



CITY OF TEXARKANA
CITY COUNCIL
MINUTES • SEPTEMBER 5, 2017

Council Chambers**Special Meeting****6:00 PM**

220 TEXAS BLVD.
TEXARKANA, TX 75501

I. CALL TO ORDER, ROLL CALL, ESTABLISHMENT OF QUORUM

Attendee Name	Title	Status	Arrived
Bob Bruggeman	Mayor	Present	
Jean H. Matlock	Ward 1	Absent	
Willie Ray	Ward 2	Present	
Betty Williams	Ward 3	Present	
Christie Alcorn	Ward 4	Absent	
Christy P. Paddock	Ward 5	Present	
Josh Davis	Ward 6	Absent	

Staff Present: Interim City Manager Shirley Jaster, Jennifer Evans, Kyle Dooley, Kristin Peebles, Jim Powell, Eric Schlotter, Lisa Thompson, and Karey Parker.

Budget Advisory Committee Members: Van Alexander, Kristi Kendrick, Kelly Mitchell.

Legal Counsel: None

II. SECOND PUBLIC HEARING ON TAX RATE

- Ordinance No. 2017-084 fixing the tax rate and levy in and for the City of Texarkana, Texas, for the fiscal year ending September 30, 2018 upon all taxable property in the City of Texarkana, Texas.

Public Hearing: August 28, 2017
 Second Briefing:
 Council Vote: September 11, 2017

Van Alexander, chairperson of the Budget Advisory Committee, said the committee met with staff and finalized the following recommendations to present to council:

- The committee does not recommend a proposed tax increase for this year's budget shortfall.

2. The committee does not recommend a proposed 30% water rate increase to create an environmental fund.
3. The committee does recommend that council transfer from the existing fund balance the dollar amount needed to add back the 11 frozen employee positions.
4. The committee does recommend that council instruct staff to amend the policy of retaining 25% to 35% of the budget in fund balance reserve and change it to a 60-day operating fund balance reserve. Any balance over 60 days will automatically transfer back to the general fund.

Council asked a few questions of staff concerning the impact of the proposed recommendations.

Mayor Bruggeman thanked the Budget Advisory Committee for its recommendations. The Mayor also thanked staff for the hard work in preparing this year's budget for council adoption.

RESULT: MOVED FORWARD

Next: 9/11/2017 6:00 PM

III. ADJOURNMENT

A motion was made to adjourn the meeting.
(6:31 PM)

RESULT: ADOPTED [UNANIMOUS]
MOVER: Willie Ray, Ward 2
SECONDER: Betty Williams, Ward 3
AYES: Ray, Williams, Paddock
ABSENT: Matlock, Alcorn, Davis
EXCUSED: Bruggeman



Jennifer Evans
City Secretary



Bob Bruggeman
Mayor

City of Texarkana, Texas

Version: A

Update Date: 9/6/2017 11:42 AM

Briefing Sheet

Lead Department: Finance Department **Action Officer:** Kristin Peeples,
Ordinance No. 2017-084 fixing the tax rate and levy in and for the City of
Texarkana, Texas, for the fiscal year ending September 30, 2018 upon all
Subject: taxable property in the City of Texarkana, Texas.

Briefing: 9/11/2017 **Public Hearing:** 8/28/2017 **Second Briefing:** **Council Vote:** 9/11/2017

Item Schedule

Schedule 1: Brief twice - vote once (six weeks)

Updates/History of Briefing:

Van Alexander, chairperson of the Budget Advisory Committee, spoke at the September 5, 2017 second public hearing on the tax rate.

Executive Summary and Background Information:

The annual budget for the fiscal year ending September 30, 2018 was presented to the City Council in a regular meeting on July 24, 2017. Budget open house meetings were conducted on August 7, 2017. A public hearing on the tax rate will be held on August 28, 2017 and again on September 5, 2017, with a vote to adopt the budget and the tax rate for fiscal year 2018 scheduled for September 11, 2017. The tax rate necessary to fund budgeted expenditures for the fiscal year ending September 30, 2018 is anticipated to be \$.7400 cents per \$100 of assessed valuation, which is increased over last year's rate of \$.7000 cents per \$100 of assessed valuation by \$.0400 cents. This increase will be used to pay for the unfunded amount of the employee compensation plan implemented in fiscal year 2017 and partial restoration of the fund balance for the Kress demolition project. Public posting of the proposed rate will be made in accordance with state requirements.

