



City of Killeen

Legislation Text

File #: OR-18-011B, Version: 1

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