

## Legislation Text

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Presenter/Contact

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**SUBJECT:**

Public hearing on the proposed tax rate for the City of New Braunfels for tax year 2019, and announce the meeting date and time of adoption.

**BACKGROUND / RATIONALE:**

City Council held work sessions on the FY 2019-20 Budget and tax rates on August 12, 13,14, and 19. The Council has an additional workshop scheduled for August 20. However, at the time this agenda report was completed, the Council has not formally determined whether this final workshop will be needed.

The proposed tax rate is equal to the current tax rate of 48.822 cents. While the total tax rate remains unchanged, the two components that make up the rate have been modified. The Interest & Sinking (I&S - debt service) portion of the rate totals 21.4498 cents while the Operations & Maintenance (O&M - General Fund) portion of the rate totals 27. 3722 cents. The total rate of 48.822 cents is equal to the rollback rate for this year as well. As a result of the rollback calculation, the O&M (General Fund) portion of the rate decreases slightly. The I&S Rate increases to the level needed to support our debt service and maintain the current tax rate. By increasing the I&S rate to the point that our rollback rate and current rate are aligned, it allowed for an increase to our first issuance for the 2019 bond program to approximately \$18.5 million. As discussed during the debt issuance strategy presentation at the July 22<sup>nd</sup> City Council meeting, these additional funds will be added to the allocation for the Police Department and Veterans Memorial project. Following is a summary of the tax rate calculations completed by the Comal County Tax Office.

<b>PROPOSED TAX RATE</b>	<b>\$0.48822 PER \$100</b>
<b>PRECEDING YEAR'S TAX RATE</b>	<b>\$0.48822 PER \$100</b>
<b>EFFECTIVE TAX RATE</b>	<b>\$0.45292 PER \$100</b>
<b>ROLLBACK TAX RATE</b>	<b>\$0.48822 PER \$100</b>

State law requires that two public hearings be held by the governing body before adopting the final tax rate. These hearings will be held on August 22 and September 3.

**ADDRESSES A NEED/ISSUE IN A CITY PLAN OR COUNCIL PRIORITY:**

<input checked="" type="checkbox"/>	Yes	<b>City Plan/Council Priority</b>	Strategic Priorities: Maintain fiscal stability of City Operations
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**FISCAL IMPACT:**

The proposed ad valorem tax revenues generated by the proposed tax rate provide funding for the FY 2019-20 Budget in the General Fund and Debt Service Fund.

**COMMITTEE RECOMMENDATION:**

N/A

**STAFF RECOMMENDATION:**

No action is required.