

# AGENDA



## City Council Special Meeting

**Tuesday, September 17, 2019 @ 6:30 PM**

Anna City Hall

The City Council of the City of Anna will meet in Special Session at 6:30 PM, on September 17, 2019, at the Anna City Hall, Located at 111 North Powell Parkway (Hwy 5), to consider the following items.

1. Call to Order, Roll Call and Establishment of Quorum
2. Invocation and Pledge of Allegiance
3. Consider/Discuss/Action approving an Ordinance adopting the 2019 Tax Rate (Finance Director Dana Thornhill)
4. Consider/Discuss/Action regarding a Resolution ratifying the property tax revenue increase reflected in the City of Anna FY 2019-2020 Budget (Dana Thornhill Finance Director)
5. Consider/Discuss/Action approving an Ordinance adopting the FY 2019-2020 Budget (Dana Thornhill Finance Director)
6. Adjourn.

This is to certify that I, Carrie L. Smith, City Secretary, posted this agenda at a place readily accessible to the public at the Anna City Hall and on the City Hall bulletin board at or before 5:00 p.m. September 13, 2019.

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Carrie L. Smith, City Secretary

1. The Council may vote and/or act upon each of the items listed in this agenda.
2. The Council reserves the right to retire into executive session concerning any of the items listed on this agenda, whenever it is considered necessary and legally justified under the Open Meeting Act.
3. Persons with a disability who want to attend this meeting who may need assistance should contact the City Secretary at 972 924-3325 two working days prior to the meeting so that appropriate arrangements can be made.

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**AGENDA ITEM:**

Consider/Discuss/Action approving an Ordinance adopting the 2019 Tax Rate (Finance Director Dana Thornhill)

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**SUMMARY:**

The FY 2020 budget can be funded by adopting a tax rate of \$0.591288 cents per \$100 valuation. Of the total tax rate, \$0.451540 cents are dedicated to the general fund maintenance and operations (M&O) and \$0.139748 cents are dedicated for the payment of general fund debt obligations, or interest and sinking (I&S).

State regulations require specific language to be included in the ordinance and motion adopting the tax rate. The language in the motion is meant to reflect the change in the total tax rate while the language in section 5 of the ordinance only reflects the change in the M&O portion of the rate. The M&O rate exceeds the effective rate by 16.11% and is equivalent to the 2018 adopted rate resulting in a \$23.42 increase on a \$100,000 home.

As the proposed rate exceeds the effective rate of \$0.536478 the motion must be made in the following form:

**“I move that the property tax rate be increased by the adoption of a tax rate of \$0.5912888, which is effectively an 10.10% percent increase in the tax rate.”**

In addition to statutory requirements for the language of the motion to adopt the tax rate, Senate Bill 1760, which was passed during the most recent legislative session, requires 60% of the Council to vote in favor of a tax rate that exceeds the effective rate. This means that 5 members of the Council must vote in favor of the motion to pass the \$0.591288 rate.

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**STAFF RECOMMENDATION:**

Staff recommends approval of the attached Ordinance adopting a tax rate of \$0.5912888 cents per \$100 in valuation for the 2019 tax year.

**ATTACHMENTS:**

Description	Upload Date	Type
Tax Rate Ordinance	9/13/2019	Staff Report

**CITY OF ANNA, TEXAS**

**Ordinance No. \_\_\_\_\_**

**Ordinance Setting the Tax Rate for the Next Fiscal Year**

**A ORDINANCE LEVYING PROPERTY TAXES FOR USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF ANNA FOR THE 2019-2020 FISCAL YEAR; PROVIDING FOR AN INTEREST AND SINKING FUND FOR ALL OUSTANDING DEBT OF THE CITY OF ANNA; PROVIDING FOR APPORTIONING EACH LEVY FOR THE SPECIFIC PURPOSES; AND, PROVIDING WHEN TAXES SHALL BECOME DUE AND WHEN SAME SHALL BECOME DELINQUENT IF NOT PAID.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ANNA, TEXAS.**

**SECTION 1.** That there is hereby levied and there shall be collected for the use and support of the municipal government of the City of Anna, and to provide an Interest and Sinking Fund for the 2019-2020 fiscal year; upon all property, real, personal and mixed, within the corporate limits of said City subject to taxation, a tax of \$0.591288 on each \$100.00 in valuation of property, said tax being so levied and apportioned to the specific purposes here set forth:

- a. For the maintenance and support of the general government (General Fund) \$0.451540 on each \$100 valuation of property.
- b. For the purposes of creating an Interest and Sinking Fund to pay the interest and principal maturities of all outstanding debt of the City of Anna, not otherwise provided for, a tax of \$0.139748 on each \$100 valuation of property.

