



CITY OF ROWLETT CITY COUNCIL SPECIAL MEETING

Our Vision: A well-planned lakeside community of quality neighborhoods, distinctive amenities, diverse employment, and cultural charm. Rowlett: THE place to live, work and play.

Monday, August 10, 2020

5:30 P.M.

Municipal Building

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item herein.

The City of Rowlett reserves the right to reconvene, recess or realign the Regular Session or called Executive Session or order of business at any time prior to adjournment.

Due to the public health emergency and to conform with the social distancing requirements, the City Council meetings will be held via teleconferencing. The public can view live on the City's website (<https://www.ci.rowlett.tx.us/397/Streaming-Video>) or via RTN16.

To listen to the meeting live, call 877-853-5247 and enter Meeting #: 840 7606 2517

To provide comment for any agenda item, please send an email to CitizenInput@rowlett.com by 3:30 p.m. the day of the meeting. There will be no comments taken during the meeting.

- 1. CALL TO ORDER**
- 2. INDIVIDUAL CONSIDERATION (5:30 P.M.)*** Times listed are approximate.
 - 2A.** Consider action to approve a resolution to call for public hearings on the FY2021 tax rate and provide direction to staff as to what tax rate to include in the Proposed Tax Rate public notice.
- 3. WORK SESSION**
 - 3A.** Discuss Departmental Budget Presentations (180 minutes)
- 4. TAKE ANY NECESSARY OR APPROPRIATE ACTION ON CLOSED/EXECUTIVE SESSION MATTERS**
- 5. ADJOURNMENT**

I certify that the above notice of meeting was posted on the bulletin boards located inside and outside the doors of the Municipal Center, 4000 Main Street, Rowlett, Texas, as well as on the City's website (www.rowlett.com) on the 7th day of August 2020, by 5:00 p.m.

Laura Hallmark

Laura Hallmark, City Secretary

City of Rowlett City Council meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at 972-412-6115 or write 4000 Main Street, Rowlett, Texas, 75088, at least 48 hours in advance of the meeting. City of Rowlett ~ 4000 Main Street, Rowlett TX 75088 ~ www.rowlett.com



CITY OF ROWLETT COUNCIL AGENDA ITEM

AGENDA DATE: 08/10/2020

AGENDA ITEM: 2A

TITLE

Consider action to approve a resolution to call for two public hearings on the FY2021 tax rate and provide direction to staff as to what tax rate to include as the Proposed Tax Rate in the required public tax rate notice.

STAFF REPRESENTATIVE

Wendy Badgett, Director of Finance

EXECUTIVE SUMMARY

Truth-in-taxation is a concept embodied in the Texas Constitution and the Tax Code that requires local taxing units to make taxpayers aware of tax rate proposals. When a proposed tax rate exceeds the voter-approval rate (formerly the “rollback rate”) or the no-new-revenue rate (formerly the “effective rate”), whichever is lower, the taxing unit’s governing body must vote to place a proposal to adopt the rate on the agenda of a future meeting as an action item. This vote must be recorded. The proposal must specify the desired rate. A taxing unit cannot vote to adopt a proposal to increase taxes by an unspecified amount. If the motion passes, the governing body must schedule a public hearing on the proposed tax rate.

STRATEGIC PRIORITY AND GOAL(S)

Strategic Priority	Strategic Goal
 <p>GOVERN TRANSPARENTLY & INCLUSIVELY</p>	<p>1.8 Provide accurate and timely information to policy makers and the public.</p>

BACKGROUND INFORMATION

There are four principles to truth-in-taxation:

- Property owners have the right to know about increases in their properties’ appraised value and to be notified of the estimated taxes that could result from the new value.
- A taxing unit must publish its no-new-revenue and voter-approval tax rates before adopting an actual tax rate.
- A taxing unit must publish special notices and hold a public hearing before adopting a tax rate that exceeds the lower of the no-new-revenue or the voter-approval tax rate.
- If a taxing unit adopts a rate that exceeds the voter-approval rate, the registered voters of the taxing unit, at an election held for that purpose, must determine whether to approve the adopted tax rate. When increased expenditure of money by a taxing unit is necessary

to respond to a disaster, including a tornado, hurricane, flood, wildfire, or other calamity, but not including a drought, that has impacted the taxing unit and the governor has declared any part of the area in which the taxing unit is located as a disaster area, an election is not required under this section to approve the tax rate adopted by the governing body for the year following the year in which the disaster occurs.

