



# CITY OF ROWLETT CITY COUNCIL SPECIAL MEETING AGENDA

*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.*

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Wednesday, September 21, 2022

5:30 P.M.

Municipal Building – 4000 Main St.

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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.

**Process for Public Input: If you are not able to attend in person, you may complete the [Citizen Input Form](#) on the City's website by 3:30 p.m. the day of the meeting. All forms will be forwarded to the City Council prior to the start of the meeting.**

**For in-person comments, registration forms/instructions are available inside the door of the City Council Chambers.**

**1. CALL TO ORDER**

**2. EXECUTIVE SESSION**

**2A.** The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.074 (Personnel) to interview and deliberate on the candidate for the Presiding Municipal Judge position. (60 minutes) **THIS ITEM WILL BE DISCUSSED FOLLOWING THE REGULAR SESSION.**

**3. INDIVIDUAL CONSIDERATION**

**3A.** Consider action to approve an ordinance adopting the budget for fiscal year 2022-2023 (FY2023).

**3B.** Consider an ordinance approving and adopting the proposed ad valorem tax rate of \$0.681000 per \$100 of taxable value for fiscal year 2022-23 (FY2023).

**3C.** Consider action to ratify the property tax revenue increase reflected in the Budget for FY2023.

**TAKE ANY NECESSARY OR APPROPRIATE ACTION ON CLOSED/EXECUTIVE SESSION MATTERS**

**4. ADJOURNMENT**

*Laura Hallmark*

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Laura Hallmark, City Secretary

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](http://www.rowlett.com)) on the 16<sup>th</sup> day of September 2022, by 5:00 p.m.

***City of Rowlett City Council meetings are available to all persons regardless of disability. If you require special assistance, 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](http://www.rowlett.com)***



## CITY OF ROWLETT COUNCIL AGENDA ITEM


**AGENDA DATE:** 09/21/2022

**AGENDA ITEM:** 2A

### **TITLE**

The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.074 (Personnel) to interview and deliberate on the candidate for the Presiding Municipal Judge position. (60 minutes) **THIS ITEM WILL BE DISCUSSED FOLLOWING THE REGULAR SESSION.**

### **STRATEGIC PRIORITY AND GOAL(S)**

Strategic Priority	Strategic Goal
 <p><b>PROMOTE OPERATIONAL EXCELLENCE</b></p>	7.2 Become an employer of choice.



# CITY OF ROWLETT COUNCIL AGENDA ITEM

**AGENDA DATE:** 09/21/2022

**AGENDA ITEM:** 3A

## TITLE

Consider action to approve an ordinance adopting the budget for fiscal year 2022-2023 (FY2023).


## STAFF REPRESENTATIVE

Robert D. Cone, Budget Officer

## EXECUTIVE SUMMARY

Development of the budget for fiscal year beginning October 1, 2022 and ending September 30, 2023 (FY2023) was initiated in February 2022. Since the initiation, City Manager, Finance Department, Executive Team, and various City staff have been working on different aspects of the proposed budget for consideration by City Council. The budget process culminates with the final adoption of the budget document and financial plan.

## STRATEGIC PRIORITY AND GOAL(S)

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

## BACKGROUND INFORMATION

By Charter, the City Manager is required to prepare and submit a budget to City Council with sufficient time to provide for all necessary hearings prior to October 1<sup>st</sup>. The City Council then adjusts the document to make it fit their vision for what is appropriate for the City. Finally, it is reviewed by the citizens directly, who may give their input for final adjustments. The City Manager presented the proposed FY2023 budget on August 2, 2022. The City Council held budget work sessions on August 18 and August 22, 2022, and the public hearing was held on September 20, 2022.

## DISCUSSION

Since presenting the recommended budget on August 2, 2022, City Council and staff reviewed the budget submission with department heads, at two budget work sessions, and discussed and analyzed the budget. Based on these meetings, consideration of public comments, and having incorporated input from the City Council, City staff presents the final recommended budget of the City Manager today, September 21, 2022.

The items revised from the budget proposal of August 2, 2022, through the final adopted budget on September 21, 2022, are as follows:

	Proposed Budget 8/3/2022	Proposed Budget as Revised 9/20/2022	Change
<b>General Fund</b>			
Property Tax Revenues	\$ 34,315,004	\$ 34,673,054	\$ 358,050
Sales Tax Revenues	\$ 8,800,464	\$ 8,806,763	\$ 6,299
Transfers In	\$ 4,735,787	\$ 5,162,914	\$ 427,127
Total Revenue Change			791,476
General Fund - Non-Personnel Costs			
Neighborhood Life	226,194	228,194	2,000
Information Technology	2,264,155	2,278,844	14,689
Non-Departmental	2,163,022	2,178,022	15,000
Police Department	15,773,331	16,378,163	604,832
Animal Services	544,802	575,011	30,209
Fire Operations	11,728,485	11,753,231	24,746
Public Works Administration	421,099	496,099	75,000
Transfer out to General Capital Maintenance Fund	2,663,844	2,723,844	60,000
Parks Admin	359,591	423,591	64,000
Parks Maintenance	2,760,059	2,851,059	91,000
Wetzone	446,085	546,085	100,000
Total Expense Change			1,081,476
Net Change			(290,000)
<b>Debt Service Fund</b>			
Property Tax Revenues	\$ 12,096,000	\$ 10,350,690	\$ (1,745,310)
Total Revenue Change			(1,745,310)
Total Expense Change			-
Net Change			(1,745,310)

	Proposed Budget 8/3/2022	Proposed Budget as Revised 9/20/2022	Change
<b>Utility Fund</b>			
Personnel	3,565,599	3,568,247	2,648
Total Expense Change			2,648
Net Change			2,648
<b>Capital Improvement Funds</b>			
Transfer in from General Fund	\$ 2,663,844	\$ 2,723,844	\$ 60,000
Transfer in from Special Revenue	\$ 6,496	\$ 4,652,631	\$ 4,646,135
Total Revenue Change			4,706,135
Capital Projects	6,118,031	10,824,166	4,706,135
Total Expense Change			4,706,135
Net Change			-
<b>Other Governmental Funds</b>			
Property Tax Revenues	\$ 1,512,962	\$ 1,420,339	\$ (92,623)
Total Revenue Change			(92,623)
Purchase Services	1,448,900	1,370,886	\$ (78,014)
Transfer to General Fund	-	427,127	\$ 427,127
Transfer to GF Capital Projects	-	2,904,801	\$ 2,904,801
Transfer to UF Capital Projects	-	1,741,334	\$ 1,741,334
Total Expense Change			4,995,248
Net Change			(5,087,871)

