



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Finance

DCM: Bryan Langley

DATE: September 19, 2017

SUBJECT

Consider adoption of an ordinance of the City of Denton, Texas, levying the ad valorem property tax of the City of Denton, Texas, for the year 2017, on all taxable property within the corporate limits of the city on January 1, 2017, and adopting a tax rate of \$0.637856 per \$100 of valuation for 2017; providing revenues for payment of current municipal maintenance and operation expenses and for payment of interest and principal on outstanding City of Denton debt; providing for limited exemptions of certain homesteads; providing for enforcement of collections; providing for a severability clause; and providing an effective date.

BACKGROUND

The proposed tax rate of \$0.637856 per \$100 valuation is used to fund the FY 2017-18 Budget. This proposed tax rate is \$0.045484 lower than the prior year, and is at the effective rate. Of the proposed tax rate, \$0.430311 will be applied to fund operations and maintenance in the General Fund and \$0.207545 will be applied to fund tax-supported debt.

The vote on this ordinance adopting a tax rate only requires a simple majority of the City Council if adopting the effective tax rate or a rate below the effective tax rate. The proposed rate of \$0.637856 is the effective tax rate and therefore only requires a simple majority of the City Council for passage. The super majority requirement (at least 60% of the City Council) is required for a tax rate adoption exceeding the effective tax rate. This requirement is set forth in the Texas Tax Code Chapter 26.05 Tax Rate.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

The FY 2017-18 Budget was submitted to the City Council on July 28, 2017. A workshop to present the details of the Budget to the City Council was conducted on August 3, 2017. The City Council also discussed the proposed budget during Work Sessions on August 8, August 15, August 22 and September 12. A Public Hearing on the Budget was held on September 12. In addition, two public hearings were held on the proposed tax rate on August 15 and September 12.

FISCAL INFORMATION

The proposed property tax rate will generate \$66,444,574, of which \$44,460,191 will be used to fund operations and maintenance in the General Fund, \$21,443,770 will be used to fund tax-supported General Obligation and Certificates of Obligation debt, \$379,902 will be generated for the Downtown Tax

Increment Reinvestment Zone district, and \$160,711 will be generated for the Westpark Tax Increment Reinvestment Zone district.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: Organizational Excellence

Related Goal: 1.1 Manage financial resources in a responsible manner

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Ordinance Ad Valorem Tax Levy

Respectfully submitted:
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Director of Finance