The no-new-revenue rate is a calculated rate that would provide the taxing unit with approximately the same amount of revenue it received in the year before on properties taxed in both years. If property values rise, the no-new-revenue tax rate will go down and vice versa. The voter-approval rate provides the taxing unit with approximately the same amount of tax revenue it spent the previous year for day-to-day operations, plus a three and one-half percent increase for those operations, in addition to sufficient funds to pay debt service in the coming year.

Special note: As of the time of this publication, the final property tax values have not yet been certified. Instead, the appraisal districts have submitted a certified “estimate” because of the record number of protests. Due to COVID-19 related restrictions, the number of hearings that can be held daily have been limited. As a result, there was about \$893 million in tax value under protest at the time the appraisal districts certified their estimate in late July. For reference, the tax value of amounts still under protests last year at the time the tax value was certified was only \$64 million. The current year amount of \$893 million is so large that it impacts the no new revenue rate and the rollback rate by several pennies and will result with cities in Dallas County to publish tax rates higher than what otherwise would have been published. We will not know the true certified value until late August. Therefore, while we are required by law to publish the rates in this document, the City Manager has actually submitted a proposed budget that will lower the current tax rate.

DISCUSSION

For the purpose of this staff report, City staff is recommending publishing a tax rate of up to \$0.787935 including an operations and maintenance (O&M) tax rate of \$0.554403 and a debt service (I&S) tax rate of \$0.233532 per \$100 in taxable value for the purposes of discussion and consistency with the voter-approval rate calculation in the Texas Comptroller 2020 Tax Rate Calculation Worksheet. The calculation is based on certified estimate values provided by Dallas County Appraisal District (DCAD) and certified values provided by Rockwall County Appraisal District (RCAD). At the time of this publication, the official tax rate calculation has been provided by, and certified with Dallas County, as required by Tax Code Chapter 26 (Sec. 26.04(d-2)). Neither the City Council nor the public has had the opportunity to look at the budget and review the capital needs of the City.

Council opted into the Senate Bill 2 disaster provision by approving a resolution on June 16, 2020 directing the City’s Finance Director to calculate the voter-approval rate of the City in a manner provided for a special taxing unit (at a voter-approval rate of 8% instead of 3.5%) due to the declarations of disaster provided by the Governor of Texas and the President of the United States. The passing of this resolution requires the official tax rate to be calculated in this manner,

however, it does not require Council to adopt this rate. The purpose of the calculation is to provide a “ceiling” – or the maximum rate – the Council can adopt without being subject to an automatic election at the November uniform election date.

Based on the estimated disaster provision tax rate calculations, the no-new-revenue tax rate, which shows the relation between prior year’s revenue at the current year’s value, has been calculated to be \$0.787935. The voter-approval rate, which is the maximum rate that may be applied and not be subjected to an automatic election, has been calculated to be \$0.838653.

The proposed tax rate that will be included in the notice is \$0.787935. This proposed rate represents the no-new-revenue rate, and as such, provides for approximately the same amount of tax revenue spent the previous year for day-to-day operations in addition to sufficient funds to pay debt service in the coming year. Because this rate does not exceed the lower of the certified no-new-revenue rate or voter-approval rate, the governing body is not required to vote to call for a public hearing on the tax rate. However, for full transparency surrounding the uncertainty of the certified values causing instability of the budget process, Council will vote to call for two public hearings to be held prior to the adoption of a tax rate.

These three rates will be published in the local newspaper, on the City’s website, and on the government access cable channel as required by State law.