City Council agreed to the following changes to the City Manager's Proposed Budget:

#### General Fund

- Property Tax revenue budget increased by \$358,050 based upon the Certified Values and Worksheet from Dallas County and Council setting a \$0.68100 tax rate.
- Sales Tax revenues were increased by \$6,299.
- ARPA-funded transfers added \$427,127 in one-time General Fund revenue.
- \$2,000 added to Rowlett Diversity, Equity and Inclusion Committee (RDEIC).
- \$14,689 added to fund police officer equipment, add a website chatbot and to cover an increase to our public safety radio contract.
- \$15,000 increase to Rowlett Citizen Corps Council (RCCC) to assist with costs related to their headquartering in old Fire Station #2.
- \$604,832 to add 4.0 FTE Police Officers, equipment, 2 patrol vehicles, and a Cybercrime workstation.
- \$30,209 for Animal Services to increase pet food budget to \$25,000 and to promote an Animal Services Officer to a Senior Animal Services Officer.

- \$24,746 allocated for Fire Operations to purchase a Knox KeySecure unit for commercial emergency key storage.
- \$75,000 to install a generator quick connect on the Rowlett Community Centre.
- \$60,000 to re/establish a non-income-based 50/50 sidewalk program (\$50,000) and an increase to the Art Acquisition fund (\$10,000).
- \$60,000 for Senior Citizens of Rowlett (SCOR) for senior counseling and \$4,000 to establish a budget for the Parks Advisory Board.
- \$91,000 for Downtown Landscaping (\$60,000) and HWY66 median xeriscaping (\$31,000).
- \$100,000 to replace the perimeter fencing at the Wet Zone.

#### **Debt Service Fund**

- Property Tax revenue budget decreased by \$1,745,310 based upon revised Certified Worksheet estimates from Dallas County due to prior year's collections of property taxes related to the senior tax freeze calculations.

#### **Utility Fund**

- Personnel increased by \$2,648 due to the promotion of a maintenance specialist to a water quality technician.

#### **General Fund Capital Projects Fund**

- Revenues and Expenses increased by a total of \$2,964,801 due to the increase in General Fund transfer for the 50/50 Sidewalk Program (\$50,000) and the Art Acquisition (\$10,000) Program. The Disaster Fund is transferring \$2,904,801 of allocated ARPA funds to be used on IT Projects (\$826,6000), Police Department communications upgrade (\$781,201), Landmine Planning (\$1,500,000) with the balance reserved for project cost overruns (\$500,000).

#### **Utility Fund Capital Projects Fund**

- Revenues and Expenses increased by a total of \$1,741,334 due to a transfer of ARPA funding from the Disaster Fund to be used for the purchase and installation of Lift Station generators.

#### **Other Governmental Funds**

- Within the Other Governmental Funds, Council approved a \$1,400 operational increase to the Arts and Humanities Commission to be funded by the Hotel/Motel Fund, with the remaining budget adjustments representing Disaster Fund transfers outlined above and the necessary balancing of the TIF's due to changes resulting from the Certified Property Tax Worksheet.

The Other Governmental funds are not adopted as part of FY2023 budget and are included for informational purposes only.

## **Personnel**

The FY2023 proposed budget includes a total of 514.27 FTE, an increase of 9.0 FTE from the current FY2022 level of staffing.

## **FINANCIAL/BUDGET IMPLICATIONS**

This agenda item will adopt the FY2023 Budget. The FY2023 revenue budget is \$161 million and expense budget is \$168 million. The budget includes a \$6.5 million net decrease in reserves.

## **RECOMMENDED ACTION**

Staff recommends that the Council consider and adopt the Fiscal Year 2022 – 2023 budget, as follows:

“I move that Council adopt an ordinance approving the Fiscal Year 2022 – 2023 Budget as presented.”

The adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the property tax increase reflected in the budget. This ratification vote must be separate and in addition to the vote to approve the budget and will be held after the vote to adopt the tax rate. (See, Texas Local Gov't Code, §102.007(c)).

## **ORDINANCE**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, APPROVING AND ADOPTING A BUDGET FOR THE FISCAL YEAR OCTOBER 1, 2022 THROUGH SEPTEMBER 30, 2023; AND PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR BE MADE IN ACCORDANCE WITH SAID BUDGET; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, an annual budget for the fiscal year beginning October 1, 2022 and ending September 30, 2023 has been duly created by the budget officer of the City of Rowlett, Texas in accordance with Chapter 102 of the Texas Local Government Code; and

**WHEREAS**, the City Manager for the City of Rowlett filed the proposed budget in the office of the City Secretary on August 2, 2022 and the proposed budget was made available for public inspection in accordance with Chapter 102 of the Local Government Code; and

**WHEREAS**, one public hearing was held in accordance with State law by the City of Rowlett on September 20, 2022 and in accordance with Chapter 102 of the Local Government Code, following due publication of notice thereof, at which time all citizens and parties of interest were given the opportunity to be heard regarding the proposed FY2023 Budget; and

**WHEREAS**, after full and final consideration, it is the opinion of the City Council of the City of Rowlett that the FY2023 budget of revenues and expenditures as hereinafter set forth should be adopted and approved.



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

**SECTION 1:** That the annual budget of revenues and expenditures necessary for conducting the affairs of the City of Rowlett for Fiscal Year 2022 – 2023 (FY2023), beginning October 1, 2022, and ending September 30, 2023, a true and correct copy of which is attached hereto and incorporated herein as Exhibit A, providing for a financial plan for the ensuing fiscal year, be and is hereby approved and adopted.

**SECTION 2:** That expenditures during the fiscal year FY2023 shall be made in accordance with the budget adopted herein, unless otherwise authorized by proper amendment; and said budget shall be on file for public inspection in the office of the City Secretary. Upon approval of the budget, the budget officer shall file a true copy thereof with the County Clerk as required by law.

**SECTION 3:** That unless modified otherwise by the City Council, the remaining budget for all capital improvements from FY2022 not completed or started as of September 30, 2022, will be automatically carried over into FY2023. Furthermore, funds for the capital improvements listed for FY2023 (attached hereto and incorporated herein as Exhibit A) are hereby appropriated and the entire Capital Improvements Plan for fiscal year ending 2023 is hereby adopted.

