

MEMORANDUM FOR RECORD

August 16, 2016, RS-16-096

The preliminary budget is built around the current tax rate of .7498. There has been recent conversation regarding the last time in which the current tax rate rose. For the record, I do not propose an increase to the current .7498 tax rate. However, for the record, I do believe that it is important to publicly provide the anthology of where we were and where we are now, in terms of current tax rate of .7498:

July 9, 2013, SP—1. The council received the FY 2013-14 Proposed Annual Budget and Plan of Municipal Services. All members of the governing body were present except for one councilmember. The City Manager presented the preliminary budget for FY 2013-2014. It proposed no increase in property taxes, soundness within the then current tax rate of .7428. A public hearing was set for July 30 where the council could choose to have additional public hearings. Staff was to present the effective tax rate and roebuck rate and the council was to adopt the preliminary tax rate on August 13. The budget was scheduled for adoption on September 10th. There was a motion and second and the motion carried unanimously.

July 30, 2013, PH-5. The council held a public hearing on the proposed FY 2013-14 proposed Annual Budget and Plan of Municipal Services. A motion was made and seconded to set the preliminary tax rate for August 13th. It carried 6 to 0 with one abstention.

August 13, 2013, OR-1. Council considered setting the Preliminary Tax Rate for the FY 2013-14 Annual Budget and Pan of Municipal Services and setting the dates to hold public hearings on the proposed tax increase. The Finance Director explained that once the tax rate is set the council can adopt at that rate or below but not higher. At the time the effective tax rate was .7315, the current tax rate at the time was .7428, the budget was draft using the then current tax rate of .7428. A motion was made that the tax rate be increased by the adoption of a tax rate of .7428, which was effectively a 1.545 percent increase in the tax rate. The motion was seconded and the mayor called for the city secretary to call for a record vote. The motion carried 6 to 1.

August 27, 2013, PH-1B. Council considered changes to the FY 2013-14 proposed Annual Budget and Plan of Municipal Services. All members of the governing body were present except for the Mayor. The Finance Directed explained that the city is required by charter to post any changes to the proposed budget. Due to recommended changes there was a Special Called Meeting on Tuesday, September 3, 2013. There was a motion to amend the FY 2013-14 annual budget and plan of municipal services, increasing the funding in the General Fund for the Hill Country Transit District by \$28,798, and removing the Backflow Assembly Testing Program from the Water and Sewer Fund which anticipated a revenue increase by \$350,000 in the proposed budget. The motion was seconded and carried unanimously.

August 27, 2013, PH-2. Council held a public hearing (first of two) on the tax rate for the fiscal year October 1, 2013 through September 30, 2014 and set the date of September 10, 2013 to adopt the tax rate. There was a motion to set the date of September 10, 2013 to adopt the tax rate for the 2013-14 fiscal year. The motion was seconded and carried unanimously.

September 3, 2013, Special Called Meeting, SP-2. Council held the second of two public hearings on the tax rate for the fiscal year October 1, 2013 through September 30, 2014 and to announce September 10, 2013 as the date to adopt the tax rate. The preliminary tax rate had been set at .7438, which was above the effective tax rate of .7315: a .0113 difference.

September 10, 2013, OR-5. Council considered an ordinance setting the Tax Rate for FY 2013-14. All members of council were present except for one. The Finance Director stated that council previously set the preliminary tax rate at .7428. There was a motion that the property tax rate be increased by the adoption of a tax rate of .7428, which was effectively a 1.544771 percent increase in the tax rate. The motion was seconded. The mayor called for a record vote. The motion carried 5 to 1.

Before we proceed further with our Certified Public Accountants, I believe it is instructive that we truly understand what a fiscal year is. A fiscal year runs from one calendar year to another calendar year. A fiscal year provides for three additional months, fifteen months in comparison to the twelve months of a calendar year. The preceding anthology is indicative of a current tax rate that has not risen since FY 2013-14, contrary to other assertions. To suggest an increase to the current tax rate of .7498, or an increase or decrease to the corresponding effective tax rate of .7368, is not only lunacy, but above ignorance, which may be willful, it is abject stupidity.

Practically speaking, our current predicament is why their rollback rate ability, currently .8425. What is the difference in pennies between the current tax rate and the rollback rate? I believe total failure of this body to resort to such an extreme measure as the rollback rate. I believe our organization possesses the knowledge, skill, and ability for rollback ability to occur.

Jonathan L. Okray

A handwritten signature in black ink that reads "Jonathan L. Okray". The signature is written in a cursive, flowing style.

Councilmember At-Large