Description	FY2019 Adopted	FY2020 Adopted	FY2021 No-New-Revenue	FY2021 Voter-Approval	FY2021 Proposed Notice
Operations (O & M)	\$0.531131	\$0.537563	\$0.554403	\$0.605121	\$0.554403
Debt (I&S)	\$0.226042	\$0.219610	\$0.233532	\$0.233532	\$0.233532
Total	\$0.757173	\$0.757173	\$0.787935	\$0.838653	\$0.787935

In the FY2021 Proposed Budget, the City Manager is proposing to reduce the tax rate by approximately a penny from the current rate of \$0.757173 to \$0.747343. City staff proposes that public hearings be held on Tuesday, August 18, 2020 and Monday, September 14, 2020 at 7:30 pm. **Due to the public health emergency and to conform with the social distancing requirements, the City Council meetings will be held via teleconferencing. The public can view live on the City’s website (<https://www.ci.rowlett.tx.us/397/Streaming-Video>) or via RTN16 and call in to provide comment during the public hearing. Meeting specific phone-in information will be published on their respective agendas.**

The meeting to adopt the tax rate will be held on Tuesday, September 15, 2020.

FINANCIAL/BUDGET IMPLICATIONS

N/A

RECOMMENDED ACTION

Move to approve a resolution to call for two public hearings on the FY2021 tax rate. This must be a record vote. Provide direction to staff as to what maximum tax rate to include as the Proposed Tax Rate in the required public notice.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, CALLING FOR TWO PUBLIC HEARINGS ON THE TAX RATE FOR THE FY2021 TAX RATE; SCHEDULING TWO PUBLIC HEARINGS ON THE PROPOSAL; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council deems it advisable to give notice of its intent to hold two public hearings on the tax rate for the City of Rowlett, Texas as hereinafter provided; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Resolution was passed was open to the public and public notice of the meeting was given, all as required by Chapter 551, Texas Government Code.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS:

SECTION 1: That the City Council of the City of Rowlett, Texas, does hereby order that two public hearings be scheduled to consider a tax rate for Fiscal Year 2021, and that notice of a no-new-revenue tax rate and a voter-approval tax rate for the City for Fiscal Year 2021 is hereby authorized to be published as required by law.

SECTION 2: That notices of public hearings on the tax rate for the City of Rowlett, Texas for Fiscal Year 2021 is hereby authorized to be published as required by law.

SECTION 3: That the City Secretary shall cause said notices to be published in a newspaper of general circulation in the area of said City, as required by Section 26.05(d), Texas Tax Code, for at least 7 days prior to the date of the public hearing.

SECTION 4: That this resolution shall become effective immediately upon its passage.

ATTACHMENT

Attachment 1 – 2020 Tax Rate Calculation Worksheet

2020 Tax Rate Calculation Worksheet**Taxing Units Other Than School Districts or Water Districts**

Date: 08/03/2020 02:09 PM

City of Rowlett

972.412.6285

Taxing Unit Name

Phone (area code and number)

4000 Main Street, Rowlett, TX, 75088

www.rowlett.com

Taxing Unit Address, City, State, ZIP Code

Taxing Unit's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue (NNR) tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller For 50-859 *Tax Rate Calculation Worksheet, School District without Chapter 313 Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements*.

Water districts as defined under Water Code Section 49.001(1) do use this form but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed water District Voter-Approval Tax Rate Worksheet*.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

STEP 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

Line	No-New-Revenue Rate Activity	Amount/Rate
1.	2019 total taxable value. Enter the amount of 2019 taxable value on the 2019 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (will deduct taxes in Line 17).[1]	\$5,436,227,798
2.	2019 tax ceilings. Counties, cities and junior college districts. Enter 2019 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2019 or a prior year for homeowners age 65 or older or disabled, use this step.[2]	\$835,714,392
3.	Preliminary 2019 adjusted taxable value. Subtract Line 2 from Line 1.	\$4,600,513,406
4.	2019 total adopted tax rate.	\$.757173
5.	2019 taxable value lost because court appeals of ARB decisions reduced 2019 appraised value.	
	A. Original 2019 ARB values:	\$87,835,270
	B. 2019 values resulting from final court decisions:	\$71,399,155
	C. 2019 value loss. Subtract B from A.[3]	\$16,436,115