**SECTION 4:** That all budget amendments and transfers of appropriations budgeted from one account or activity to another for the prior fiscal year be and are hereby ratified, and the budget ordinances, heretofore enacted by the City Council, be and are hereby amended to the extent of such transfers and amendments for all purposes.

**SECTION 5:** That should any word, sentence, section, subsection, subdivision, paragraph, clause, phrase or provision of this ordinance be adjudged invalid or held unconstitutional, the same shall not affect the validity of this ordinance as a whole or any part or provision hereof, other than the part so decided to be invalid or unconstitutional.

**SECTION 6:** That all provisions of the ordinances of the City of Rowlett in conflict with the provisions of this ordinance be and the same are hereby repealed, and all other provisions of the ordinances of the City of Rowlett not in conflict with the provisions of this ordinance shall remain in full force and effect.

**SECTION 7:** This ordinance shall become effective immediately upon its passage as the law and charter in such cases provide.

**ATTACHMENTS**

Exhibit A – City of Rowlett FY2023 Budget

## FY2023 CITY OF ROWLETT BUDGET

### GENERAL FUND

#### *Revenue Summary*

Revenues	FY2021 Actual	FY2022 Adopted Budget	FY2022 Revised Budget	FY2023 Adopted Budget
Beginning Reserves	\$ 10,925,207	\$ 10,709,190	\$ 14,355,843	\$ 13,341,724
Tax Revenues:				
Current taxes	28,741,820	30,160,265	30,259,645	34,673,054
Delinquent taxes	162,111	170,000	170,000	170,000
Penalty & Interest	123,440	110,000	110,000	110,000
City sales tax	8,089,146	7,657,582	7,812,222	8,806,763
Mixed drink tax	98,048	96,000	96,000	110,000
<b>Total</b>	<b>37,214,565</b>	<b>38,193,847</b>	<b>38,447,867</b>	<b>43,869,817</b>
Franchise Fees:				
Electric	1,537,049	1,615,462	1,615,462	1,615,000
Gas	520,532	522,233	522,233	523,000
Telephone	22,494	25,000	25,000	20,000
Cable	650,827	693,504	693,504	618,000
<b>Total</b>	<b>2,730,902</b>	<b>2,856,199</b>	<b>2,856,199</b>	<b>2,776,000</b>
Licenses and Permits:				
Food service	76,431	50,000	50,000	72,500
Protective alarm	107,692	138,603	138,603	130,000
Building structures	869,945	750,000	750,000	796,000
Contractor permits	253,518	150,000	150,000	165,000
Contractor regis.	92,572	55,000	55,000	50,000
Special permits	63,625	50,000	50,000	55,000
Takeline fees	9,180	5,000	5,000	4,000
Rental Inspection	62,260	60,000	60,000	87,000
Misc. permits	17,950	20,000	20,000	21,000
<b>Total</b>	<b>1,553,173</b>	<b>1,278,603</b>	<b>1,278,603</b>	<b>1,380,500</b>
Charges for Service:				
GISD resource officer	281,690	276,150	276,150	289,000
Ambulance fees	1,155,496	915,000	915,000	989,000
Fire Training Facility	-	50,000	50,000	15,000
911 Emergency	471,429	473,000	473,000	473,000
Animal control fees	33,278	34,900	34,900	25,400
Mowing fees	96,570	90,000	90,000	90,000
Rezoning fees	42,660	60,000	60,000	25,000
New addition filing	178,792	80,000	80,000	86,000
Community Centre	274,061	608,112	608,112	655,188
Wet Zone	368,547	370,407	370,407	446,085
Library fees	6,037	9,500	9,500	7,500
Misc. fees	132,266	141,815	141,815	140,527
<b>Total</b>	<b>3,040,826</b>	<b>3,108,884</b>	<b>3,108,884</b>	<b>3,241,700</b>

**GENERAL FUND**

***Revenue Summary***

Revenues	FY2021 Actual	FY2022 Adopted Budget	FY2022 Revised Budget	FY2023 Adopted Budget
<b>Fines and Forfeitures:</b>				
Municipal court fines	553,184	634,000	634,000	634,000
Library fines	7,937	13,695	13,695	9,725
<b>Total</b>	<b>561,121</b>	<b>647,695</b>	<b>647,695</b>	<b>643,725</b>
<b>Other:</b>				
Interest earnings	7,868	75,000	75,000	75,000
Miscellaneous	85,107	110,000	110,000	95,000
Insurance payments	101,499	66,500	66,500	66,500
Rentals/Leases	652,798	584,365	584,365	577,167
Donations	15,941	17,000	17,000	17,000
<b>Total</b>	<b>863,213</b>	<b>852,865</b>	<b>852,865</b>	<b>830,667</b>
<b>Internal Transfers:</b>				
Utility G&A	2,715,624	2,900,181	2,900,181	2,861,880
Employee Benefits G&A	508,176	181,711	181,711	162,931
Utility in lieu of franch.	1,614,794	1,695,111	1,695,111	1,695,976
Special Revenue	585,325	332,854	332,854	442,127
<b>Total</b>	<b>5,423,919</b>	<b>5,109,857</b>	<b>5,109,857</b>	<b>5,162,914</b>
<b>Total Revenues</b>	<b>51,387,719</b>	<b>52,047,950</b>	<b>52,301,970</b>	<b>57,905,323</b>
<b>Total Resources</b>	<b>\$ 62,312,926</b>	<b>\$ 62,757,140</b>	<b>\$ 66,657,813</b>	<b>\$ 71,247,047</b>

# FY2023 CITY OF ROWLETT BUDGET

## GENERAL FUND

### *Expenditure Summary*

Expenditures	FY2021 Actual	FY2022 Adopted Budget	FY2022 Revised Budget	FY2023 Adopted Budget
Personnel	\$ 33,696,857	\$ 36,944,471	\$ 36,780,063	\$ 41,097,410
Supplies	1,991,416	2,293,774	2,602,572	2,351,160
Purchase Services	8,329,469	9,274,645	9,808,458	9,832,239
Capital Outlay	482,362	445,501	564,252	603,496
Transfers Out	3,456,979	3,544,958	3,560,744	4,021,018
Total	\$ 47,957,083	\$ 52,503,349	\$ 53,316,089	\$ 57,905,323

