



Post Office Box 9010

Addison, Texas 75001-9010

5300 Belt Line Road

(972) 450-7000

FAX (972) 450-7043

AGENDA

SPECIAL MEETING OF THE CITY COUNCIL

AUGUST 12, 2006

9:00 A.M.

ADDISON SERVICE CENTER

16801 WESTGROVE DRIVE

SPECIAL MEETING

Item #S1 - Consider a vote of record to place on the September 26, 2006 council agenda a proposal to adopt a tax rate of \$.4640 per \$100 assessed valuation for the 2006-07 Town of Addison Annual Budget.

Attachments:

1. Council Agenda Item Overview
2. Effective tax rate publication

Administrative Recommendation:

Administration recommends approval.

Item #S2 - Discussion of FY '07 departmental budget recommendations.

Adjourn Meeting

Posted 5:00 p.m.
August 8, 2006
Carmen Moran
City Secretary

**THE TOWN OF ADDISON IS ACCESSIBLE TO PERSONS
WITH DISABILITIES. PLEASE CALL (972) 450-2819 AT LEAST
48 HOURS IN ADVANCE IF YOU NEED ASSISTANCE.**

Council Agenda Item: #S1**SUMMARY:**

Council is requested to take a vote of record to place on the September 26, 2006 council agenda, an ordinance adopting the tax rate of \$0.4640 per \$100 assessed value for the 2006-07 Town of Addison Annual Budget.

FINANCIAL IMPACT:

There is no financial impact associated with taking the vote of record.

BACKGROUND:

The city manager's proposed budget includes a tax rate of \$0.4640. This rate is more than the calculated effective tax rate of \$0.449574, but less than the calculated rollback rate of \$0.464869. According to state law, the Town must publish notices and hold a series of hearings prior to adopting the tax rate. Below is a schedule that meets the requirements of state law, as recently modified by the Texas Legislature.

- August 11 Publication of effective and rollback tax rates, statements and schedules (attached to this memo).
- August 12 Meeting of Council to discuss tax rate; if proposed tax rate will exceed the rollback rate or the effective tax rate (whichever is lower), take record vote and schedule public hearing.
- August 18 Notice of Public Hearing on Tax Increase is the 1st quarter page notice in newspaper and Web site.
- August 22 1st Public Hearing
- September 12 2nd Public Hearing
- September 15 Notice of Vote on Tax Rate published before meeting to adopt tax rate is the 2nd quarter-page notice in newspaper before meeting and published on Web site.
- September 26 Meeting to adopt tax rate. Meeting must be between 3 to 14 days after second public hearing. Taxing unit must adopt tax rate by September 30 or within 60 days of receiving certified appraisal roll, whichever is late.

RECOMMENDATION:

It is recommended council take the vote of record to schedule the public hearings and establish the date of adopting the tax rate. This vote does not adopt the tax rate, but only gives the public notice that the council is adopting the rate.

2006 Property Tax Rates in Town of Addison

#S1-2

This notice concerns 2006 property tax rates for Town of Addison. It presents information about three tax rates. Last year's tax rate is the actual 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 can start tax 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 | \$8,792,877 |
| Last year's debt taxes | \$4,884,932 |
| Last year's total taxes | \$13,677,809 |
| Last year's tax base | \$2,873,489,286 |
| Last year's total tax rate | 0.476000 /\$100 |

This year's effective tax rate:

| | |
|--|-----------------|
| Last year's adjusted taxes (after subtracting taxes on lost property) | \$13,662,422 |
| ÷ This year's adjusted tax base (after subtracting value of new property) | \$3,038,964,452 |
| = This year's effective tax rate | 0.449574 /\$100 |

(Maximum rate unless unit publishes notices and holds hearings.)

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, and/or enhanced indigent health care expenditures) | \$8,773,598 |
| ÷ This year's adjusted tax base | \$3,038,964,452 |
| = This year's effective operating rate | 0.288704 /\$100 |
| x 1.08 = this year's maximum operating rate | 0.311800 /\$100 |
| + This year's debt rate | 0.153069 /\$100 |
| = This year's total rollback rate | 0.464869 /\$100 |

Statement of Increase/Decrease

If Town of Addison adopts a 2006 tax rate equal to the effective tax rate of \$0.449574 per \$100 of value, taxes would increase compared to 2005 taxes by \$106,565.

Schedule A - Unencumbered Fund Balances

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 Obligation Debt Service | \$1,577,300 |

Schedule B - 2006 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 |
|---|--|---|--------------------------|---------------|
| Debt Service | \$3,255,000 | \$1,428,260 | \$10,000 | \$4,693,260 |
| Total Required for 2006 Debt Service | | | | \$4,693,260 |
| - Amount (if any) paid from funds listed in Schedule A | | | | \$0 |
| - Amount (if any) paid from other resources | | | | \$0 |
| - Excess collections last year | | | | \$0 |
| = Total to be paid from taxes in 2006 | | | \$4,693,260 | |
| + Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2006 | | | | \$0 |
| = Total Debt Levy | | | \$4,693,260 | |

This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at 500 Elm St., Dallas, Texas 75202.

Name of person preparing this notice: David Childs
 Title: Tax Assessor/Collector
 Date Prepared: August 7, 2006