

**KENNEDALE CITY COUNCIL
AGENDA
SPECIAL MEETING – 8:30 AM
August 15, 2014
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE**

I. CALL TO ORDER

II. ROLL CALL

III. WORK SESSION

- A. Review Effective & Rollback Tax Rate Summary.
- B. Fiscal Year 2014/2015 Proposed Budget workshop.

IV. REGULAR SESSION

V. REGULAR ITEMS

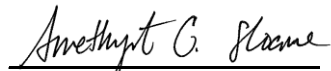
- A. Discuss and consider approval of Resolution 429 of the City Council of the City of Kennedale, Texas, approving the placement of a proposal on the September 25, 2014 City Council Public Meeting agenda to adopt a 2014 tax rate that will exceed the lower of the rollback rate or the effective tax rate; calling public hearings on a tax increase to be held on September 11, 2014 and September 18, 2014.

VI. ADJOURNMENT

In compliance with the Americans with Disabilities Act, the City of Kennedale will provide for reasonable accommodations for persons attending City Council meetings. This building is wheelchair accessible, and parking spaces for disabled citizens are available. Requests for sign interpreter services must be made forty-eight (48) hours prior to the meetings. Please contact Amethyst Cirno, City Secretary, at 817.985.2104 or (TDD) 1.800.735.2989

CERTIFICATION

I certify that a copy of the August 15, 2014, agenda was posted on the City Hall bulletin board next to the main entrance of the City Hall building, 405 Municipal Drive, of the City of Kennedale, Texas, in a place convenient and readily accessible to the general public at all times and said agenda was posted at least 72 hours preceding the schedule time of said meeting, in accordance with Chapter 551 of the Texas Government Code.


Amethyst G. Sloane, City Secretary

Date: August 15, 2014

Agenda Item No: WORK SESSION - A.

I. Subject:

Review Effective & Rollback Tax Rate Summary.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

Per our 2014 Tax Rate Worksheet calculations, the City's overall rollback tax rate is \$.797217/\$100 (adjusted down from \$.853757/\$100 for sales tax), and the overall effective tax rate is \$.741189/\$100.

The Property Tax Code specifies that "when a proposed rate exceeds the rollback rate or the effective rate, whichever is lower, the taxing unit's governing body, other than for a small taxing unit, a water district or a school district, must vote to place a proposal to adopt the tax rate on the agenda of a future meeting as an action item."

The Fiscal Year 2014-15 Proposed Budget is currently funded with a proposed tax rate of \$0.747500 per \$100 valuation, and it represents no change from the prior year. Because the current proposed rate is below the overall rollback rate but above the effective tax rate, the City is required to conduct two separate tax public hearings, as well as follow applicable publication and notice guidelines as prescribed by the State. The City Council must also publish a notice and hold a hearing on the budget.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

1.	Notice of Effective Tax Rate	6 - Notice Of Effective Tax Rate.pdf
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2014 Property Tax Rates in City of Kennedale

This notice concerns the 2014 property tax rates for City of Kennedale. It presents information about three tax rates. Last year's tax rate is the actual tax rate the taxing unit used to determine property taxes last year. This year's *effective* tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's *rollback* tax rate is the highest tax rate the taxing unit can set before taxpayers start rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$100 of property value.

Last year's tax rate:

Last year's operating taxes	\$3,112,295
Last year's debt taxes	\$1,038,698
Last year's total taxes	\$4,150,993
Last year's tax base	\$555,316,789
Last year's total tax rate	\$0.747500/\$100

This year's effective tax rate:

Last year's adjusted taxes (after subtracting taxes on lost property)	\$4,146,296
÷ This year's adjusted tax base (after subtracting value of new property)	\$559,411,274
=This year's effective tax rate (Maximum rate unless unit publishes notices and holds hearings.)	\$0.741189/\$100

This year's rollback tax rate:

Last year's adjusted operating taxes (after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate, and/or enhanced indigent healthcare expenditures)	\$3,405,539
÷ This year's adjusted tax base	\$559,411,274
=This year's effective operating rate	\$0.608772/\$100
x 1.08=this year's maximum operating rate	\$0.657473/\$100
+ This year's debt rate	\$0.196284/\$100
= This year's total rollback rate	\$0.853757/\$100
-Sales tax adjustment rate	\$0.056540/\$100
=Rollback tax rate	\$0.797217/\$100

Statement of Increase/Decrease

If City of Kennedale adopts a 2014 tax rate equal to the effective tax rate of \$0.741189 per \$100 of value, taxes would increase compared to 2013 taxes by \$67,443.

Schedule A - Unencumbered Fund Balance

The following estimated balances will be left in the unit's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Property Tax Fund	Balance
General Fund	583,567
General Fund Debt Service	16,076

Schedule B - 2014 Debt Service

The unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
2005 \$790K CO	40,000	22,570	0	62,570
2007 \$4.365M GO	163,638	64,167	0	227,805
2007 \$2.735M CO	150,000	69,600	0	219,600
2008 \$4.500M CO	160,000	163,943	0	323,943
2010 \$2.000M CO	80,000	73,519	0	153,519
2011 \$3.260M CO	210,000	90,850	0	300,850
2009 \$154K ESG	23,484	2,248	0	25,732
2012 \$125K PD RADIO	17,251	3,163	0	20,414
OTHER	0	0	8,675	8,675

Total required for 2014 debt service

\$1,343,108

- Amount (if any) paid from Schedule A	\$0
- Amount (if any) paid from other resources	\$225,965
- Excess collections last year	\$0
= Total to be paid from taxes in 2014	\$1,117,143
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2014	\$0
= Total debt levy	\$1,117,143

Schedule C - Expected Revenue from Additional Sales Tax

In calculating its effective and rollback tax rates, the unit estimated that it will receive \$321,793 in additional sales and use tax revenues.