By Division	FY2021 Actual	FY2022 Adopted Budget	FY2022 Revised Budget	FY2023 Adopted Budget
City Council	\$ 98,384	\$ 150,341	\$ 239,824	\$ 224,735
City Manager	913,656	1,212,512	1,106,945	1,195,780
City Secretary	536,897	573,975	573,975	599,992
Community Development	2,514,742	2,946,180	2,902,630	3,092,167
Engineering	152,218	793,310	645,605	741,626
Finance	1,179,148	1,312,310	1,295,348	1,550,701
Fire	12,050,597	13,308,074	13,461,777	14,589,573
Human Resources	651,407	740,152	765,053	809,785
Information Technology	2,341,221	2,450,251	2,532,572	2,542,742
Judicial Services	823,056	920,510	862,260	920,670
Library	1,296,649	1,393,303	1,391,990	1,477,606
Parks and Recreation	3,647,300	4,445,475	4,394,584	4,838,422
Police	12,977,369	13,962,677	13,686,709	16,378,163
Public Works	3,769,323	3,929,022	4,168,496	3,982,995
Non-Departmental	5,005,116	4,365,257	5,288,321	4,960,366
Total	\$ 47,957,083	\$ 52,503,349	\$ 53,316,089	\$ 57,905,323

Staffing	FY2021 Actual	FY2022 Adopted Budget	FY2022 Revised Budget	FY2023 Adopted Budget
City Council	3.50	4.50	4.50	4.50
City Manager	6.00	7.00	7.00	7.00
City Secretary	4.00	4.00	4.00	4.00
Community Development	29.88	30.13	30.13	30.10
Engineering	1.00	7.00	6.25	6.25
Finance	11.00	11.00	11.00	12.00
Fire	86.85	93.00	93.00	93.00
Human Resources	5.00	5.00	5.00	5.00
Information Technology	9.50	9.50	9.50	9.50
Judicial Services	9.00	9.00	8.50	8.50
Library	14.50	14.50	14.50	14.50
Parks and Recreation	57.50	57.50	57.50	57.50
Police	126.65	132.65	132.65	140.65
Public Works	30.50	27.00	27.90	27.90
Total	394.88	411.78	411.43	420.40

**FY2023 CITY OF ROWLETT BUDGET**

**ECONOMIC DEVELOPMENT FUND**

	FY2021 Actual	FY2022 Adopted Budget	FY2022 Revised Budget	FY2023 Adopted Budget
Beginning Reserves	\$ 1,714,582	\$ 1,664,239	\$ 1,919,991	\$ 2,073,136
Current Revenues:				
Interest Income	1,066	3,225	3,225	3,225
Sales Tax Transfer	184,448	200,000	200,000	-
Transfers In	738,837	735,044	735,044	832,834
Current Revenues	<u>924,351</u>	<u>938,269</u>	<u>938,269</u>	<u>836,059</u>
Available Resources	<u>2,638,933</u>	<u>2,602,508</u>	<u>2,858,260</u>	<u>2,909,195</u>
Expenditures:				
Personnel	404,245	461,307	461,307	465,355
Supplies	1,948	5,500	5,500	5,500
Purchase Services	181,798	233,310	233,310	286,428
Other	130,951	85,007	85,007	59,400
Total Expenditures	<u>718,942</u>	<u>785,124</u>	<u>785,124</u>	<u>816,683</u>
Net Change	<u>205,409</u>	<u>153,145</u>	<u>153,145</u>	<u>19,376</u>
Ending Reserves	<u>\$ 1,919,991</u>	<u>\$ 1,817,384</u>	<u>\$ 2,073,136</u>	<u>\$ 2,092,512</u>

**DEBT SERVICE FUND**

	FY2021 Actual	FY2022 Adopted Budget	FY2022 Revised Budget	FY2023 Adopted Budget
Beginning Reserves	\$ 1,290,986	\$ 1,837,779	\$ 1,728,545	\$ 1,985,625
Current Revenues:				
Current Taxes	12,067,076	11,562,593	11,600,693	10,235,690
Delinquent Taxes	67,444	70,000	70,000	70,000
Penalty & Interest	51,838	45,000	45,000	45,000
Interest Income	2,885	6,250	6,250	6,200
Transfers In	244,240	245,790	245,790	242,200
Current Revenues	12,433,483	11,929,633	11,967,733	10,599,090
Available Resources	13,724,469	13,767,412	13,696,278	12,584,715
Expenditures:				
Debt Service	11,883,208	11,610,653	11,610,653	12,013,900
Purchase Services	112,716	100,000	100,000	107,000
Total Expenditures	11,995,924	11,710,653	11,710,653	12,120,900
Net Change	437,559	218,980	257,080	(1,521,810)
Ending Reserves	\$ 1,728,545	\$ 2,056,759	\$ 1,985,625	\$ 463,815

## FY2023 CITY OF ROWLETT BUDGET

### UTILITY FUND

	FY2021 Actual	FY2022 Adopted Budget	FY2022 Revised Budget	FY2023 Adopted Budget
Beginning Reserves	\$ 12,527,694	\$ 11,731,395	\$ 13,215,687	\$ 15,772,847
Current Revenues:				
Water	17,399,419	19,214,539	19,214,539	19,306,934
Wastewater	14,055,838	13,777,837	13,777,837	13,702,731
Miscellaneous	840,625	909,853	909,853	909,853
Interest	6,257	14,750	14,750	14,750
Transfers In	110,424	83,939	83,939	95,525
Gain/Loss Sale of Assets	7,397	-	-	-
Current Revenues	<u>32,419,960</u>	<u>34,000,918</u>	<u>34,000,918</u>	<u>34,029,793</u>
Available Resources	<u>44,947,654</u>	<u>45,732,313</u>	<u>47,216,605</u>	<u>49,802,640</u>
Expenditures:				
Personnel	2,562,950	3,325,180	3,294,658	3,568,247
Supplies	286,756	578,885	550,062	614,102
Purchase Services	15,400,395	15,923,561	15,999,038	17,200,479
Capital Outlay	22,534	-	-	-
Debt Service	4,820,036	5,168,980	5,168,980	5,617,771
Transfers Out	8,639,296	6,431,019	6,431,020	6,682,466
Total Expenditures	<u>31,731,967</u>	<u>31,427,625</u>	<u>31,443,758</u>	<u>33,683,065</u>
Net Change	<u>687,993</u>	<u>2,573,293</u>	<u>2,557,160</u>	<u>346,728</u>
Ending Reserves	<u>\$ 13,215,687</u>	<u>\$ 14,304,688</u>	<u>\$ 15,772,847</u>	<u>\$ 16,119,575</u>