Line	No-New-Revenue Rate Activity	Amount/Rate
6.	2019 taxable value subject to an appeal under Chapter 42, as of July 25.	Attachment 1
	A. 2019 ARB certified value:	10,878,080
	B. 2019 disputed value:	4,300,557
	C. 2019 undisputed value Subtract B from A.[4]	6,577,523
7.	2019 Chapter 42-related adjusted values. Add Line 5 and 6	23,013,638
8.	2019 taxable value, adjusted for court-ordered reductions. Add Line 3 and Line 7	\$4,623,527,044
9.	2019 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2019. Enter the 2019 value of property in deannexed territory.[5]	\$0
10.	2019 taxable value lost because property first qualified for an exemption in 2020. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in 2020 does not create a new exemption or reduce taxable value.	
	A. Absolute exemptions. Use 2019 market value:	\$3,920
	B. Partial exemptions. 2020 exemption amount or 2020 percentage exemption times 2019 value:	\$6,859,493
	C. Value loss. Add A and B.[6]	\$6,863,413
11.	2019 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2020. Use only properties that qualified in 2020 for the first time; do not use properties that qualified in 2019.	
	A. 2019 market value:	\$524,210
	B. 2020 productivity or special appraised value:	\$2,762
	C. Value loss. Subtract B from A.[7]	\$521,448
12.	Total adjustments for lost value. Add Lines 9, 10C and 11C.	\$7,384,861
13.	Adjusted 2019 taxable value. Subtract Line 12 from Line 8	\$4,616,142,183
14.	Adjusted 2019 total levy. Multiply Line 4 by Line 13 and divide by \$100	\$34,952,182
15.	Taxes refunded for years preceding tax year 2019. Enter the amount of taxes refunded by the district for tax years preceding tax year 2019. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2019. This line applies only to tax years preceding tax year 2019.[8]	\$60,041
16.	Taxes in tax increment financing (TIF) for tax year 2019 Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2020 captured appraised value in Line 18D, enter 0.[9]	\$433,245
17.	Adjusted 2019 levy with refunds and TIF adjustment. Add Lines 14, and 15, subtract Line 16.[10]	\$34,578,978
18.	Total 2020 taxable value on the 2020 certified appraisal roll today. This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled.[11]	
	A. Certified values:	\$5,115,927,881
	B. Counties: Include railroad rolling stock values certified by the Comptroller's office.	\$0
	C. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property	\$0
	D. Tax increment financing: Deduct the 2020 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the	\$128,738,948

Line	No-New-Revenue Rate Activity	Amount/Rate
	2020 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 23 below.[12]	Attachment 1
	E. Total 2020 value Add A and B, then subtract C and D	\$4,987,188,933
19.	Total value of properties under protest or not included on certified appraisal roll. [13]	
	A. 2020 taxable value of properties under protest The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest.[14]	\$474,459,241
	B. 2020 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll.[15]	\$0
	C. Total value under protest or not certified. Add A and B.	\$474,459,241
20.	2020 tax ceilings. Counties, cities and junior colleges enter 2020 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2019 or a prior year for homeowners age 65 or older or disabled, use this step.[16]	\$900,320,337
21.	2020 total taxable value. Add Lines 18E and 19C. Subtract Line 20C.[17]	\$4,561,327,837
22.	Total 2020 taxable value of properties in territory annexed after Jan. 1, 2019. Include both real and personal property. Enter the 2020 value of property in territory annexed.[18]	\$0
23.	Total 2020 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2019. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2019 and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2020.[19]	\$172,770,781
24.	Total adjustments to the 2020 taxable value. Add Lines 22 and 23.	\$172,770,781
25.	Adjusted 2020 taxable value. Subtract Line 24 from Line 21.	\$4,388,557,056
26.	2020 NNR tax rate. Divide Line 17 by Line 25 and multiply by \$100.[20]	\$.787935 /\$100
27.	COUNTIES ONLY. Add together the NNR tax rates for each type of tax the county levies. The total is the 2020 county NNR tax rate.[21]	

