



City of Killeen

Agenda

City Council

Tuesday, September 4, 2018

5:00 PM

Utility Collections
Conference Room
210 West Avenue C
Killeen, Texas

SPECIAL CITY COUNCIL MEETING

Call to Order and Roll Call

___ Jose Segarra, Mayor	___ Jim Kilpatrick
___ Shirley Fleming	___ Butch Menking
___ Steve Harris	___ Debbie Nash-King
___ Gregory Johnson	___ Juan Rivera

Approval of Agenda

Public Hearings

1. [PH-18-025](#) HOLD a public hearing on the proposed tax rate of 0.7575 for fiscal year October 1, 2018, through September 30, 2019, and announce the meeting to adopt the proposed tax rate on September 18, 2018. (1st of 2 Public Hearings)
Attachments: [Staff Report](#)
[Presentation](#)
2. [PH-18-026](#) HOLD a public hearing on the FY 2019 Proposed Annual Budget and Plan of Municipal Services for the Fiscal Year October 1, 2018, through September 30, 2019.
Attachments: [Staff Report](#)
[Presentation](#)

Discussion Items

3. [DS-18-077](#) Discuss and Direct Staff on FY 2018-2019 Budget

Adjournment

I certify that the above notice of meeting was posted on the Internet and on the bulletin boards at Killeen City Hall and at the Killeen Police Department on or before 5:00 p.m. on August 31, 2018.

Lucy C. Aldrich, City Secretary

The public is hereby informed that notices for City of Killeen meetings will no longer distinguish between matters to be discussed in open or closed session of a meeting. This practice is in accordance with rulings by the Texas Attorney General that, under the Texas Open Meetings Act, the City Council may convene a closed session to discuss any matter listed on the agenda, without prior or further notice, if the matter is one that the Open Meetings Act allows to be discussed in a closed session.

This meeting is being conducted in accordance with the Texas Open Meetings Law [V.T.C.A., Government Code, § 551.001 et seq.]. This meeting is being conducted in accordance with the Americans with Disabilities Act [42 USC 12101 (1991)]. The facility is wheelchair accessible and handicap parking is available. Requests for sign interpretive services are available upon requests received at least 48 hours prior to the meeting. To make arrangements for those services, please call 254-501-7700, City Manager's Office, or TDD 1-800-734-2989.

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City of Killeen

Legislation Details

File #:	PH-18-025	Version:	1	Name:	Public Hearing on Proposed Tax Rate
Type:	Public Hearing	Status:		Status:	Public Hearings
File created:	8/21/2018	In control:		In control:	City Council
On agenda:	9/4/2018	Final action:		Final action:	
Title:	HOLD a public hearing on the proposed tax rate of 0.7575 for fiscal year October 1, 2018, through September 30, 2019, and announce the meeting to adopt the proposed tax rate on September 18, 2018. (1st of 2 Public Hearings)				
Sponsors:	Finance Department				
Indexes:					
Code sections:					
Attachments:	Staff Report Presentation				

Date	Ver.	Action By	Action	Result
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STAFF REPORT

DATE: September 4, 2018

TO: Ronald L. Olson, City Manager

FROM: Jonathan Locke, Executive Director of Finance

SUBJECT: Conduct the first of two public hearings on the proposed tax rate of 0.7575 per \$100 valuation for fiscal year October 1, 2018, through September 30, 2019, and announce the meeting to adopt the proposed tax rate on September 18, 2018.

BACKGROUND AND FINDINGS:

On August 21, 2018, City Council set the preliminary tax rate at 0.7575 per \$100 valuation and adopted a resolution scheduling the adoption of the tax rate for September 18, 2018, and setting public hearings for September 4, 2018, and September 11, 2018, on the proposed tax rate for the FY 2019 Proposed Annual Budget and Plan of Municipal Services.

The effective tax rate for FY 2019 is 0.7449. The rollback tax rate adjusted for sales tax for FY 2019 is 0.7575. Since the preliminary tax rate was set above the effective tax rate, Texas Property Tax Code requires that two public hearings be held prior to the adoption of the final tax rate.

THE ALTERNATIVES CONSIDERED:

Which alternative is recommended? Why?