**FY2023 CITY OF ROWLETT BUDGET****REFUSE FUND**

	FY2021 Actual	FY2022 Adopted Budget	FY2022 Revised Budget	FY2023 Adopted Budget
Beginning Reserves	\$ 551,704	\$ 604,294	\$ 576,972	\$ 633,593
Current Revenues:				
Charges for Services	6,600,670	6,574,502	6,574,502	6,980,923
Interest Income	369	3,535	3,535	3,535
Miscellaneous	2,691	2,100	2,100	2,100
Current Revenues	<u>6,603,730</u>	<u>6,580,137</u>	<u>6,580,137</u>	<u>6,986,558</u>
Available Resources	<u>7,155,434</u>	<u>7,184,431</u>	<u>7,157,109</u>	<u>7,620,151</u>
Expenditures:				
Personnel	35,014	56,136	56,136	53,958
Purchase Services	5,895,628	5,737,572	5,737,572	6,133,008
Transfers Out	647,820	729,808	729,808	754,163
Total Expenditures	<u>6,578,462</u>	<u>6,523,516</u>	<u>6,523,516</u>	<u>6,941,129</u>
Net Change	<u>25,268</u>	<u>56,621</u>	<u>56,621</u>	<u>45,429</u>
Ending Reserves	<u>\$ 576,972</u>	<u>\$ 660,915</u>	<u>\$ 633,593</u>	<u>\$ 679,022</u>

**DRAINAGE FUND**

	FY2021 Actual	FY2022 Adopted Budget	FY2022 Revised Budget	FY2023 Adopted Budget
Beginning Reserves	\$ 675,419	\$ 718,174	\$ 752,560	\$ 757,880
Current Revenues:				
Charges for Services	1,437,417	1,450,104	1,450,104	1,479,372
Interest Income	362	2,500	2,500	-
Miscellaneous	-	-	-	-
Current Revenues	<u>1,437,779</u>	<u>1,452,604</u>	<u>1,452,604</u>	<u>1,479,372</u>
Available Resources	<u>2,113,198</u>	<u>2,170,778</u>	<u>2,205,164</u>	<u>2,237,252</u>
Expenditures:				
Personnel	96,400	121,630	121,630	134,071
Supplies	62,271	54,310	54,370	56,491
Purchase Services	107,034	120,853	135,653	120,853
Capital Outlay	-	-	-	-
Debt Service	337,625	344,375	344,375	345,250
Transfers Out	757,308	791,256	791,256	814,994
Total Expenditures	<u>1,360,638</u>	<u>1,432,424</u>	<u>1,447,284</u>	<u>1,471,659</u>
Net Change	<u>77,141</u>	<u>20,180</u>	<u>5,320</u>	<u>7,713</u>
Ending Reserves	\$ <u>752,560</u>	\$ <u>738,354</u>	\$ <u>757,880</u>	\$ <u>765,593</u>

**GOLF FUND**

	FY2021 Actual	FY2022 Adopted Budget	FY2022 Revised Budget	FY2023 Adopted Budget
Beginning Reserves	\$ 168,612	\$ 253,014	\$ 269,652	\$ 266,754
Current Revenues:				
Charges for Service	282,388	254,442	254,442	250,362
Interest Income	103	1,902	1,902	1,902
Transfers In	81,388	25,000	25,000	25,000
Current Revenues	<u>363,879</u>	<u>281,344</u>	<u>281,344</u>	<u>277,264</u>
Available Resources	<u>532,491</u>	<u>534,358</u>	<u>550,996</u>	<u>544,018</u>
Expenditures:				
Legal and professional	18,599	33,652	38,452	8,172
Purchase Services	-	-	-	-
Transfers Out	244,240	245,790	245,790	242,200
Total Expenditures	<u>262,839</u>	<u>279,442</u>	<u>284,242</u>	<u>250,372</u>
Net Change	<u>101,040</u>	<u>1,902</u>	<u>(2,898)</u>	<u>26,892</u>
Ending Reserves	<u>\$ 269,652</u>	<u>\$ 254,916</u>	<u>\$ 266,754</u>	<u>\$ 293,646</u>

**EMPLOYEE BENEFITS FUND**

	FY2021 Actual	FY2022 Adopted Budget	FY2022 Revised Budget	FY2023 Adopted Budget
Beginning Reserves	\$ 1,486,125	\$ 1,148,550	\$ 1,594,884	\$ 1,778,658
Current Revenues:				
Employee Contributions	1,041,916	1,024,599	1,024,599	1,088,615
City Contributions	5,188,239	5,195,992	5,195,992	5,911,065
Retiree Contributions	24,531	10,000	10,000	10,000
City HRA Contributions	45,917	55,750	55,750	55,750
Payments from Stop Loss	-	-	-	-
OPEB Contribution	-	-	-	-
Interest Income	-	100	100	100
Other	963,065	280,000	280,000	280,000
Current Revenues	<u>7,263,668</u>	<u>6,566,441</u>	<u>6,566,441</u>	<u>7,345,530</u>
Available Resources	<u>8,749,793</u>	<u>7,714,991</u>	<u>8,161,325</u>	<u>9,124,188</u>
Expenditures:				
Benefits Administration	387,688	385,760	385,760	399,950
Individual Stop Loss	950,814	1,070,558	1,070,558	1,200,440
Benefit Payments	4,852,583	4,317,489	4,317,489	5,187,041
OPEB Distributions	226,529	225,000	225,000	150,000
Personnel	99,217	103,549	103,549	110,799
Purchase Services	90,302	98,600	98,600	124,100
Transfers Out	547,776	181,711	181,711	162,931
Total Expenditures	<u>7,154,909</u>	<u>6,382,667</u>	<u>6,382,667</u>	<u>7,335,261</u>
Net Change	<u>108,759</u>	<u>183,774</u>	<u>183,774</u>	<u>10,269</u>
Ending Reserves	<u>\$ 1,594,884</u>	<u>\$ 1,332,324</u>	<u>\$ 1,778,658</u>	<u>\$ 1,788,927</u>

**FY2023 CITY OF ROWLETT BUDGET**

General Fund - 2021 GO Bond Referendum Capital Projects						
	Series 2022 2023 Proposed	Series 2023 2024 Projected	Series 2024 2025 Projected	Series 2025 2026 Projected	Series 2026 2027 Projected	Total Five Year
Alley Reconstruction	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Concrete Pavement Replacement	1,000,000	1,000,000				2,000,000
Merritt Interconnector	-	2,000,000				2,000,000
Toler Business Park (Phase 1 & 2)	1,539,000	-				1,539,000
Country Aire Estates (Phase 1 & 2)	661,000	-				661,000
East Industrial Street	-	4,119,000				4,119,000
<b>Total</b>	<b>\$ 4,200,000</b>	<b>\$ 7,119,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,319,000</b>

The City's next three-year cycle General Obligation bond election is anticipated to occur in May 2024, with a projected capacity of \$60 million at no tax rate increase.

