



**NOTICE OF SPECIAL MEETING AGENDA  
LANCASTER CITY COUNCIL**

**JAMES R. WILLIAMS PUMP STATION  
TRAINING ROOM, 1999 JEFFERSON**

**Monday, August 4, 2014 - 6:30 PM**

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**CALL TO ORDER**

**ACTION:**

1. Discuss the proposed FY 2014-2015 tax rate of \$0.8675 per \$100 assessed valuation, receive related tax calculation documents, take record vote on to consider a tax rate to increase total tax revenues from properties on the tax roll in the previous year and set public hearing dates on the proposed tax rate.

**ADJOURNMENT**

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**EXECUTIVE SESSION:** The Council reserves the right to convene into executive session on any posted agenda item pursuant to Section 551.071(2) of the TEXAS GOVERNMENT CODE to seek legal advice concerning such subject.

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**ACCESSIBILITY STATEMENT:** The Municipal Center is wheelchair-accessible. For sign interpretive services, call the City Secretary's office, 972-218-1311, or TDD 1-800-735-2989, at least 72 hours prior to the meeting. Reasonable accommodation will be made to assist your needs.

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**Certificate**

**I hereby certify the above Notice of Meeting was posted at the Lancaster City Hall on August 1, 2014 @ 5:00 p.m. and copies thereof were provided to the Mayor, Mayor Pro-Tempore, Deputy Mayor Pro-Tempore and Council members.**

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Sorangel O. Arenas  
City Secretary

**LANCASTER CITY COUNCIL**  
**Special Meeting Agenda Communication**  
August 4, 2014

Item 1

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**Discuss the proposed FY 2014-2015 tax rate of \$0.8675 per \$100 assessed valuation, receive related tax calculation documents, take record vote on to consider a tax rate to increase total tax revenues from properties on the tax roll in the previous year and set public hearing dates on the proposed tax rate.**

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**This request supports the City Council 2014-2015 Policy Agenda.**

**Goal: Financially Sound City Government**

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**Background**

Pursuant to Truth-in-Taxation 2014 requirements, following receipt of tax calculations, the governing body must take a record vote to consider a tax rate that will result in an increase in total tax revenues from properties on the tax roll in the previous year. The governing body must also set and announce the date, time and location of any required public hearings to consider tax rate.

On Wednesday, July 23, 2014 the Dallas Central Appraisal District released the Certified Values of properties within the City of Lancaster. This data was utilized to calculate the effective rate and roll back rates for the 2014/2015 fiscal year.

The City of Lancaster experienced an 11.78% increase in property values over the previous fiscal year values.

City of Lancaster Tax Rate Comparison (per \$100 assessed valuation)

	<b>FY 2013/2014</b>	<b>FY 2014/2015</b>
Certified Values:	\$1,468,815,516	\$1,641,866,054
Rollback Tax Rate:	\$0.987697	\$0.931006
Effective Tax Rate:	\$0.874163	\$0.813151
Proposed Tax Rate:	\$0.867500	\$0.867500

The City Manager's proposed budget will raise more total revenue from property taxes than last year's budget.

**Recommendation**

Staff recommends that City Council take a record vote on the proposal to consider a tax rate that will result in an increase in total revenues from properties on the tax roll in the previous year. Council should also announce the date, time and location of the public hearing regarding the proposed tax rate.

First public hearing is scheduled for Monday, August 11, 2014 at 7:00 p.m. at the Lancaster Municipal Center, 211 North Henry Street, Lancaster, Texas 75146. Second public hearing is scheduled for Monday, August 25, 2014 at 7:00 p.m. at the Lancaster Municipal Center, 211 North Henry Street, Lancaster, Texas 75146.