[1]Tex. Tax Code Section

[2]Tex. Tax Code Section

[3]Tex. Tax Code Section

[4]Tex. Tax Code Section

[5]Tex. Tax Code Section

[6]Tex. Tax Code Section

[7]Tex. Tax Code Section

[8]Tex. Tax Code Section

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[17]Tex. Tax Code Section

[18]Tex. Tax Code Section

[19]Tex. Tax Code Section

[20]Tex. Tax Code Section

[21]Tex. Tax Code Section

STEP 2: Voter-Approval Tax Rate

Attachment 1

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

1. Maintenance and Operations (M&O) Tax Rate: The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.

2. Debt Rate: The debt rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

Line	Voter Approval Tax Rate Activity	Amount/Rate
28.	2019 M&O tax rate. Enter the 2019 M&O tax rate.	\$.537563
29.	2019 taxable value, adjusted for actual and potential court-ordered adjustments. Enter the amount in Line 8 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	4,623,527,044
30.	Total 2019 M&O levy. Multiply Line 28 by Line 29 and divide by 100.	24,854,370
31.	Adjusted 2019 levy for calculating NNR M&O rate.	
	A. 2019 sales tax specifically to reduce property taxes. For cities, counties and hospital districts, enter the amount of additional sales tax collected and spent on M&O expenses in 2019, if any. Other taxing units, enter 0. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent.	0
	B. M&O taxes refunded for years preceding tax year 2019. Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2019. This line applies only to tax years preceding tax year 2019.	42,215
	C. 2019 taxes in TIF: Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2020 captured appraised value in Line 18D, enter 0.	307,587
	D. 2019 transferred function: If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in E below. The taxing unit receiving the function will add this amount in E below. Other taxing units enter 0.	0
	E. 2019 M&O levy adjustments. Add A and B, then subtract C. For taxing unit with D, subtract if discontinuing function and add if receiving function	-265,372
	F. Add Line 30 to 31E.	24,588,998
32.	Adjusted 2020 taxable value. Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	4,388,557,056
33.	2020 NNR M&O rate (unadjusted) Divide Line 31F by Line 32 and multiply by \$100.	0.560298
34.	Rate adjustment for state criminal justice mandate. [23]	
	A. 2020 state criminal justice mandate. Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose.	0
	B. 2019 state criminal justice mandate Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies	0

Line	Voter Approval Tax Rate Activity	Attachment 1	Amount/Rate
	C. Subtract B from A and divide by Line 32 and multiply by \$100	0.000000	
	D. Enter the rate calculated in C. If not applicable, enter 0.		0.000000
35.	Rate adjustment for indigent health care expenditures [24]		
	A. 2020 indigent health care expenditures Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2019 and ending on June 30, 2020, less any state assistance received for the same purpose	0	
	B. 2019 indigent health care expenditures Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2018 and ending on June 30, 2019, less any state assistance received for the same purpose	0	
	C. Subtract B from A and divide by Line 32 and multiply by \$100	0.000000	
	D. Enter the rate calculated in C. If not applicable, enter 0.		0.000000
36.	Rate adjustment for county indigent defense compensation. [25]		
	A. 2020 indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals for the period beginning on July 1, 2019 and ending on June 30, 2020, less any state grants received by the county for the same purpose	0	
	B. 2019 indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals for the period beginning on July 1, 2018 and ending on June 30, 2019, less any state grants received by the county for the same purpose	0	
	C. Subtract B from A and divide by Line 32 and multiply by \$100	0.000000	
	D. Multiply B by 0.05 and divide by Line 32 and multiply by \$100.	0.000000	
	E. Enter the lessor of C and D. If not applicable, enter 0.		0.000000
37.	Rate adjustment for county hospital expenditures.		
	A. 2020 eligible county hospital expenditures Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2019 and ending on June 30, 2020	0	
	B. 2019 eligible county hospital expenditures Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2018 and ending on June 30, 2019	0	
	C. Subtract B from A and divide by Line 32 and multiply by \$100	0.000000	
	D. Multiply B by 0.08 and divide by Line 32 and multiply by \$100	0.000000	
	E. Enter the lessor of C and D, if applicable. If not applicable, enter 0.		0.000000
38.	Adjusted 2020 NNR M&O rate. Add Lines 33, 34D, 35D, 36E, and 37E.		0.560298
39.	2020 voter-approval M&O rate. Enter the rate as calculated by the appropriate scenario below. Special Taxing Unit If the taxing unit qualifies as a special taxing unit, multiply Line 38 by 1.08 -or- Other Taxing Unit If the taxing unit does not qualify as a special taxing unit, multiply Line 38 by 1.035. -or- Taxing unit affected by disaster declaration If the taxing unit is located in an area declared as disaster area, the governing body may direct the person calculating the voter-approval rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval rate in this manner until the earlier of 1) the second year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred, and 2) the third tax year after the tax year in which the disaster occurred. If the taxing unit qualifies under this scenario, multiply Line 38 by 1.08. [27]		0.605121