General Fund - Proposed Series 2023 Certificates of Obligation Capital Project						
	2023 Proposed	2024 Projected	2025 Projected	2026 Projected	2027 Projected	Total Five Year
Combined Public Safety Facility	\$ 12,000,000	\$ -	\$ -	\$ -	\$ -	\$ 12,000,000
<b>Total</b>	<b>\$ 12,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,000,000</b>

Grant Projects						
	2023 Proposed	2024 Projected	2025 Projected	2026 Projected	2027 Projected	Total Five Year
CDBG - Alley Projects	\$ 171,811	\$ 171,811	\$ 171,811	\$ 171,811	\$ 171,811	\$ 859,055
CDBG - Salvation Army Rental Assistance	30,000	30,000	30,000	30,000	30,000	150,000
CDBG - Crime Prevention Program	9,649	9,649	9,649	9,649	9,649	48,245
<b>Total</b>	<b>\$ 211,460</b>	<b>\$ 211,460</b>	<b>\$ 211,460</b>	<b>\$ 211,460</b>	<b>\$ 211,460</b>	<b>\$ 1,057,300</b>

General Fund Capital Maintenance Program						
	2023 Proposed	2024 Projected	2025 Projected	2026 Projected	2027 Projected	Total Five Year
Enterprise Leasing Program	\$ 1,092,255	\$ 1,086,643	\$ 1,778,927	\$ 1,778,927	\$ 1,778,927	\$ 7,515,679
Foam Injection	125,000	125,000	175,000	200,000	175,000	800,000
Crack Seal	185,000	195,000	200,000	200,000	200,000	980,000
Concrete Pavement Repair	418,873	439,158	439,110	433,559	514,117	2,244,817
Alley Improvements	208,439	211,464	214,791	218,452	200,000	1,053,146
Alley Panel Replacement	405,000	405,000	405,000	405,000	500,000	2,120,000
Asphalt Rehabilitation/Overlay	350,000	315,632	359,696	471,165	500,000	1,996,493
Screening Wall Rehabilitation	150,000	150,000	150,000	150,000	150,000	750,000
Sign Replacement/Pavement Marking	90,000	90,000	90,000	90,000	90,940	450,940
Traffic Management Projects	10,962	12,020	13,186	14,466	10,000	60,634
Traffic Signal Repair/Maintenance	30,000	30,000	50,000	50,000	42,030	202,030
Arts Program	50,000	50,000	50,000	50,000	50,000	250,000
Arts Maintenance	10,000	10,000	10,000	10,000	10,000	50,000
Facilities Improvements	200,000	200,000	200,000	200,000	200,000	1,000,000
Park Improvements	90,000	90,000	90,000	90,000	90,000	450,000
Park Master Plan	50,000	-	-	-	-	50,000
Information Technology Improvements	826,600	-	-	-	-	826,600
Police Department Communication Upgrade	78,201	-	-	-	-	78,201
Contingency Reserves	1,500,000	-	-	-	-	1,500,000
Project Cost Overruns	500,000	-	-	-	-	500,000
50/50 Sidewalk Program	50,000	-	-	-	-	50,000
Park Improvements (Income Based)	41,811	41,811	41,811	41,811	41,811	209,055
Sidewalk Replacement (Income Based)	50,000	50,000	50,000	50,000	50,000	250,000
Salvation Army Utility Assistance (Income Based)	20,000	20,000	20,000	20,000	20,000	100,000
Life Message	20,000	20,000	20,000	20,000	20,000	100,000
Housing Rehabilitation Program (Income Based)	40,000	40,000	40,000	40,000	40,000	200,000
<b>Total</b>	<b>\$ 6,592,141</b>	<b>\$ 3,581,728</b>	<b>\$ 4,397,521</b>	<b>\$ 4,533,380</b>	<b>\$ 4,682,825</b>	<b>\$ 23,787,595</b>

**FY2023 CITY OF ROWLETT BUDGET**

Utility Fund Capital Maintenance Program						
	2023 Proposed	2024 Projected	2025 Projected	2026 Projected	2027 Projected	Total Five Year
Enterprise Leasing Program	\$ 110,214	\$ 110,214	\$ 110,214	\$ 110,214	\$ 110,214	\$ 551,070
Wastewater Master Plan	-	-	100,000	-	-	100,000
Water Master Plan	-	-	-	-	250,000	250,000
Vehicle Replacements	289,786	289,786	289,786	289,786	289,786	1,448,930
Capital Maintenance Crew	250,000	250,000	250,000	250,000	250,000	1,250,000
Lift & Pump Stations	850,000	300,000	250,000	250,000	350,000	2,000,000
Sanitary Sewer Evaluation Study	-	-	-	150,000	200,000	350,000
Manhole Rehab	139,532	251,464	100,000	250,000	300,000	1,040,996
Misc. Sewer Line Repair & Replace	300,000	300,000	300,000	400,000	300,000	1,600,000
SCADA Maintenance	10,000	10,000	10,000	10,000	20,000	60,000
Preventative Maintenance	50,000	150,000	50,000	150,000	100,000	500,000
Meter Replacement	230,000	400,000	350,000	400,000	350,000	1,730,000
Misc. Water Line Repair & Replace	300,000	400,000	275,000	400,000	400,000	1,775,000
Utility Appurtenances	50,000	75,000	75,000	75,000	75,000	350,000
Tower/Tank Maintenance	100,000	400,000	100,000	100,000	100,000	800,000
Chiesa EST Repaint	-	-	500,000	-	-	500,000
Eula EST Repaint	-	-	-	-	500,000	500,000
Future GO Project WA/SS Components	-	-	459,089	694,977	276,953	1,431,019
Lift Station Generators	1,741,334	-	-	-	-	1,741,334
<b>Total</b>	<b>\$ 4,420,866</b>	<b>\$ 2,936,464</b>	<b>\$ 3,219,089</b>	<b>\$ 3,529,977</b>	<b>\$ 3,871,953</b>	<b>\$ 17,978,349</b>