**Attachments**

2014 Property Tax Rate Calculation

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**Submitted by:**

Opal Mauldin Robertson, City Manager

# 2014 Effective Tax Rate Worksheet

## City of Lancaster

Date: 07/29/2014 04:21 PM

<b>1. 2013 total taxable value.</b> Enter the amount of 2013 taxable value on the 2013 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-third over-appraisal corrections from these adjustments. This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (will deduct taxes in Line 14).	\$1,468,538,202
<b>2. 2013 tax ceilings.</b> Counties, cities and junior college districts. Enter 2013 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing units adopted the tax ceiling provision in 2013 or a prior year for homeowners age 65 or older or disabled, use this step.	\$0
<b>3. Preliminary 2013 adjusted taxable value.</b> Subtract Line 2 from Line 1.	\$1,468,538,202
<b>4. 2013 total adopted tax rate.</b>	\$0.867500/\$100
<b>5. 2013 taxable value lost because court appeals of ARB decisions reduced 2013 appraised value.</b> <b>A. Original 2013 ARB Values.</b>	\$24,556,920
<b>B. 2013 values resulting from final court decisions.</b>	\$22,526,120
<b>C. 2013 value loss.</b> Subtract B from A.	\$2,030,800
<b>6. 2013 taxable value, adjusted for court-ordered reductions.</b> Add Line 3 and Line 5C.	\$1,470,569,002
<b>7. 2013 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2013.</b> Enter the 2013 value of property in deannexed territory.	\$0
<b>8. 2013 taxable value lost because property first qualified for an exemption in 2014.</b> Note that lowering the amount or percentage of an existing exemption does not create a new exemption or reduce taxable value. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost to freeport or goods-in-transit exemptions.	
<b>A. Absolute exemptions.</b> Use 2013 market value:	\$24,313
<b>B. Partial exemptions.</b> 2014 exemption amount or 2014 percentage exemption times 2013 value:	\$1,683,500
<b>C. Value loss.</b> Add A and B.	\$1,707,813
<b>9. 2013 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2014.</b> Use only properties that qualified in 2014 for the first time; do not use properties that qualified in 2013.	
<b>A. 2013 market value:</b>	\$248,830
<b>B. 2014 productivity or special appraised value:</b>	\$1,177
<b>C. Value loss.</b> Subtract B from A.	\$247,653
<b>10. Total adjustments for lost value.</b> Add lines 7, 8C and 9C.	\$1,466,466

<b>11. 2013 adjusted taxable value.</b> Subtract Line 10 from Line 6.	\$1,468,613,536
<b>12. Adjusted 2013 taxes.</b> Multiply Line 4 by line 11 and divide by \$100.	\$12,740,222
<b>13. Taxes refunded for years preceding tax year 2013.</b> Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2013. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2013. This line applies only to tax years preceding tax year 2013.	\$5,991
<b>14. Taxes in tax increment financing (TIF) for tax year 2013.</b> Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2014 captured appraised value in Line 16D, enter 0.	\$0
<b>15. Adjusted 2013 taxes with refunds and TIF adjustment.</b> Add Lines 12 and 13, subtract Line 14.	\$12,746,213
<b>16. Total 2014 taxable value on the 2014 certified appraisal roll today.</b> This value includes only certified values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 18). These homesteads include homeowners age 65 or older or disabled.  A. <b>Certified values:</b>  B. <b>Counties:</b> Include railroad rolling stock values certified by the Comptroller's office:  C. <b>Pollution control exemption:</b> Deduct the value of property exempted for the current tax year for the first time as pollution control property:  D. <b>Tax increment financing:</b> Deduct the 2014 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2014 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 21 below.  E. <b>Total 2014 value.</b> Add A and B, then subtract C and D.	\$1,641,866,054  \$0  \$0  \$0  \$1,641,866,054
<b>17. Total value of properties under protest or not included on certified appraisal roll.</b>  A. <b>2014 taxable value of properties under protest.</b> The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value.  B. <b>2014 value of properties not under protest or included on certified appraisal roll.</b> The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about, but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value.  C. <b>Total value under protest or not certified:</b> Add A and B.	\$735,574  \$0  \$735,574
<b>18. 2014 tax ceilings.</b> Counties, cities and junior colleges enter 2014 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing units adopted the tax ceiling provision	\$0

