



City of Killeen

Legislation Details (With Text)

File #: OR-18-011B **Version:** 1 **Name:** Setting the Interest and Sinking Tax Rate
Type: Resolution **Status:** Passed
File created: 8/31/2018 **In control:** City Council Workshop
On agenda: 9/18/2018 **Final action:** 9/18/2018
Title: Consider a memorandum/resolution approving the interest and sinking tax rate for Fiscal Year 2019.
Sponsors: Finance Department
Indexes:
Code sections:
Attachments: 1. Staff Report, 2. Presentation

Date	Ver.	Action By	Action	Result
9/18/2018	1	City Council	Approved	Pass

Consider a memorandum/resolution approving the interest and sinking tax rate for Fiscal Year 2019.

DATE: **September 18, 2018**

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

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

SUBJECT: **Approve the interest and sinking 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 (debt service).

The total proposed tax rate is 74.98¢ per \$100 valuation. The interest and sinking component of the tax rate is 21.45¢ per \$100 valuation.

The interest and sinking component will generate \$12,178,032 at the City’s historical collection rate of 98%.

THE ALTERNATIVES CONSIDERED:

Which alternative is recommended? Why?

Staff’s recommendation is to approve the memorandum/resolution as presented to set the interest and sinking 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 interest and sinking component of the tax rate at 21.45¢ per \$100 valuation.

DEPARTMENTAL CLEARANCES:

Finance
City Attorney

ATTACHED SUPPORTING DOCUMENTS:

N/A