In accordance with Texas Property Tax Code Section 26.05(d), the governing body of a taxing unit other than a school district may not adopt a tax rate that exceeds the lower of the rollback tax rate or the effective tax rate calculated as provided by this chapter until the governing body has held two public hearings on the proposed tax rate and has otherwise complied with Section 26.06 and Section 26.065.

CONFORMITY TO CITY POLICY:

Meets truth-in-taxation laws as set forth in the Texas Property Tax Code.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

N/A

Is this a one-time or recurring expenditure?

N/A

Is this expenditure budgeted?

N/A

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

N/A

RECOMMENDATION:

Staff recommends the City Council conduct the first of two public hearings to receive comments on the proposed tax rate of 0.7575 per \$100 valuation for fiscal year October 1, 2018, through September 30, 2019, and announce meeting to adopt the proposed tax rate on September 18, 2018.

DEPARTMENTAL CLEARANCES:

Finance
City Attorney



PROPERTY TAX RATE PUBLIC HEARING

1 OF 2

PH-18-025

September 4, 2018

Property Tax

Overview

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- Property Tax = Ad Valorem Tax
- Ad Valorem Tax = Tax on the Value of Property
- Property Tax Levy at Budgeted Tax Rate

Operations	\$30,985,735
Debt	<u>12,426,563</u>
Total	<u><u>\$43,412,298</u></u>

Property Tax

Tax Rate Components

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	FY 2018 Amount	FY 2018 Tax Levy	FY 2019 Amount	FY 2019 Tax Levy
Operations	\$ 0.4658	\$ 26,753,776	\$ 0.5430	\$ 31,431,050
Debt	0.2565	14,688,478	0.2145	12,407,872
Capital	0.0275	1,506,509	-	-
Total	<u>\$ 0.7498</u>	<u>\$ 42,948,763</u>	<u>\$ 0.7575</u>	<u>\$ 43,838,922</u>

Property Tax

City of Killeen, TX Rate Description

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- Current Rate – the tax rate levied for the current fiscal year.
 - ▣ FY 2018 - \$0.7498
- Budgeted Rate – the tax rate used to prepare the FY 2019 Proposed Budget.
 - ▣ FY 2019 - \$0.7498
- Proposed Rate – the tax rate proposed by City Council.
 - ▣ FY 2019 - \$0.7575
- Effective Rate – the tax rate that will generate the same amount of tax revenue as the previous fiscal year on properties taxed in both fiscal years.
 - ▣ FY 2019 - \$0.7449
- Rollback Rate – the tax rate that is calculated by increasing the maintenance and operation component of the Effective Rate by 8%.
 - ▣ FY 2019 - \$0.7575
 - ▣ Citizens can petition to hold an election if exceeded.

Property Tax

Proposed Tax Rate

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Proposed Tax Rate

\$0.7575

Property Tax Levy Comparison

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	Tax Rate	Total Levy	Difference from Current Rate
Current Rate	\$ 0.7498	\$ 43,412,298	\$ -
Budgeted Rate	\$ 0.7498	\$ 43,412,298	\$ -
Proposed Rate	\$ 0.7575	\$ 43,838,922	\$ 426,624
Effective Rate	\$ 0.7449	\$ 43,140,811	\$ (271,487)
Rollback Rate	\$ 0.7575	\$ 43,838,922	\$ 426,624

Property Tax for Individual

Formula for Calculating Property Tax

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- $\text{Taxable Value} / 100 \times \text{Tax Rate} = \text{Amount of Tax Paid}$
- For an individual:

	Budgeted Rate	Proposed Rate	Increase/ (Decrease)
Average Taxable Value	\$127,079	\$127,079	\$0
Tax Rate	\$0.7498	\$0.7575	\$0.0077
Annual Tax	\$952.84	\$962.62	\$9.78
Monthly Tax	\$79.40	\$80.22	\$0.82

Property Tax for City

Formula for Calculating Property Tax

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- Taxable Value / 100 x Tax Rate = Amount of Tax Paid
- For the City:

	Budgeted Rate	Proposed Rate	Increase/ (Decrease)
Adjusted Taxable Value	\$5,540,563,126	\$5,540,563,126	\$0
Tax Rate	\$0.7498	\$0.7575	\$0.0077
Annual Tax	\$41,543,142	\$41,969,766	\$426,624
Frozen Levy	<u>1,869,156</u>	<u>1,869,156</u>	<u>0</u>
Total Levy	\$43,412,298	\$43,838,922	\$426,624