Line	Voter Approval Tax Rate Activity	Attachment	Amount/Rate
40.	Total 2020 debt to be paid with property taxes and additional sales tax revenue. Debt means the interest and principal that will be paid on debts that: (1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year, and (4) are not classified in the taxing unit's budget as M&O expenses.		
	A. Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. Enter debt amount	13,676,880	
	B. Subtract unencumbered fund amount used to reduce total debt.	958,025	
	C. Subtract certified amount spent from sales tax to reduce debt (enter zero if none)	0	
	D. Subtract amount paid from other resources	2,037,912	
	E. Adjusted debt Subtract B, C and D from A		10,680,943
41.	Certified 2019 excess debt collections Enter the amount certified by the collector.		0
42.	Adjusted 2020 debt Subtract Line 41 from Line 40E		10,680,943
43.	2020 anticipated collection rate.		
	A. Enter the 2020 anticipated collection rate certified by the collector	100.27	
	B. Enter the 2019 actual collection rate	100.85	
	C. Enter the 2018 actual collection rate	100.27	
	D. Enter the 2017 actual collection rate	100.93	
	E. If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%.		100.27
44.	2020 debt adjusted for collections. Divide Line 42 by Line 43E.		10,652,182
45.	2020 total taxable value. Enter the amount on Line 21 of the No-New-Revenue Tax Rate Worksheet.		4,561,327,837
46.	2020 debt rate Divide Line 44 by Line 45 and multiply by \$100.		0.233532
47.	2020 voter-approval tax rate. Add Line 39 and 46.		0.838653
48.	COUNTIES ONLY. Add together the voter-approval tax rate for each type of tax the county levies. The total is the 2020 county voter-approval tax rate.		
STEP 3 NNR Tax Rate and Voter-Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes			

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
49.	Taxable sales. For taxing units that adopted the sales tax in November 2019 or May 2020, enter the Comptroller's estimate of taxable sales for the previous four quarters [32]. Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2019, skip this line.	0
50.	Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue.[33] Taxing units that adopted the sales tax in November 2019 or in May 2020. Multiply the amount on Line 49 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95 [34] -or- Taxing units that adopted the sales tax before November 2019. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	0

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
51.	2020 total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	Attachment 1 4,561,327,837
52.	Sales tax adjustment rate. Divide Line 50 by Line 51 and multiply by \$100.	0.000000
53.	2020 NNR tax rate, unadjusted for sales tax [35]. Enter the rate from Line 26 or 27, as applicable, on the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$.787935
54.	2020 NNR tax rate, adjusted for sales tax. Taxing units that adopted the sales tax in November 2019 or in May 2020. Subtract Line 52 from Line 53. Skip to Line 55 if you adopted the additional sales tax before November 2019.	\$.787935
55.	2020 voter-approval tax rate, unadjusted for sales tax. [36] Enter the rate from Line 47 or Line 48 as applicable, of the <i>Voter-Approval Tax Rate Worksheet</i>	0.838653
56.	2020 voter-approval tax rate, adjusted for sales tax. Subtract Line 52 from Line 55.	0.838653

[37]Tex. Tax Code Section [38]Tex. Tax Code Section

STEP 4: Additional Rollback Protection for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O Funds to pay for a facility, device or method for the control of air, water or land pollution.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Line	Activity	Amount/Rate
57.	Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ [37]. The taxing unit shall provide its tax assessor-collector with a copy of the letter.[38]	\$0
58.	2020 total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$4,561,327,837
59.	Additional rate for pollution control. Divide Line 57 by Line 58 and multiply by \$100.	0.000000
60.	2020 voter-approval tax rate, adjusted for pollution control. Add Line 59 to one of the following lines (as applicable): Line 47, Line 48 (counties) or Line 56 (taxing units with the additional sales tax).	0.838653

[37]Tex. Tax Code Section

[38]Tex. Tax Code Section

STEP 5: Voter-Approval Tax Rate Adjustment for Unused Increment Rate

The unused increment rate is the rate equal to the difference between the adopted tax rate and voter-approval tax rate before the unused increment rate for the prior three years [39]. In a year where a special taxing unit adopts a rate above the voter-approval tax rate by applying any portion of the unused increment rate, the unused increment rate for that year would be zero.

