



## AGENDA MEMORANDUM

Action Item for the City Council Meeting of July 30, 2019

**DATE:** July 19, 2019

**TO:** Peter Zanoni, City Manager

**THRU:** Constance P. Sanchez, Interim Assistant City Manager

**FROM:** Alma Casas, Interim Director of Financial Services  
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Action to Schedule Two Public Hearings Related  
To Fiscal Year 2019-2020 Property Tax

### **CAPTION:**

Motion setting a public hearing on the ad valorem tax rate for August 27, 2019 and a second public hearing for September 10, 2019 during the City Council meeting beginning at 11:30 a.m. at City Hall, 1201 Leopard Street, Corpus Christi, Texas.

### **PURPOSE:**

The fiscal year 2019-2020 proposed operating budget utilizes a tax rate of \$0.646264 per \$100 valuation in the determination of ad valorem tax revenue for fiscal year 2019-2020. This tax rate includes an increase of two cents from the prior year's property tax rate to be used for residential streets as approved by the citizens on November 8, 2016. This is the second of three two-cent increases noted in the "2+2+2" charter amendment approved by the voters. 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 2019-2020 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 2019-2020 tax rate of \$0.646264 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 27, 2019, and the second public hearing on September 10, 2019. Then the vote for the final adoption of the tax rate is scheduled to be held on September 17, 2019. 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. Publication is scheduled in the Corpus Christi Caller-Times for August 18, 2019.

In conjunction with the public hearings on the property tax rate, a public hearing will also be held on September 10, 2019 regarding the Fiscal Year 2019-2020 proposed operating budget. Additionally, four work sessions have been scheduled to discuss the Fiscal Year 2019-2020 proposed operating budget with the City Council. These work sessions will be held on each Thursday during the month of August from 9:00 am – 11:00 am in the City Council Chambers. Final vote on the Fiscal Year 2019-2020 operating budget is scheduled for September 17, 2019.

**ALTERNATIVES:**

n/a

**OTHER CONSIDERATIONS:**

n/a

**CONFORMITY TO CITY POLICY:**

This item conforms to City policy.

**EMERGENCY / NON-EMERGENCY:**

This item is non-emergency.

**DEPARTMENTAL CLEARANCES:**

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

**FINANCIAL IMPACT:**

Operating Expense       Revenue       Capital       Not Applicable

<b>FISCAL YEAR:</b>	<b>Project to Date Exp. (CIP Only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Budget	-	-	\$ 128,514,111	\$ 128,514,111
Encumbered/Expended amount of (date)	-	-	-	-
This item	-		\$ 128,514,111	\$ 128,514,111
<b>BALANCE</b>	-	-	\$ -	\$ -
FUND(S): General Fund      \$84,873,254 Debt Service Fund \$43,640,857				

**COMMENTS:**

n/a

**RECOMMENDATION:**

City staff recommends approval of the motion as presented.

**LIST OF SUPPORTING DOCUMENTS:**

None