How the Property Tax Rate is Divided (FY 2019)

Total Property Tax Rate = \$2.65073 per \$100 Valuation

Killeen Property Tax Rate = \$0.7575 per \$100 Valuation

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*Not all properties are taxed by Bell County WCID #6, based on last FY's tax rate

** Based on proposed tax rate

Property Tax

Next Steps

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- Second tax rate public hearing on September 11, 2018
- Vote on tax rate will be September 18, 2018
 - ▣ Utility Collections Conference Room at 210 West Avenue C
- Required language
 - ▣ State law requires the date, time, and place of the meeting to vote on the tax rate be announced following the public hearing.



City of Killeen

Legislation Details

File #: PH-18-026 **Version:** 1 **Name:** Public Hearing on Proposed Budget
Type: Public Hearing **Status:** Public Hearings
File created: 7/30/2018 **In control:** City Council
On agenda: 9/4/2018 **Final action:**
Title: HOLD a public hearing on the FY 2019 Proposed Annual Budget and Plan of Municipal Services for the Fiscal Year October 1, 2018, through September 30, 2019.
Sponsors: Finance Department
Indexes:
Code sections:
Attachments: [Staff Report](#)
[Presentation](#)

Date	Ver.	Action By	Action	Result
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STAFF REPORT

DATE: September 4, 2018

TO: Ronald L. Olson, City Manager

FROM: Jonathan Locke, Executive Director of Finance

SUBJECT: Public hearing on the FY 2018 Proposed Annual Budget and Plan of Municipal Services for the Fiscal Year October 1, 2018, through September 30, 2019.

BACKGROUND AND FINDINGS:

The City of Killeen provides opportunities for public input throughout the budget process. Local Government Code requires that one public hearing be held prior to the adoption the final budget. The public is encouraged to be present and participate in the public hearing.

THE ALTERNATIVES CONSIDERED:

Which alternative is recommended? Why?

N/A

CONFORMITY TO CITY POLICY:

This conforms to Local Government Code and City of Killeen Charter, Section 55.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

N/A

Is this a one-time or recurring expenditure?

N/A

Is this expenditure budgeted?

N/A

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

N/A

RECOMMENDATION:

The public hearing on the budget is required prior to budget adoption and is scheduled for September 4, 2018.

DEPARTMENTAL CLEARANCES:

Finance
City Attorney

ATTACHED SUPPORTING DOCUMENTS:

N/A



FY 2019 BUDGET PUBLIC HEARING

PH-18-026

September 4, 2018

FY 2019 Budget Summary

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Fund	Beginning Fund Balance	FY 2019 Revenues	FY 2019 Expenses	Ending Fund Balance	Fund Balance Percent
General Fund	\$ 21,241,538	\$ 84,375,230	\$ 84,375,230	\$ 21,241,538	26.22%
Water & Sewer Fund	11,312,688	41,518,872	41,518,872	11,312,688	34.42%
Solid Waste Fund	4,961,346	18,768,780	18,768,780	4,961,346	37.95%
Debt Service Fund	5,030,531	14,116,274	15,866,274	3,280,531	20.68%
Capital Project Funds	34,097,474	13,615,757	39,670,358	8,042,873	20.27%
Internal Service Funds	445,117	5,861,085	5,861,085	445,117	7.59%
Special Revenue Funds	3,967,431	7,708,338	7,394,667	4,281,102	57.89%
Drainage Fund	1,045,342	4,335,691	4,335,691	1,045,342	29.60%
Aviation Funds	301,444	3,034,539	3,219,124	116,859	3.63%
Total	<u>\$ 82,402,911</u>	<u>\$ 193,334,566</u>	<u>\$ 221,010,081</u>	<u>\$ 54,727,396</u>	<u>24.76%</u>

FY 2019 Budget Next Steps

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- ❑ Second budget public hearing September 11 (if needed)
- ❑ Budget adoption September 18



City of Killeen

Legislation Details

File #: DS-18-077 **Version:** 1 **Name:** Discuss and Direct Staff on FY 2018-2018 Budget
Type: Discussion Items **Status:** Discussion Items
File created: 8/29/2018 **In control:** City Council
On agenda: 9/4/2018 **Final action:**
Title: Discuss and Direct Staff on FY 2018-2019 Budget
Sponsors: City Manager Department
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
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