Rate
 - Adopt Long-Range Plans
 - Adopt Fee Schedule

Fiscal Year 2019-2020

Proposed Budget & Plan Of Municipal Services

Direction

Questions

Comments