**SECTION 2.** That taxes levied under this ordinance shall be due October 1, 2019 and if not paid on or before January 31, 2020 shall immediately become delinquent.

**SECTION 3.** All taxes shall become a lien upon the property against which assessed, and the city assessor and collector of the City of Anna is hereby authorized and empowered to enforce the collections of such taxes according to the Constitution and laws of the State of Texas and ordinances of the City of Anna shall, by virtue of the tax rolls, fix and establish a lien by levying upon such property, whether real or personal, for the payment of said taxes, penalty and interest; and, the interest and penalty collected from such delinquent taxes shall be apportioned to the general funds of the City of Anna. All delinquent taxes shall bear interest from date of delinquency at the rate as prescribed by state law.

**SECTION 4. THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.**

**SECTION 5. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 16.11 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$23.42.**

**SECTION 6.** That this ordinance shall take effect and be in force from and after its passage.

**PASSED AND APPROVED** by record roll call vote on this, the 17<sup>th</sup> day of September, 2019.

Ayes \_\_\_\_\_

Nays \_\_\_\_\_

Abstained \_\_\_\_\_

ATTESTED:

APPROVED:

\_\_\_\_\_  
Carrie L. Smith, City Secretary

\_\_\_\_\_  
Nate Pike, Mayor



**Item No. 4.**

City Council Agenda  
Staff Report

Meeting Date: 9/17/2019

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**AGENDA ITEM:**

Consider/Discuss/Action regarding a Resolution ratifying the property tax revenue increase reflected in the City of Anna FY 2019-2020 Budget (Dana Thornhill Finance Director)

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**SUMMARY:**

Section 102.007 of the Local Government Code states that “adoption 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”.

The budget is funded by a tax rate of \$0.591288, which equivalent to the tax rate adopted last year. The total amount of revenue generated from property taxes will increase by \$1,091,680, which is a 16.48 percent increase from last year’s budget. The property tax revenue to be raised from new property added to the tax roll this year is \$442,884.

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**STAFF RECOMMENDATION:**

Staff recommends approval of the attached Resolution.

**ATTACHMENTS:**

Description	Upload Date	Type
Ratification Resolution	9/13/2019	Staff Report

**CITY OF ANNA, TEXAS**

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY OF ANNA, ACKNOWLEDGING AND RATIFYING THAT THE ADOPTION OF THE FISCAL YEAR 2019-2020 ANNUAL BUDGET WILL REQUIRE RAISING MORE REVENUE FROM PROPERTY TAXES THAN IN THE PREVIOUS FISCAL YEAR**

**WHEREAS**, The City Council (the "Council") of the City of Anna wishes to comply with Section 102.007 of the Local Government Code; and

**WHEREAS**, Section 102.007 of the Local Government Code requires a separate vote of the Council if the budget will require raising more revenue from property taxes than the previous fiscal year; and,

**WHEREAS**, this resolution satisfies the aforementioned requirement;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ANNA, TEXAS THAT:**

**Section 1. Recitals Incorporated.**

The facts and recitals above are incorporated herein as if set forth in full for all purposes.

**Section 2. Acknowledgement and Ratification**

The Fiscal Year 2019-2020 annual budget will raise more revenue from property taxes than the previous fiscal year's budget by \$1,091,680 or 16.48%, and of that amount \$442,884 is tax revenue to be raised from new property added to the tax roll this year.