Utility Fund Revenue Bond Capital Projects						
	Series 2022 2023 Proposed	Series 2023 2024 Projected	Series 2024 2025 Projected	Series 2025 2026 Projected	Series 2026 2027 Projected	Total Five Year
SH-66 Force Main	\$ 470,000	\$ -	\$ -	\$ -	\$ -	\$ 470,000
Northside Lift Station Upgrade	-	-	1,400,000	-	-	1,400,000
Westwood Heights SS Replacement	-	-	-	-	2,100,000	2,100,000
Dalrock Road Lift Station Abandonment	-	-	1,500,000	-	-	1,500,000
Larkspur Lane SS Replacement	-	-	-	-	500,000	500,000
College Park Lift Station Abandonment	550,000	-	-	-	-	550,000
Pecan Harbor Lift Station Abandonment	-	-	900,000	-	-	900,000
Mallard Cove Lift Station Abandonment	-	-	600,000	-	-	600,000
18" SS Line from Dalrock to NSLS	390,000	-	-	2,250,000	-	2,640,000
Gravity lines to abandon Lift Stations	1,050,000	-	-	-	-	1,050,000
Westwood Heights WA Replacement	-	-	-	-	1,400,000	1,400,000
Larkspur Lane WA Replacement	-	-	-	-	600,000	600,000
NTMWD Redundant lines at take points	-	-	110,000	1,290,000	-	1,400,000
Liberty Grove SS Upgrade	-	-	400,000	-	-	400,000
Winner's Circle Lift Station Abandonment	450,000	-	-	-	-	450,000
Dalrock-Princeton 10" SS Upgrade	340,000	-	2,000,000	-	-	2,340,000
Toler Ridge 2 WA Improve (Phase 1)	-	-	90,000	300,000	-	390,000
Highland Meadows WA Improv Ph. 4	-	-	-	-	400,000	400,000
WoodLake WA Replacement Ph. 1	-	-	-	650,000	-	650,000
Liberty Grove Water Pump Station	-	-	-	300,000	-	300,000
36" SS Line Replace Near Dexham Rd	700,000	-	-	-	-	700,000
Highland Meadows SS Replacement Ph.4	-	-	-	-	500,000	500,000
WoodLake SS Replacement Ph.1	-	-	-	700,000	-	700,000
Toler Ridge 2 SS Improve Ph 1	-	-	-	450,000	-	450,000
Princeton Rd WA Phase 1 3100'	-	-	-	510,000	-	510,000
Vue De Lac SS	-	-	-	550,000	450,050	1,000,050
Dexham Sewer Line Upgrade	-	-	-	-	314,950	314,950
Lakeview Meadows Estates WA	-	-	-	-	375,000	375,000
Lakeview Meadows Estates SS	-	-	-	-	360,000	360,000
Merritt Road 36"/30" Water Lines	3,000,000	7,000,000	-	-	-	10,000,000
Toler Business Park GO Project WA/SS	380,000	-	-	-	-	380,000
East Industrial GO Proj WA/SS	370,000	-	-	-	-	370,000
<b>Total</b>	<b>\$ 7,700,000</b>	<b>\$ 7,000,000</b>	<b>\$ 7,000,000</b>	<b>\$ 7,000,000</b>	<b>\$ 7,000,000</b>	<b>\$ 35,700,000</b>

**FY2023 CITY OF ROWLETT BUDGET**

**Drainage Fund Certificates of Obligation Capital Projects**

	<b>2023 Proposed</b>	<b>2024 Projected</b>	<b>2025 Projected</b>	<b>2026 Projected</b>	<b>2027 Projected</b>	<b>Total Five Year</b>
Drainage Master Plan Update	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000
Longbranch Erosion Study East Bank	-	-	-	-	100,000	100,000
Highland Meadows Stream Erosion Study	-	-	-	-	100,000	100,000
Drainage Channel Reconstruction	-	-	-	-	2,500,000	2,500,000
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,200,000</b>	<b>\$ 4,200,000</b>

**Drainage Fund Capital Maintenance Program**

	<b>2023 Proposed</b>	<b>2024 Projected</b>	<b>2025 Projected</b>	<b>2026 Projected</b>	<b>2027 Projected</b>	<b>Total Five Year</b>
Misc. Drainage Imp. Per Storm Drain MP	\$ 561,159	\$ 585,609	\$ 285,792	\$ 636,731	\$ 663,448	\$ 2,732,739
Vehicle Replacement	70,000	70,000	70,000	70,000	70,000	350,000
TCEQ-MS4	30,000	30,000	30,000	30,000	30,000	150,000
Drainage Master Plan	-	-	325,000	-	-	325,000
<b>Total</b>	<b>\$ 661,159</b>	<b>\$ 685,609</b>	<b>\$ 710,792</b>	<b>\$ 736,731</b>	<b>\$ 763,448</b>	<b>\$ 3,557,739</b>

**Capital Improvement Program Grand Totals**

	<b>2023 Proposed</b>	<b>2024 Projected</b>	<b>2025 Projected</b>	<b>2026 Projected</b>	<b>2027 Projected</b>	<b>Total Five Year</b>
<b>Capital Improvement Program Grand Total</b>	<b>\$ 35,785,626</b>	<b>\$ 21,534,261</b>	<b>\$ 15,538,862</b>	<b>\$ 16,011,548</b>	<b>\$ 20,729,686</b>	<b>\$ 109,599,983</b>



# CITY OF ROWLETT COUNCIL AGENDA ITEM

**AGENDA DATE:** 09/21/2022

**AGENDA ITEM:** 3B

## TITLE

Consider an ordinance approving and adopting the proposed ad valorem tax rate of \$0.681000 per \$100 of taxable value for fiscal year 2022-23 (FY2023).


## STAFF REPRESENTATIVE

Robert D. Cone, Budget Officer

## EXECUTIVE SUMMARY

Adoption of the tax rate is an important part of the budget process. Adoption of the tax rate per state law must be a separate item on the agenda and occurs after the adoption of the budget. The budget process culminates in the final adoption of the budget document and financial plan. By Charter, the City Manager is required to prepare and submit a budget to City Council with sufficient time to provide for all necessary hearings prior to October 1<sup>st</sup>. The City Council then adjusts the document to make it fit their vision for what is appropriate for the City. Finally, it is reviewed by the citizens directly, who may give their input for final adjustments.

## STRATEGIC PRIORITY AND GOAL(S)

Strategic Priority	Strategic Goal
 <p><b>GOVERN TRANSPARENTLY &amp; INCLUSIVELY</b></p>	<p>1.5 Maintain equitable and competitive tax rates, fees, and service charges.</p>

## BACKGROUND INFORMATION

The City Manager presented the proposed budget for FY2023 on August 2, 2022. The City Council held Budget Work Sessions on August 18<sup>th</sup> and August 22<sup>nd</sup> and the public hearing on the proposed tax rate was held on September 20, 2022.

## DISCUSSION

City staff began budget preparation for FY2023 at a June 9<sup>th</sup> special Council Strategy Session that included Department presentations and budget requests and continued on June 16<sup>th</sup> with property tax estimates, revenue targets, and discussion on the tax rate. On August 2, 2022, the City Manager presented the Proposed Budget with a recommended tax rate of \$0.700056 and on August 16<sup>th</sup>, after receiving the Certified Tax Worksheet from Dallas County, City Council set the tax ceiling at \$0.699429.

Further discussion on the budget and tax rate occurred on August 18<sup>th</sup> and August 22<sup>nd</sup>, during Council Special Sessions on the Budget and the proposed tax rate was elected at \$0.681000. Ad



valorem, or property taxes, are collected by local governments in two components: (1) operations and maintenance (O & M); (2) interest and sinking fund (I & S). The proposed tax rate includes an operations and maintenance tax rate of \$0.525785 and a debt service tax rate of \$0.155215 for a total tax rate of \$0.681000 per \$100 of taxable value.

The State of Texas "Truth in Taxation" law requires that the City Council conduct a public hearing on its proposed ad valorem tax rate each year if such rate exceeds the no-new-revenue tax rate or the voter-approval rate, whichever is lower. The no-new-revenue tax rate shows the relationship between prior year's revenue and the current year's value. The voter approval rate is the maximum rate that can be applied without triggering an automatic election.

The no-new-revenue tax rate and voter-approval rate have been calculated and the Notice of Proposed Tax Rate has been published in the local newspaper and on the City's website as required by law. The following table illustrates the proposed tax rate, the voter-approval tax rate, and the no-new-revenue tax rates appropriately split between the I&S rate and the O&M rate. The tax rate to be considered is \$0.681000, which is more than the no-new-revenue tax rate.

Description	FY2022 Adopted	FY2023 City Manager Proposed Budget	FY2023 No-New-Revenue	FY2023 Voter-Approval	FY2023 Tax Rate
<b>Operations (O &amp; M)</b>	\$0.538539	\$0.518892	\$0.505561	\$0.544214	\$0.525785
<b>Debt (I&amp;S)</b>	\$0.206461	\$0.181164	\$0.155215	\$0.155215	\$0.155215
<b>Total</b>	\$0.745000	\$0.700056	\$0.660776	\$0.699429	\$0.681000

### **FINANCIAL/BUDGET IMPLICATIONS**

This item is the annual ad valorem tax assessment.

### **RECOMMENDED ACTION**

City staff recommends the City Council make two separate motions:

First, according to the revisions to Sec. 26.05 of the Property Tax Code enacted by the 2013 Legislature, a motion to adopt an ordinance setting a tax rate that exceeds the no-new-revenue tax rate must be made in the following form:

**“I move that the property tax rate be increased by the adoption of a tax rate of 0.681000, which is effectively a 3.06 percent increase in the tax rate.”**

For a taxing unit other than a school district, the vote on the ordinance, resolution, or order setting a tax rate that exceeds the effective tax rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance, resolution, or order.

Staff recommends a separate second motion as follows:

**“I move that that the property tax revenue increase reflected in the budget be ratified.”**

Individual Consideration Item 3C is listed as a separate agenda item because two separate votes are needed. However, no separate staff report is provided.

## **ORDINANCE**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, ADOPTING THE TAX RATE AND LEVYING AD VALOREM TAXES FOR THE FISCAL YEAR 2022-2023 (FY2023) TO PROVIDE REVENUE FOR THE PAYMENT OF CURRENT EXPENDITURES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, following public notice duly posted and published in all things as required by law, public hearings were held, by and before the City Council of the City of Rowlett, the subject of which was the proposed tax rate for the City of Rowlett for FY2023; and

**WHEREAS**, the City Council, upon full consideration of the matter, is of the opinion that the tax rate hereinafter set forth is proper and should be approved and adopted.

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

**SECTION 1:** That there is hereby levied and shall be assessed for the tax year 2022 on all taxable property, real, personal and mixed, situated within the corporate limits of the City of Rowlett, Texas, and not exempt by the Constitution of the State and valid State laws, a tax of \$0.681000 on each and every \$100 assessed valuation of taxable property apportioned and distributed as follows:

(a) \$0.525785 on each and every \$100 valuation of said property is hereby reviewed and assessed to provide revenue for maintenance and operations of the City government and current expenses thereof; and

(b) \$0.155215 on each and every \$100 valuation of said property is hereby reviewed and assessed for the purpose of creating a sinking fund to pay the interest principal on all outstanding bonds of the City, not otherwise provided for.

(c) THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 9.57 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-12.76.

**SECTION 2:** That all ad valorem taxes shall become due and payable on October 1, 2022 and all ad valorem taxes for the year shall become delinquent if not paid prior to February 1, 2023.

**SECTION 3:** That a delinquent tax shall incur all penalty and interest authorized by law including a penalty of six percent (6%) on the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. A tax delinquent on July 1, 2023 incurs a total penalty of twelve percent (12%) of the amount of delinquent tax without regard to the number of months the tax has been delinquent. A delinquent tax shall also accrue interest at the rate of one percent (1%) for each month or portion of a month the tax remains unpaid. Taxes that remain delinquent on July 1, 2023 incur an additional penalty of twenty percent (20%) of the amount of taxes, penalty and interest due; such additional penalty is to defray costs of collection due to a contract with the City's tax collection attorney pursuant to Section 33.07 of the Texas Property Tax Code, as amended.

**SECTION 4:** That the City shall have available all the rights and remedies provided by law for the enforcement of the collection of taxes levied under this ordinance.

**SECTION 5:** That the tax roll as presented to the City Council, together with any supplements hereto, be and the same are hereby approved.

**SECTION 6:** That should any word, sentence, section, paragraph, subdivision, clause, phrase or section of this ordinance, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance which shall remain in full force and effect.

**SECTION 7:** All ordinances of the City of Rowlett, Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed; provided, however that all other provisions of said ordinances not in conflict with the provisions of this ordinance shall remain in full force and effect.

**SECTION 8:** This ordinance shall become effective immediately upon its passage.