Potential Options:

- Adopt the rate as proposed at \$.7400 cents per \$100 of assessed valuation
- Decline adoption and maintain the rate at the prior adopted amount of \$.7000 cents per \$100 of assessed valuation

Fiscal Implications:

Adoption of the proposed rate will provide funding for expenditures proposed in the annual budget for the fiscal year ending September 30, 2018.

Staff Recommendation:

Staff recommends approval of the proposed rate.

Advisory Board/Committee Review:

None

Board/Committee Recommendation:

City of Texarkana, Texas

Not Applicable

Advisory Board/Committee Meeting Date and Minutes:

Not Applicable

Attachments

- a. 2017-084 ORD Adopting Tax Rate for FY 18 (DOC)
- b. 2017-084 ATTH 01 FY 18 Proposed Tax Rate Presentation (PDF)
- c. 2017-084 ATTH 02 Notice 2017 Proposed Prop. Tax Rate (PDF)
- d. 2017-084 Goals & Perspectives (DOCX)

Staff Coordination

Finance Department	Kristin Peeples	Department Head Review	Completed	
	08/01/2017 12:36 PM			
Finance Department	Kristin Peeples	Finance Review	Completed	08/01/2017
	12:36 PM			
City Manager	Shirley Jaster	Deputy City Manager Review	Completed	
	08/02/2017 2:40 PM			
Deputy City Manager - Review	Kyle Dooley	Kyle Dooley	Deputy City Manager	
	Completed	08/02/2017 3:31 PM		
Public Information Officer		Lisa Thompson	PIO Review	Completed
	08/02/2017 3:38 PM			
City Manager	John Whitson	City Manager Review	Completed	08/03/2017
	2:19 PM			
City Council	Jennifer Evans	Meeting	Completed	08/14/2017
	6:00 PM			

Meeting History

08/14/17	City Council	MOVED FORWARD	Next: 08/28/17
	Kristin Peeples briefed this item.		
08/28/17	City Council	MOVED FORWARD	Next: 09/05/17
	David Potter addressed council at this hearing.		

ORDINANCE NO. 2017-084

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, FIXING THE TAX RATE AND LEVY IN AND FOR THE CITY OF TEXARKANA, TEXAS, FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2018, UPON ALL TAXABLE PROPERTY IN THE CITY OF TEXARKANA, TEXAS, FOR THE PURPOSE OF PAYING THE CURRENT EXPENSES OF THE CITY FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2017, AND ENDING SEPTEMBER 30, 2018; MAINTAINING A SINKING FUND TO RETIRE THE PRINCIPAL AND INTEREST OF THE BONDED INDEBTEDNESS AND CERTIFICATES OF OBLIGATION OF THE CITY; PROVIDING FOR THE RENDITION AND ASSESSMENT OF TAXES IN ACCORDANCE WITH THE STATE LAW; PROVIDING THAT IN THE EVENT ANY PROVISIONS OF THIS ORDINANCE BE HELD UNCONSTITUTIONAL AND INVALID SUCH HOLDING SHALL NOT AFFECT THE REMAINING PROVISIONS THEREOF IN CONFLICT HERewith; AND ESTABLISHING AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS:

SECTION 1: There is hereby levied for the fiscal year ending September 30, 2018, upon all real property situated within the corporate limits of said City of Texarkana, Texas, and on all personal property which was owned within the corporate limits of said City of Texarkana, Texas, on the first day of October, A.D. 2017, except so much thereof as may be exempt by the Constitution and Laws of the State of Texas, a total tax of \$.7000 CENTS on each ONE HUNDRED DOLLARS (\$100.00) of assessed valuations on all of said property, which said total tax is here and now levied respectively as follows:

- a. An ad valorem tax of and at the rate of \$.474929 CENTS on each ONE HUNDRED DOLLARS (\$100.00) of assessed valuation of said taxable property is hereby levied for the fiscal year ending September 30, 2018, for the general City purposes to pay the current operating expenses of said City of Texarkana, Texas, for the fiscal year beginning on October 1, 2017, and ending September 30, 2018, which tax, when collected shall be appropriated to and deposited in and to the credit of the General Fund of said City of Texarkana, Texas. THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 0.77 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000.00 HOME BY APPROXIMATELY \$5.35.
- b. An ad valorem tax of and at the rate of \$.024209 CENTS on each ONE HUNDRED DOLLARS (\$100.00) of assessed valuation of said taxable property is hereby levied for the fiscal year ending September 30, 2018,

for the operating expenses of Tax Increment Reinvestment Zone #1, for the fiscal year beginning on October 1, 2017, and ending September 30, 2018, which tax, when collected shall be appropriated to and deposited in and to the credit of the Tax Increment Reinvestment Zone #1 Fund of the City of Texarkana, Texas.

- c. An ad valorem tax of and at the rate of \$.200862 CENTS on each ONE HUNDRED DOLLARS (\$100.00) of assessed valuation of said taxable property is hereby levied for the fiscal year ending September 30, 2018, for the purpose of maintaining an Interest and Sinking Fund with which to pay the interest and retire the principal of the valid bonded and warrant indebtedness and Certificates of Obligation of the City of Texarkana, Texas, now outstanding, and such tax, when collected, shall be appropriated and deposited in and to the credit of the Interest and Sinking Fund of the said City of Texarkana, Texas.

SECTION 2: Property situated in the City of Texarkana, Texas, shall be rendered and assessed in accordance with the laws of the State of Texas, and the Charter and Ordinances of the City of Texarkana, Texas.

SECTION 3: In the event any provision of this Ordinance shall be held unconstitutional and invalid by a Court of competent jurisdiction, the same shall not affect the remaining provisions hereof.

SECTION 4: All Ordinances or parts thereof in conflict with any of the provisions of this Ordinance are hereby expressly repealed to the extent of such conflict.

PASSED AND APPROVED in Regular Council Session on this the **11th day of September, 2017.**

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR

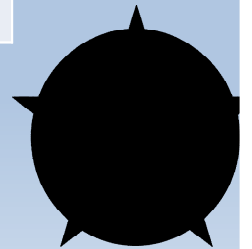


Adoption of Fiscal Year 2018 Tax Rate

▲
August 14, 2017

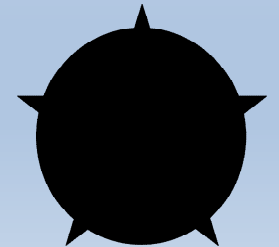
Change in Tax Rate

	<u>Current Rate CV</u>	<u>Proposed Rate CV</u>	<u>\$ Change</u>	<u>% Change</u>	<u>% Allocation</u>
Tax Rate	0.7000	0.7400	0.04	5.71%	
General Fund	11,504,466	12,356,896	852,430		96%
TIRZ #1	585,294	618,739	33,445		4%
Debt Service	4,834,212	4,834,212	-		
Total Current Taxes	16,923,972	17,809,847	885,875		100.00%



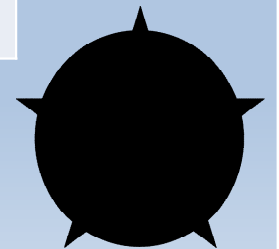
How much revenue is generated by a tax rate increase?

Revenue Generated By \$.01 Tax Rate Increase	221,469
General Fund	213,108
TIRZ 1 Fund	8,361



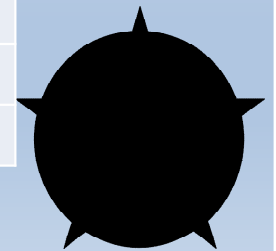
Tax Rate Distribution

Fund	Rate
General Fund	.513429
TIRZ 1 Fund	.025709
Debt Service Fund	.200862
Total Tax Rate	.740000