**PASSED AND APPROVED** by the City Council of the City of Anna, Texas on this 17th day of September, 2019.

ATTESTED:

APPROVED:

\_\_\_\_\_  
Carrie L. Smith, City Secretary

\_\_\_\_\_  
Nate Pike, Mayor

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**AGENDA ITEM:**

Consider/Discuss/Action approving an Ordinance adopting the FY 2019-2020 Budget (Dana Thornhill Finance Director)

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**SUMMARY:**

The Annual Budget and Plan of Municipal Services is the most important document adopted by the City Council each year. The Annual Budget is developed through an extensive process of reviewing requests received from various City departments then prioritizing those requests in a manner that utilizes resources effectively, within fiscal constraints, while working to achieve goals set forth by the City Council.

The final draft budget was presented to the City Council on August 13<sup>th</sup> and was posted on the City's website on August 14<sup>th</sup>. Public hearings on the proposed budget and tax rate were conducted on September 3<sup>rd</sup> and September 10<sup>th</sup>.

The FY 2020 budget is funded with a tax rate of \$0.591288 per \$100 in taxable which is the same as the tax rate adopted last year. When compared with other cities in our area, the City of Anna has one of lowest average household property tax levies.

While budgets are always a challenge, we have worked diligently to propose a budget that is both balanced and sufficient to meet the needs of the coming fiscal year. We express our appreciation to the City Council for their diligent efforts throughout the year in providing guidance, direction and support for our efforts to serve the citizens of Anna.

As Anna continues to grow, the city remains committed to the its Strategic Vision. The 2019-20 fiscal year budget is designed to preserve and enhance the quality of existing services and respond appropriately to our city's continuing growth and development.

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**STAFF RECOMMENDATION:**

Staff recommends approval of the attached Ordinance adopting the FY 2020 budget.



**ATTACHMENTS:**

Description	Upload Date	Type
Budget Ordinance	9/10/2019	Staff Report

CITY OF ANNA, TEXAS

Ordinance No. \_\_\_\_\_

Ordinance Adopting the Budget for the 2019 – 2020 Fiscal Year

AN ORDINANCE MAKING APPROPRIATIONS FOR THE SUPPORT OF THE CITY OF ANNA FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2019 AND ENDING SEPTEMBER 30, 2020; APPROPRIATING MONEY TO AN INTEREST AND SINKING FUND TO PAY INTEREST AND PRINCIPAL ON THE CITY’S INDEBTEDNESS; AND ADOPTING THE ANNUAL BUDGET OF THE CITY OF ANNA FOR THE 2019 – 2020 FISCAL YEAR.

WHEREAS, the budget, appended hereto as Exhibit A, for the fiscal year beginning October 1, 2019 and ending September 30, 2020, was duly presented to the City Council by the City Manager and a public hearing was ordered by the City Council and a public notice of said hearing was caused to be given by the City Council and said notice was published in the Anna-Melissa Tribune and said public hearing was held according to said notice; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ANNA THAT:

SECTION 1. The appropriations for the fiscal year beginning October 1, 2019, and ending September 30, 2020 for the support of the general government of the City of Anna, Texas, be fixed and determined for said terms in accordance with the expenditures shown in the City’s fiscal year 2019 – 2020 budget, a copy of which is appended hereto as Exhibit A;

SECTION 2. The budget, as shown in words and figures in Exhibit A, is hereby approved in all respects and adopted as the City’s budget for the fiscal year beginning October 1, 2019 and ending September 30, 2020.

SECTION 3. That there is hereby appropriated the amount shown in said budget necessary to provide for an interest and sinking fund for the payment of principal and interest and the retirement of the bonded debt requirements of fiscal year 2019 – 2020 of the City of Anna.

SECTION 4. In addition to Exhibit A, and in accordance with Section 7.08 of the Anna City Charter, the budget also includes a contingency appropriation of \$300,000 in the General Fund and \$100,000 in the Utility Fund. All expenditures from this contingency appropriation shall be in accordance with Section 7.08 of the Anna City Charter.

PASSED AND APPROVED by record roll call vote on this, the 17<sup>th</sup> day of September, 2019.

Ayes \_\_\_\_\_

Nays \_\_\_\_\_

Abstained \_\_\_\_\_

ATTESTED:

APPROVED:

\_\_\_\_\_  
Carrie L. Smith, City Secretary

\_\_\_\_\_  
Nate Pike, Mayor