



## STAFF REPORT

**DATE:** September 18, 2018

**TO:** Ronald L. Olson, City Manager

**FROM:** Jonathan Locke, Executive Director of Finance

**SUBJECT:** Approve the maintenance and operation component of the tax rate for Fiscal Year 2019.

### **BACKGROUND AND FINDINGS:**

Section 26.05(a) of the Texas Tax Code requires taxing units to comply with truth-in-taxation laws in adopting their tax rates. The City's proposed tax rate consists of two components, each of which must be approved separately. The two components include 1) maintenance and operation and 2) interest and sinking.

The total proposed tax rate is 74.98¢ per \$100 valuation. The maintenance and operation component of the tax rate is 53.53¢ per \$100 valuation.

The maintenance and operation component will generate \$30,366,020 at the City's historical collection rate of 98%.

### **THE ALTERNATIVES CONSIDERED:**

#### **Which alternative is recommended? Why?**

Staff recommendation is to approve the memorandum/resolution as presented to set the maintenance and operation component of the tax rate.

### **CONFORMITY TO CITY POLICY:**

The memorandum/resolution complies with truth-in taxation laws established by the Texas 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 City Council approve the maintenance and operation component of the tax rate at 53.53¢ per \$100 valuation.

**DEPARTMENTAL CLEARANCES:**

Finance  
City Attorney

**ATTACHED SUPPORTING DOCUMENTS:**

N/A