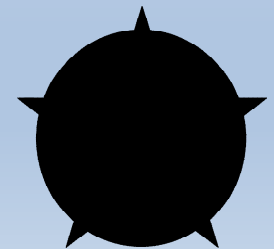
Impact to our Residents

<u>Home Value</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Annual Change</u>	<u>Monthly Change</u>
\$100,000	\$700.00	\$740.00	\$40.00	\$3.33
\$200,000	\$1,400.00	\$1,480.00	\$80.00	\$6.67
\$300,000	\$2,100.00	\$2,220.00	\$120.00	\$10.00
\$400,000	\$2,800.00	\$2,960.00	\$160.00	\$13.33
\$500,000	\$3,500.00	\$3,700.00	\$200.00	\$16.67
\$600,000	\$4,200.00	\$4,440.00	\$240.00	\$20.00
\$700,000	\$4,900.00	\$5,180.00	\$280.00	\$23.33
\$800,000	\$5,600.00	\$5,920.00	\$320.00	\$26.67
\$900,000	\$6,300.00	\$6,660.00	\$360.00	\$30.00
\$1,000,000	\$7,000.00	\$7,400.00	\$400.00	\$33.33



Legal Requirements to Adopt Tax Rate

- Ordinance is required to fix the tax rate and levy in and for the City of Texarkana, Texas for the fiscal year ending September 30, 2018
 - Ordinance No. 2017-084
- Adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the property tax increase reflected in the budget. This is required in addition to the vote to adopt the budget and the vote to set the tax rate.
 - Resolution 2017-085
- Must provide notice using language specified in Local Government Code Section 140.010 (e)
 - The required notice must be provided by September 1st or 30 days after each applicable certified appraisal roll is received
 - Published in newspaper or mailed to each property owner
- Two public hearings required; currently scheduled for August 28th and September 5th



Questions and Comments

NOTICE OF 2017 TAX YEAR PROPOSED PROPERTY TAX RATE FOR CITY OF TEXARKANA

A tax rate of \$0.740000 per \$100 valuation has been proposed for adoption by the governing body of City of Texarkana. This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate.

The governing body of City of Texarkana proposes to use revenue attributable to the tax rate increase for the purpose of employee compensation and demolition.

PROPOSED TAX RATE	\$0.740000 per \$100
PRECEDING YEAR'S TAX RATE	\$0.700000 per \$100
EFFECTIVE TAX RATE	\$0.694650 per \$100
ROLLBACK TAX RATE	\$0.820589 per \$100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for City of Texarkana from the same properties in both the 2016 tax year and the 2017 tax year.

The rollback tax rate is the highest tax rate that City of Texarkana may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:

$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) / 100$$

For assistance or detailed information about tax calculations, please contact:

Suzanne K. Kinder
Tax Assessor Collector
Bowie Central Appraisal District
122A Plaza West
Texarkana, TX 75501
903-793-8936
kkinder@bowieappraisal.org
www.bowieappraisal.com

You are urged to attend and express your views at the following public hearings on the proposed tax rate:

First Hearing: August 28, 2017 at 6:00 pm at Texas City Hall, 220 Texas Blvd., Texarkana, TX 75501.

Second Hearing: September 5, 2017 at 6:00 pm at Texas City Hall, 220 Texas Blvd., Texarkana, TX 75501.

City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☐ Promote an Environmentally Sensitive & Livable Community ☐ Provide a Safe Community ☒ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☐ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☐ Model a Positive City Image ☒ Deliver Efficient Services ☐ Cultivate Community Involvement & Access
Manage the Resources	☒ Maintain Fiscal Strength ☒ Maximize Utilization & Resources ☒ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

Staff time required if item is approved: High

Other Potential Impacts:

NONE APPLICABLE

Public Information Plan:

☒	Newspaper Notice (Required by Statute)	☒	Public Hearing (Required by Statute)
☐	Public Forum/Input Session	☐	Press Release
☐	E-News Distribution	☒	Website Notice
☒	Social Media (Twitter, Facebook, etc.)	☐	Special Mailing
☐	Flyers Posted	☐	Banners Posted
☐	Survey	☐	Automated Phone Call
☐	None Required	☐	

Other: