

CITY OF BELLAIRE TEXAS

MAYOR AND COUNCIL

SEPTEMBER 22, 2014

Council Chamber

Public Hearing

6:00 PM

7008 S. RICE AVENUE
BELLAIRE, TX 77401



Mayor

Dr. Philip L. Nauert

Mayor Pro Tem

Amanda B. Nathan

Councilman

James P. Avioli Sr.

Councilman

Pat B. McLaughlan

Councilman

Roman F. Reed

Councilman

Gus E. Pappas

Councilman

Andrew S. Friedberg

Mission Statement:

The City of Bellaire is dedicated to outstanding quality service and facilities to ensure an open, progressive, and secure community.

SPECIAL SESSION (FIRST PUBLIC HEARING ON INCREASE IN TAX REVENUES) - 6:00 P.M.

A. Call to Order and Announcement of a Quorum - Dr. Philip L. Nauert, Mayor.

B. Reading of Notice of Public Hearing - Tracy L. Dutton, City Clerk.

C. Summary of Public Hearing Procedures - Paul A. Hofmann, City Manager.

D. Presentation:

Presentation regarding a proposal to increase total tax revenues for the 2014 tax year from properties on the tax roll in the preceding year by 7.60% percent by proposing a tax rate of \$0.3936 per \$100 valuation.

(Requested by Linda Symank, Finance Administration)

E. Recognition of Citizens and/or Other Interested Parties - Dr. Philip L. Nauert, Mayor.

During this agenda item, the Mayor will call on each speaker who has signed the "Sign-in Sheet" located at the entrance to the Council Chamber. The speaker should step up to the podium as soon as he or she is recognized by the Mayor. Each speaker should state his or her name before beginning his or her presentation. **Each speaker is limited to five minutes, with no extension.** Notice will be given to speakers after four minutes that there is one minute left for comments.

F. Questions from the Mayor and City Council - Dr. Philip L. Nauert, Mayor.

G. Close of Public Hearing - Dr. Philip L. Nauert, Mayor.

Note: Oral comment regarding a proposal to increase tax revenues from properties on the tax roll in the preceding tax year by 7.60% percent will be received again during the second public hearing on this matter to be held on Monday, October 6, 2014, at 6:00 p.m. Written comments may be submitted to the City Council of the City of Bellaire, Texas ("City Council"), prior to final deliberation on the matter. It is anticipated that final deliberation will occur on Monday, October 20, 2014. Written comments should, therefore, be submitted to the City Council in care of the City Clerk by noon on Thursday, October 16, 2014, in order to be considered for the public record.

H. Adjourn.

Mayor and Council

7008 S. Rice Avenue
Bellaire, TX 77401



Meeting: 09/22/14 06:00 PM
Department: Finance Administration
Category: Truth-In-Taxation
Department Head: Linda Symank
DOC ID: 1330

SCHEDULED**ACTION ITEM (ID # 1330)**

Item Title:

Presentation regarding a proposal to increase total tax revenues for the 2014 tax year from properties on the tax roll in the preceding year by 7.60% percent by proposing a tax rate of \$0.3936 per \$100 valuation.

Background/Summary:

The Texas Constitution sets out the general requirements for truth-in-taxation, including the calculation of an effective tax rate and a rollback tax rate. For tax year 2014 (FY2015), the effective tax rate was calculated as \$0.3658 and the rollback tax rate as \$0.3936. The proposed tax rate for tax year 2014 is \$0.3936 per \$100 valuation.

When a proposed tax rate exceeds the rollback rate or 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 must be a record vote and the proposal must specify the desired rate. If the motion passes, the taxing unit must schedule two public hearings on the proposal.

At the City Council meeting on September 8, 2014, the City Council took a record vote proposing to adopt a tax rate of \$0.3936 for tax year 2014 (FY2015). This proposed rate exceeds the effective rate by \$0.0278 or 7.60%. Because the proposed rate exceeds the effective rate, the City Council scheduled two public hearings on the proposal.

The first public hearing is scheduled for Monday, September 22, 2014 at 6:00 PM at City Hall, Council Chambers, 7008 South Rice Avenue, Bellaire, Texas 77401. The second public hearing is scheduled at the same location on Monday, October 6, 2014 at 6:00 PM.

The proposed property tax rate of \$0.3936 would raise \$15,833,991 in revenue, which is \$1,351,507 more than taxes imposed last year. Citizens of Bellaire have a right to attend the public hearings to comment on the proposed tax rate.

Previous Council Action Summary:

Record vote taken on September 8th to adopt a tax rate of \$0.3936 per \$100 value which will increase revenues by 7.6% on existing properties.

ATTACHMENTS:

- Notice of 2014 Property Tax Rates (PDF)
- Notice of Public Hearing with Votes (PDF)

2014 Property Tax Rates in City of Bellaire

This notice concerns the 2014 property tax rates for City of Bellaire. It presents information about three tax rates. Last year's tax rate is the actual tax rate the taxing unit used to determine property taxes last year. This year's *effective* tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's *rollback* tax rate is the highest tax rate the taxing unit can set before taxpayers start rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$100 of property value.

Last year's tax rate:

Last year's operating taxes	\$9,281,972
Last year's debt taxes	\$5,200,512
Last year's total taxes	\$14,482,484
Last year's tax base	\$3,621,526,382
Last year's total tax rate	\$0.3999/\$100

This year's effective tax rate:

Last year's adjusted taxes (after subtracting taxes on lost property)	\$14,450,758
÷ This year's adjusted tax base (after subtracting value of new property)	\$3,950,271,370
=This year's effective tax rate (Maximum rate unless unit publishes notices and holds hearings.)	\$0.3658/\$100

This year's rollback tax rate:

Last year's adjusted operating taxes (after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate, and/or enhanced indigent healthcare expenditures)	\$9,261,639
÷ This year's adjusted tax base	\$3,950,271,370
=This year's effective operating rate	\$0.2345/\$100
x 1.08=this year's maximum operating rate	\$0.2532/\$100
+ This year's debt rate	\$0.1404/\$100
= This year's total rollback rate	\$0.3936/\$100

Statement of Increase/Decrease

If City of Bellaire adopts a 2014 tax rate equal to the effective tax rate of \$0.3658 per \$100 of value, taxes would increase compared to 2013 taxes by \$233,151.

Schedule A - Unencumbered Fund Balance

The following estimated balances will be left in the unit's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Property Tax Fund	Balance
General Fund	3,969,979
Debt Service Fund	525,824

Schedule B - 2014 Debt Service

The unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
GO 2009	210,000	259,839	500	470,339
GO 2009 A REF	865,000	189,021	500	1,054,521
GO 2010 REF	865,000	524,131	500	1,389,631
GO 2010 A	160,000	210,369	500	370,869
GO 2011	180,000	197,038	750	377,788
GO 2011 A REF	290,000	211,100	550	501,650
GO 2011 B REF	345,000	272,300	550	617,850
GO 2012 REF	310,000	206,487	250	516,737
GO 2013	150,000	198,475	550	349,025
GO 2014	600,000	332,988	7,050	940,038

Total required for 2014 debt service	\$6,588,448
- Amount (if any) paid from Schedule A	\$0

- Amount (if any) paid from other resources	\$963,000
- Excess collections last year	\$0
= Total to be paid from taxes in 2014	\$5,625,448
+ Amount added in anticipation that the unit will collect only 99.57% of its taxes in 2014	\$24,294
= Total debt levy	\$5,649,742

This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at 1001 Preston, Houston, TX 77002.

Name of person preparing this notice: Mike Sullivan

Title: Harris County Tax Assessor-Collector

Date Prepared: 09/09/2014

Notice of Public Hearing on Tax Increase

The City of Bellaire will hold two public hearings on a proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by 7.60 percent (percentage by which proposed tax rate exceeds lower of rollback tax rate or effective tax calculated under Chapter 26, Tax Code). Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

The first public hearing will be held on September 22, 2014 at 6:00 pm at City of Bellaire, City Hall council Chambers, 7008 S Rice Avenue, Bellaire, Texas 77401.

The second public hearing will be held on October 6, 2014 at 6:00 pm at City of Bellaire, City Hall council Chambers, 7008 S Rice Avenue, Bellaire, Texas 77401.

The members of the governing body voted on the proposal to consider the tax increase as follows:

FOR:	Mayor Dr. Phil Nauert	Councilmember Roman F. Reed
	Councilmember Jim Avioli Sr.	Councilmember Gus Pappas
	Councilmember Pat McLaughlan	Councilmember Andrew Friedberg
	Councilmember Mandy Nathan	

AGAINST:

PRESENT and not voting:

ABSENT:

The average taxable value of a residence homestead in City of Bellaire last year was \$534,810. Based on last year's tax rate of \$0.3999 per \$100 of taxable value, the amount of taxes imposed last year on the average home was \$2,138.71.

The average taxable value of a residence homestead in City of Bellaire this year is \$588,131. If the governing body adopts the effective tax rate for this year of \$0.3658 per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$2,151.38.

If the governing body adopts the proposed tax rate of \$0.3936 per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$2,314.8

Members of the public are encouraged to attend the hearings and express their views.

Attachment: Notice of Public Hearing with Votes (1330 : First Public Hearing for the Proposal to Increase Taxes)