



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting of July 28, 2020

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**DATE:** July 13, 2020

**TO:** Peter Zaroni, City Manager

**FROM:** Heather Hurlbert, Director of Finance and Business Analysis  
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<p>Action Setting the City Council Meeting Date to Adopt the Fiscal Year (FY) 2020-2021 Budget and Property Tax Rate</p>
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### **CAPTION:**

Resolution setting the date of September 8, 2020 for the public hearing and first reading of the ordinance for the adoption of the City of Corpus Christi's Fiscal Year (FY) 2020-2021 budget; setting the date of September 8, 2020 for the public hearing and first reading of the ordinance for the adoption of the FY 2020-2021 property tax rate; and setting the date of September 15, 2020 as the date for the final action on the adoption of both the FY2020-2021 budget and property tax rate.

### **SUMMARY:**

The FY 2020-2021 proposed operating budget utilizes a tax rate of \$0.646264 per \$100 valuation in the determination of ad valorem tax revenue for fiscal year 2020-2021. This agenda item is needed for the City to be in compliance with the "truth-in-taxation" as it relates to the Tax Code in the event that the City's FY2020-2021 proposed tax rate exceeds the lower of the no-new-revenue tax rate or the voter-approval tax rate.

### **BACKGROUND AND FINDINGS:**

The Nueces County Tax Office will be providing the City with the no-new-revenue tax rate worksheet during the first week of August. In the event that the proposed FY2020-2021 tax rate of \$0.646264 per \$100 valuation exceeds the lower of the no-new-

revenue tax rate or the voter-approval tax 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.

One public hearing must also be held. We are planning on holding the public hearing for the FY2020-2021 budget and proposed tax rate on September 8, 2020; as well as the first reading of the ordinance for adoption of the FY2020-2021 budget and the first reading of the ordinance for adoption of the FY2020-2021 tax rate. The vote for the final adoption of the budget and tax rate is scheduled to be held on September 15, 2020. Additionally, in compliance with the “truth-in-taxation” guidelines, the proposed property tax rate, the no-new-revenue tax rate, and the voter-approval tax rate must be published at least seven (7) days before the public hearing. We are planning on publishing in the Corpus Christi Caller-Times on August 23, 2020.

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

**FISCAL IMPACT:**

We anticipate generating total tax revenues of approximately \$130,949,745 for the City. Of this amount, \$44,467,848 is for debt service or (I&S) and the difference of \$86,418,897 is for the general fund or (M&O). Of this amount, approximately \$8,105,031 will be transferred to the Streets Fund for Residential Streets.

**FUNDING DETAIL:**

N/A

**RECOMMENDATION:**

Staff recommends approval of the resolution as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Resolution