This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at 405 Municipal Drive, Kennedale, TX 76060.

Name of person preparing this notice: Sakura Moten-Dedrick

Title: Director of Finance & Information Technology

Date Prepared: 08/07/2014

Date: August 15, 2014

Agenda Item No: WORK SESSION - B.

I. Subject:

Fiscal Year 2014/2015 Proposed Budget workshop.

II. Originated by:

Bob Hart
Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

The FY2014/2015 Proposed Budget will be both filed with the City Secretary and available online for public viewing on August 11, 2014.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

Date: August 15, 2014

Agenda Item No: REGULAR ITEMS - A.

I. Subject:

Discuss and consider approval of Resolution 429 of the City Council of the City of Kennedale, Texas, approving the placement of a proposal on the September 25, 2014 City Council Public Meeting agenda to adopt a 2014 tax rate that will exceed the lower of the rollback rate or the effective tax rate; calling public hearings on a tax increase to be held on September 11, 2014 and September 18, 2014.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

Per our 2014 Tax Rate Worksheet calculations, the City's overall rollback tax rate is \$.797217/\$100 (adjusted down from \$.853757/\$100 for sales tax), and the overall effective tax rate is \$.741189/\$100.

The Property Tax Code specifies that "when a proposed rate exceeds the rollback rate or the effective rate, whichever is lower, the taxing unit's governing body, other than for a small taxing unit, a water district or a school district, must vote to place a proposal to adopt the tax rate on the agenda of a future meeting as an action item."

Given Council's budget workshop and direction, the Fiscal Year 2014-2015 Proposed Budget will be funded with a proposed tax rate of \$0.747500 per \$100 valuation. Because this current proposed rate is above the effective tax rate, the City is required to conduct two separate tax public hearings and follow strict publication and notice guidelines as prescribed by the State. Furthermore, the City Council is required to "Vote To Place A Proposal To Adopt A Tax Rate (generating more revenue than in the previous year) On A Future Agenda." The City must also publish a notice and hold a hearing on the budget.

SCHEDULE (PROPOSED RATE IS GREATER THAN EFFECTIVE RATE)

08/15/14	Provide Effective Tax Rate & Schedules To Council
08/15/14	Hold Council FY14/15 Budget Retreat
08/15/13	Vote To Place Proposal For Tax Increase On Future Agenda
08/22/14	Publish Notice of Public Hearing On Budget
09/01/14	Publish Notice of Property Tax Rates
09/11/14	Hold Public Hearing On Budget
09/25/14	Adopt Budget, Adopt Tax Rate, Ratify Budget

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

MUST BE A RECORD VOTE AND ALTHOUGH MAY BE LEFT BLANK GOING INTO MEETING, **MUST SPECIFY DESIRED TAX RATE AT TIME OF RESOLUTION ADOPTION.**

VIII. Attachments:

1.	R429	R429.doc
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RESOLUTION NO. 429

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS APPROVING THE PLACEMENT OF A PROPOSAL ON THE SEPTEMBER 25, 2014, CITY COUNCIL PUBLIC MEETING AGENDA TO ADOPT A 2014 TAX RATE THAT WILL EXCEED THE LOWER OF THE ROLLBACK RATE OR THE EFFECTIVE TAX RATE; CALLING PUBLIC HEARINGS ON A TAX INCREASE TO BE HELD ON SEPTEMBER 11, 2014 AND SEPTEMBER 18, 2014.

WHEREAS, the City Council desires to consider adoption of a tax rate of *\$0.747500 per \$100 valuation*, which will exceed the lower of the rollback rate or the effective tax rate, in accordance with the requirements of the Texas Tax Code Chapter 26 and to schedule public hearings on the proposed tax increase as required by law;

NOW THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS:

Section 1. The City Council desires to consider adoption a tax rate for the 2014 tax year of *\$0.747500 per \$100 valuation* that will exceed the lower of the rollback rate or the effective tax rate.

Section 2. The City Council hereby approves the placement of an item on the September 25, 2014 City Council public meeting agenda, such meeting being a special called Council meeting, to vote on a proposed tax rate of *\$0.74750 per \$100 valuation* that will exceed the lower of the rollback rate or the effective tax rate.

Section 3. The City Council hereby calls public hearings on the proposed tax increase to be held in the City Hall Council Chambers located at 405 Municipal Drive, Kennedale, Texas 76060 on *September 11, 2014 at 7:00 p.m.* and *September 18, 2014 at 5:30 p.m.*, such dates being weekdays which are not public holidays. The first public hearing will not be held until at least seven (7) days after notice of both public hearings have been published in the Fort Worth Star Telegram, a newspaper having general circulation within the City. The City Secretary is hereby directed to publish such notice in accordance with this Resolution and Texas Tax Code §26.06. At both public hearings, the City Council will afford adequate opportunity for both proponents and opponents of the tax increase to present their views.

Section 4. This Resolution shall become effective immediately upon its passage and approval at a special called meeting of the City Council of the City of Kennedale, Texas on this the 15th day of August 2014, at which meeting a quorum was present and the meeting was held in accordance with the provisions of Texas Government Code §551.001, *et seq.* The City Secretary is hereby directed to record this Resolution and the vote on the proposal to place the item for a tax increase on the September 25, 2014 City Council agenda.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE ON THE 15TH DAY OF AUGUST, 2014.

CITY OF KENNEDALE, TEXAS

Brian Johnson, Mayor

ATTEST:

Amethyst Cirno, City Secretary

OFFICIAL SEAL