



AGENDA MEMORANDUM

Future Item for the City Council Meeting of July 18, 2017
Action Item for the City Council Meeting of July 25, 2017

DATE: July 5, 2017

TO: Margie C. Rose, City Manager

THRU: Sylvia Carrillo-Treviño, Assistant City Manager

FROM: Constance P. Sanchez, Director of Financial Services
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Action Setting the City Council Meeting Date to Adopt the Property Tax Rate

CAPTION:

Motion setting September 12, 2017 as the date of the adoption of the ad valorem tax rate of \$0.606264 per \$100 valuation.

PURPOSE:

The fiscal year 2017-2018 proposed operating budget utilizes a tax rate of \$0.606264 per \$100 valuation in the determination of ad valorem tax revenue for fiscal year 2017-2018. This is the same property tax rate as was used in fiscal year 2016-2017. Final assessed values should be received from the Nueces County Appraisal District by July 25th at which time the effective tax rate and rollback rate will be computed. This agenda item is needed for the City to be in compliance with "truth-in-taxation" as it relates to the Tax Code in the event that the City's fiscal year 2017-2018 proposed tax rate exceeds the lower of the effective tax rate or the rollback rate.

BACKGROUND AND FINDINGS:

If a proposed property tax rate exceeds the effective tax rate or the rollback rate, whichever is lower, the Tax Code requires that the governing body must vote to place a proposal to adopt the tax rate on the agenda of a future meeting as an action item. This vote must be recorded. If the motion passes, then the governing body must schedule two public hearings on the proposal.

The Nueces County Tax Office will be providing the City with the effective tax rate worksheet during the first week of August. In the event that the proposed fiscal year 2017-2018 tax rate of \$0.606264 per \$100 valuation exceeds the lower of the effective tax rate or the rollback rate, the Tax Code requires the governing body to take a vote to place a proposal to adopt the tax rate on the agenda of a future meeting as an action item, and the vote must be recorded.

Two public hearings must also be held. If needed, we are planning on holding the first public hearing on August 22, 2017, and the second public hearing on August 29, 2017. Then the vote for the final adoption of the tax rate is scheduled to be held on September 12, 2017. Additionally in compliance with the "truth-in-taxation" guidelines, the proposed property tax rate, effective tax rate, and rollback rate must be published at least seven (7) days before the public hearings. We are planning on publishing in the Corpus Christi Caller-Times on August 13, 2017.

The last step in the "truth-in-taxation process" will be the approval of the tax levy in October once the tax rate is adopted and the property tax bills are processed by the Nueces County Tax Office.

ALTERNATIVES: n/a

OTHER CONSIDERATIONS: n/a

CONFORMITY TO CITY POLICY:
This item conforms to City policy.

EMERGENCY / NON-EMERGENCY: n/a

DEPARTMENTAL CLEARANCES:

- Office of Management and Budget
- City Attorney's Office

FINANCIAL IMPACT:

☐ Operating Expense ☒ Revenue ☐ Capital ☐ Not Applicable

FISCAL YEAR:	Project to Date Exp. (CIP Only)	Current Year	Future Years	TOTALS
Budget	-	-	\$ 113,193,005	\$ 113,193,005
Encumbered/Expended amount of (date)	-	-	-	-
This item	-		\$ 113,193,005	\$ 113,193,005
BALANCE	-	-	\$ -	\$ -
FUND(S): General Fund \$70,351,865 Debt Service Fund \$42,841,140				

COMMENTS: n/a

RECOMMENDATION:

Staff recommends approval of the motions as presented.

LIST OF SUPPORTING DOCUMENTS:

- None