

# AGENDA



## City Council Special Meeting

**Tuesday, September 4, 2018 @ 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 4, 2018, 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. Conduct a Public Hearing on the Proposed FY 2018-2019 Budget. (Dana Thornhill)
3. Conduct a Public Hearing on the Proposed 2018 Tax Rate. (Dana Thornhill)
4. 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 .

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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:**

Conduct a Public Hearing on the Proposed FY 2018-2019 Budget. (Dana Thornhill)

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**SUMMARY:**

The Annual Budget is one of the most important financial responsibilities of a local government, and preparation of the budget typically takes 6 months to complete. Since May, each City Council meeting has included a workshop presentation and discussion of the proposed budget. These workshops included detailed discussions of all department operating budgets and a review of supplemental requests for new or enhanced services proposed for the upcoming fiscal 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 the City's strategic goals. The final version of the proposed budget was presented to the City Council on August 14th and can be found on our website at [www.annatexas.gov](http://www.annatexas.gov) under Budget on the Finance Department's page.

The proposed budget is funded by a property tax rate of \$0.601288 which is equivalent to the current tax rate. When compared with other cities in our area, the City of Anna continues to have one of the lowest per-capita property tax levies.

According to the most recent population estimates, the City of Anna's population is approximately 14,000. We anticipate a steady increase of 7 to 10 percent annual growth over the next few years. In order to keep pace with the service requirements of a rapidly growing city, the proposed budget recommends the addition of thirteen (13) new full-time positions. New employees will be added to several City departments, including: Police, Fire, Development, Streets, Finance, Water, Wastewater, and Public Works Administration.

Due to the bond issuance for the Municipal Complex, stand-alone Fire Station, and roadway improvement projects there is an approximate shift in the tax rate of \$.04 from the Maintenance and Operations portion of the tax rate (M&O) to the Interest and Sinking (I&S) portion of the rate to fund the debt payments. Additional sales tax revenues will be used to offset the reduction to the O&M tax rate. This was part of the City's financial plan to fund the bond issuance without an increase to the overall tax rate.

As Anna continues to grow, the City remains committed to the vision and goals outlined in its Strategic Plan. The 2018-19 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.

The Council will vote to adopt the FY 2019 budget on September 11th.

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**STAFF RECOMMENDATION:**

This is a public hearing only. No City Council action is required at this time.



Item No. 3.

City Council Agenda  
Staff Report

Meeting Date: 9/4/2018

**AGENDA ITEM:**

Conduct a Public Hearing on the Proposed 2018 Tax Rate. (Dana Thornhill)

**SUMMARY:**

The City Council scheduled September 4, 2018 at 6:30 p.m. as the date and time for the second public hearing on the proposed 2018 Tax Rate.

Each year after properties are appraised by the Collin County Appraisal District the Collin County Tax Office calculates both the effective tax rate and the rollback tax rate for the City of Anna as part of the service to collect taxes for the City. The following definitions are provided from the Texas Comptroller's Office:

Effective tax rate: The effective tax rate is a calculated rate that would provide the taxing unit with about the same amount of revenue it received in the year before on properties taxed in both years. If property values rise, the effective tax rate will go down and vice versa.

Rollback tax rate: The rollback rate provides the taxing unit with about the same amount of tax revenue it spent the previous year for day-to-day operations, plus an extra 8 percent increase for those operations, in addition to sufficient funds to pay debts in the coming year. If a taxing unit adopts a tax rate higher than the rollback rate, voters in the taxing unit can circulate a petition calling for an election to limit the size of the tax increase.

The proposed budget is supported by a tax rate of \$0.601288 which is equivalent to the current rate. The following table is a comparison between the proposed tax rate, last year's rate, the effective rate and roll-back rate.

Proposed FY 2019 Tax Rate	\$0.601288 per \$100
Preceding FY 2018 Tax Rate	\$0.601288 per \$100
Effective Tax Rate	\$0.536478 per \$100
Rollback Tax Rate	\$0.624613 per \$100

The effective tax rate is lower than the current rate because the value of properties taxed in both years has increased.

The budget and tax rate are scheduled for adoption at the September 11th Council meeting. Since the proposed tax rate is higher than the effective rate, section 26.05 of the Texas Tax Code

requires a minimum of 60% of the Council members to vote in favor of that rate. That would require at least 5 Council members to vote in favor of the proposed tax rate.

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**STAFF RECOMMENDATION:**

This is a public hearing only. No action by the City Council is required at this time.