



**TITLE:** Consider/Discuss/Act on Fiscal Year 2013-14 Proposed Tax Rate and Set Public Hearing and Adoption Dates

**MEETING DATE:** August 5, 2013

**DEPARTMENT:** Financial Services

**CONTACT:** Rodney Rhoades, Chief Financial Officer

**RECOMMENDED CITY COUNCIL ACTION:**

- Discuss FY2013-14 proposed tax rate.
- Take record vote on proposed tax rate.
- Schedule Public Hearings & Adoption Date:
  - First Public Hearing: August 20, 2013, 6:30 p.m. at the Council Chambers
  - Second Public Hearing: September 3, 2013, 6:30 p.m. at the Council Chambers
  - Announce Tax Rate Adoption Date: September 17, 2013, 6:30 p.m. at the Council Chambers

**ITEM SUMMARY:**

- The proposed tax rate is \$0.58550 based on 100% market ratio on each \$100 of all taxable property within the City. The proposed tax rate is the same as the current year.
- The rate for Maintenance and Operations (M&O) is \$0.421789 per \$100 valuation.
- The rate for Interest and Sinking Funds (I&S) is \$0.163711 per \$100 valuation.
- The tax rate ratio is 72% for M&O and 28% for I&S.
- The proposed tax rate exceeds the effective tax rate of \$0.559903.
- The effective tax rate is the relationship between taxes for the preceding year and for the current year. Generally, when the total tax revenue is more than 3% of the preceding year, it exceeds the effective tax rate.

**BACKGROUND INFORMATION:**

- State law requires an entity that will propose a tax rate that exceeds the lower of the rollback or effective tax rate, the entity must vote to place a proposal to adopt the rate on the agenda of a future meeting as an action item. This must be a record vote.

- The effective tax rate is \$0.559903 per \$100 valuation and the rollback tax rate is \$0.589405 per \$100 valuation.
- Once the record vote has passed, State law requires an entity must schedule and hold two public hearings before adopting a tax rate.
- City Council has discussed the tax rate during Budget Work Sessions held on June 14, 2013 and August 2, 2013.

**FINANCIAL SUMMARY:**

- Estimated tax revenues of \$49,820,308 (99.5% collection rate) for FY 2013-14 are based on this tax rate.