



## AGENDA MEMORANDUM

Future Item for the City Council Meeting of July 31, 2018  
Action Item for the City Council Meeting of August 14, 2018

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**DATE:** July 20, 2018

**TO:** Keith Selman, Interim 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 18, 2018 as the date of the adoption of the ad valorem tax rate of \$0.626264 per \$100 valuation.

### **PURPOSE:**

The fiscal year 2018-2019 proposed operating budget utilizes a tax rate of \$0.626264 per \$100 valuation in the determination of ad valorem tax revenue for fiscal year 2018-2019. 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 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 2018-2019 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 2018-2019 tax rate of \$0.626264 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 28, 2018, and the second public hearing on September 11, 2018. Then the vote for the final adoption of the tax rate is scheduled to be held on September 18, 2018. 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 19, 2018.

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

<b>FISCAL YEAR:</b>	<b>Project to Date Exp. (CIP Only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Budget	-	-	\$ 120,873,385	\$ 120,873,385
Encumbered/Expended amount of (date)	-	-	-	-
This item	-		\$ 120,873,385	\$ 120,873,385
<b>BALANCE</b>	-	-	\$ -	\$ -
FUND(S): General Fund \$74,656,296 Debt Service Fund \$42,356,947 Residential Street Fund \$3,860,142				

**COMMENTS:** n/a

**RECOMMENDATION:**

Staff recommends approval of the motion as presented.

**LIST OF SUPPORTING DOCUMENTS:**

- None