For each tax year before 2020, the difference between the adopted tax rate and voter-approval rate is considered zero, therefore the unused increment rate for 2020 is zero.[40]

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit. [41]

Line	Activity	Amount/Rate
61.	2019 unused increment rate. Subtract the 2019 actual tax rate and the 2019 unused increment rate from the 2019 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	0.000000
62.	2018 unused increment rate. Subtract the 2018 actual tax rate and the 2018 unused increment rate from the 2018 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	0.000000
63.	2017 unused increment rate. Subtract the 2017 actual tax rate and the 2017 unused increment rate from the 2017 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	0.000000
64.	2020 unused increment rate. Add Lines 61, 62 and 63.	0.000000
65.	2020 voter-approval tax rate, adjusted for unused increment rate. Add Line 64 to one of the following lines (as applicable): Line 47, Line 48 (counties), Line 56 (taxing units with the additional sales tax) or Line 60 (taxing units with pollution control).	

STEP 6: De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit.[42]

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit. [43]

Line	Activity	Amount/Rate
66.	Adjusted 2020 NNR M&O tax rate. Enter the rate from Line 38 of the <i>Voter-Approval Tax Rate Worksheet</i>	0.560298
67.	2020 total taxable value. Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i>	4,561,327,837
68.	Rate necessary to impose \$500,000 in taxes. Divide \$500,000 by Line 67 and multiply by \$100.	0.010961
69.	2020 debt rate Enter the rate from Line 46 of the <i>Voter- Approval Tax Rate Worksheet</i>	0.233532
70.	De minimis rate Add Lines 66, 68 and 69.	0.804791

STEP 7: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-new-revenue tax rate	0.787935
Voter-Approval Tax Rate	0.838653
De minimis rate	0.804791

STEP 8: Taxing Unit Representative Name and Signature

print here Wendy Badgett
Printed Name of Taxing Unit Representative

sign here Wendy Badgett
Taxing Unit Representative

08.04.2020
Date



CITY OF ROWLETT COUNCIL AGENDA ITEM

AGENDA DATE: 08/10/2020

AGENDA ITEM: 3A

TITLE

Departmental Presentations for the Fiscal Year 2021 (FY2021) Proposed Budget. (180 minutes)

STAFF REPRESENTATIVE

Brian Funderburk, City Manager

EXECUTIVE SUMMARY

As part of an overall strategic priority to govern transparently and inclusively, the City Council has adopted a goal to provide accurate and timely information to policy makers and the public. Providing City Council with insights into operational challenges, resource realities, and departmental strategies in parallel with the FY2021 budget proposal helps promote the priority. The purpose of this item is present a departmental perspective on the FY2021 budget to the City Council.

STRATEGIC PRIORITY AND GOAL(S)

Strategic Priority	Strategic Goal
 <p>GOVERN TRANSPARENTLY & INCLUSIVELY</p>	<p>1.8 Provide accurate and timely information to policy makers and the public.</p>

BACKGROUND INFORMATION

The City Manager presented the proposed City budget for FY2021 to the City Council on August 4, 2020. The remaining schedule for budget work sessions and public hearing is as follows.

- August 10 City Council Budget Work Session
- August 13 City Council Budget Work Session
- August 18 1st Public Hearing on Proposed Tax Rate and public comments on proposed budget
- August 25 City Council Budget Work Session
- September 14 2nd Public Hearing on Tax Rate, Public Hearing on Proposed Budget
- September 15 City Council meeting to adopt tax rate and budget ordinances
- October 1 Begin Fiscal Year 2021

DISCUSSION

The August 10, 2020 presentations will cover the Fire, Police, Public Works, Economic Development, and Community Development departments (subject to change).

A complete copy of the City Manager's budget proposal is available on the City's website at <https://www.ci.rowlett.tx.us/DocumentCenter/View/21301/FY2021-Proposed-Budget>

FINANCIAL/BUDGET IMPLICATIONS

N/A

RECOMMENDED ACTION

There is no action necessary. Presentation only.