

KENNEDALE CITY COUNCIL AGENDA
REGULAR MEETING
August 7, 2015
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE

REGULAR SESSION at 11:00 AM

I. CALL TO ORDER

II. ROLL CALL

III. WORK SESSION

A. Fiscal Year 2015/2016 Proposed Budget Workshop

B. Review Effective & Rollback Tax Rate Summary

IV. REGULAR SESSION

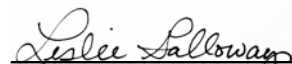
A. Discuss and consider approval of Resolution 460 of the City Council of the City of Kennedale, Texas, approving the placement of a proposal on the September 21, 2015 City Council Public Meeting agenda to adopt a 2015 tax rate that will exceed the lower of the rollback rate or the effective tax rate; calling public hearings on a tax increase to be held on September 10, 2015 and September 17, 2015.

V. 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 the City Secretary at 817.985.2104 or (TDD) 1.800.735.2989

CERTIFICATION

I certify that a copy of the August 7, 2015, 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.



Leslie Galloway, City Secretary



Staff Report to the Honorable Mayor and City Council

Date: August 7, 2015

Agenda Item No: WORK SESSION - A.

I. Subject:

Fiscal Year 2015/2016 Proposed Budget Workshop

II. Originated by:

Finance Director, Director of Finance & IT
Bob Hart

III. Summary:

make The FY2015/2016 Proposed Budget will be both filed with the City Secretary and available online for public viewing on August 3, 2015.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

Staff Report to the Honorable Mayor and City Council

Date: August 7, 2015

Agenda Item No: WORK SESSION - B.

I. Subject:

Review Effective & Rollback Tax Rate Summary

II. Originated by:

Finance Director, Director of Finance & IT

III. Summary:

Per our 2015 Tax Rate Worksheet calculations, the City's overall rollback tax rate is \$.776629/\$100 (adjusted down from \$.835260/\$100 for sales tax), and the overall effective tax rate is \$.731637/\$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 2015-16 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:

Approve
None

VII. Alternative Actions:

VIII. Attachments:

1.	Notice of Effective Tax Rate	Notice of Tax Rate.pdf
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2015 Property Tax Rates in City of Kennedale

This notice concerns the 2015 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	\$3,121,817
Last year's debt taxes	\$1,111,656
Last year's total taxes	\$4,233,473
Last year's tax base	\$566,350,903
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)	\$4,228,831
÷ This year's adjusted tax base (after subtracting value of new property)	\$577,995,183
=This year's effective tax rate	\$0.731637/\$100

(Maximum rate unless unit publishes notices and holds hearings.)

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)	\$3,472,399
÷ This year's adjusted tax base	\$577,995,183
=This year's effective operating rate	\$0.600766/\$100
x 1.08=this year's maximum operating rate	\$0.648827/\$100
+ This year's debt rate	\$0.186433/\$100
= This year's total rollback rate	\$0.835260/\$100
-Sales tax adjustment rate	\$0.058631/\$100
=Rollback tax rate	\$0.776629/\$100

Statement of Increase/Decrease

If City of Kennedale adopts a 2015 tax rate equal to the effective tax rate of \$0.731637 per \$100 of value, taxes would increase compared to 2014 taxes by \$184,092.

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
Debt Service	0

Schedule B - 2015 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	21,110	0	61,110
2007 \$4.365M GO	172,900	57,487	0	230,387
2007 \$2.735M CO	155,000	63,500	0	218,500
2008 \$4.500M CO	190,000	156,068	0	346,068
2010 \$2.00M CO	80,000	71,919	0	151,919
2011 \$3.260M CO	215,000	86,063	0	301,063
2009 \$154K ESG	24,582	1,150	0	25,732
2012 \$125K PD RADIO	17,842	2,572	0	20,414

Total required for 2015 debt service	\$1,355,193
- Amount (if any) paid from Schedule A	\$0
- Amount (if any) paid from other resources	\$229,520
- Excess collections last year	\$0
= Total to be paid from taxes in 2015	\$1,125,673
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2015	\$0
= Total debt levy	\$1,125,673

Schedule C - Expected Revenue from Additional Sales Tax

In calculating its effective and rollback tax rates, the unit estimated that it will receive \$354,005 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 City Hall
405 Municipal Drive
Kennedale, TX 76060.

Name of person preparing this notice: Krystal Crump

Title: Director of Finance & Information Technology

Date Prepared: 07/31/2015

Staff Report to the Honorable Mayor and City Council

Date: August 7, 2015

Agenda Item No: REGULAR SESSION - A.

I. Subject:

Discuss and consider approval of Resolution 460 of the City Council of the City of Kennedale, Texas, approving the placement of a proposal on the September 21, 2015 City Council Public Meeting agenda to adopt a 2015 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 9, 2015 and September 17, 2015.

II. Originated by:

Finance Director, Director of Finance & IT

III. Summary:

Per our 2015 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 2015-2016 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)

08/07/15	Provide Effective Tax Rate & Schedules To Council
08/07/15	Hold Council FY15/16 Budget Retreat
08/07/15	Vote To Place Proposal For Tax Increase On Future Agenda
08/21/15	Publish Notice of Public Hearing On Budget
08/28/15	Publish Notice of Property Tax Rates
09/09/15	Hold Public Hearing On Budget
09/21/15	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.	Resolution 460	R460.doc
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RESOLUTION NO. 460

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS APPROVING THE PLACEMENT OF A PROPOSAL ON THE SEPTEMBER 21, 2015, CITY COUNCIL PUBLIC MEETING AGENDA TO ADOPT A 2015 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 9, 2015 AND SEPTEMBER 17, 2015.

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 2015 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 9, 2015 at 7:00 p.m.* and *September 17, 2015 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 7th day of August 2015, 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 21, 2015 City Council agenda.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE ON THE 7TH DAY OF AUGUST, 2015.

Brian Johnson, Mayor

ATTEST:

APPROVED AS TO FORM:

Leslie Galloway, City Secretary

Wayne K. Olson, City Attorney