in 2013 or a prior year for homeowners age 65 or older or disabled, use this step.	
<b>19. 2014 total taxable value.</b> Add Lines 16E and 17C. Subtract Line 18.	\$1,642,601,628
<b>20. Total 2014 taxable value of properties in territory annexed after Jan. 1, 2013.</b> Include both real and personal property. Enter the 2014 value of property in territory annexed.	\$0
<b>21. Total 2014 taxable value of new improvements and new personal property located in new improvements.</b> New means the item was not on the appraisal roll in 2013. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2013, and be located in a new improvement. New improvements <b>do</b> include property on which a tax abatement agreement has expired for 2014.	\$75,093,500
<b>22. Total adjustments to the 2014 taxable value.</b> Add Lines 20 and 21.	\$75,093,500
<b>23. 2014 adjusted taxable value.</b> Subtract Line 22 from Line 19.	\$1,567,508,128
<b>24. 2014 effective tax rate.</b> Divide Line 15 by Line 23 and multiply by \$100.	\$0.813151/\$100
<b>25. COUNTIES ONLY.</b> Add together the effective tax rates for each type of tax the county levies. The total is the 2014 county effective tax rate.	

A county, city or hospital district that adopted the additional sales tax in November 2013 or in May 2014 must adjust its effective tax rate. The Additional Sales Tax Rate Worksheet sets out this adjustment. Do not forget to complete the Additional Sales Tax Rate Worksheet if the taxing unit adopted the additional sales tax on these dates.

## 2014 Rollback Tax Rate Worksheet City of Lancaster

Date: 07/29/2014

<b>26. 2013 maintenance and operations (M&amp;O) tax rate.</b>	\$0.601200/\$100
<b>27. 2013 adjusted taxable value.</b> Enter the amount from Line 11.	\$1,468,613,536
<b>28. 2013 M&amp;O taxes.</b>	
A. Multiply Line 26 by Line 27 and divide by \$100.	\$8,829,304
B. <b>Cities, counties and hospital districts with additional sales tax:</b> Amount of additional sales tax collected and spent on M&O expenses in 2013. Enter amount from full year's sales tax revenue spent for M&O in 2013 fiscal year, if any. Other taxing units enter 0. Counties exclude any amount that was spent for economic development grants from the amount of sales tax spent.	\$1,031,939
C. <b>Counties:</b> Enter the amount for the state criminal justice mandate. If second or later year, the amount is for increased cost above last year's amount. Other taxing units enter 0.	\$0
D. <b>Transferring function:</b> If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in H below. The taxing unit receiving the function will add this amount in H below. Other taxing units enter 0.	\$0
E. <b>Taxes refunded for years preceding tax year 2013:</b> Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2013. This line applies only to tax years preceding tax year 2013.	\$4,152
F. <b>Enhanced indigent health care expenditures:</b> Enter the increased amount for the current year's enhanced indigent health care expenditures above the preceding tax year's enhanced indigent health care expenditures, less any state assistance.	\$0
G. <b>Taxes in TIF:</b> Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2014 captured appraised value in Line 16D, enter 0.	\$0
<b>H. Adjusted M&amp;O Taxes.</b> Add A, B, C, E and F. For unit with D, subtract if discontinuing function and add if receiving function. Subtract G.	\$9,865,395
<b>29. 2014 adjusted taxable value.</b> Enter Line 23 from the Effective Tax Rate Worksheet.	\$1,567,508,128
<b>30. 2014 effective maintenance and operations rate.</b> Divide Line 28H by Line 29 and multiply by \$100.	\$0.629368/\$100
<b>31. 2014 rollback maintenance and operation rate.</b> Multiply Line 30 by 1.08.	\$0.679717/\$100
<b>32. Total 2014 debt to be paid with property taxes and additional sales tax revenue.</b> "Debt" means the interest and principal that will be paid on debts that:	7

(1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year and (4) are not classified in the taxing unit's budget as M&O expenses	\$4,127,679
A. <b>Debt</b> also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. List the debt in Schedule B: Debt Service.	\$0
B. Subtract <b>unencumbered fund amount</b> used to reduce total debt.	\$0
C. Subtract <b>amount paid</b> from other resources.	\$0
D. <b>Adjusted debt.</b> Subtract B and C from A.	\$4,127,679
<b>33. Certified 2013 excess debt collections.</b> Enter the amount certified by the collector.	\$0
<b>34. Adjusted 2014 debt.</b> Subtract Line 33 from Line 32D.	\$4,127,679
<b>35. Certified 2014 anticipated collection rate.</b> Enter the rate certified by the collector. If the rate is 100 percent or greater, enter 100 percent.	100.00%
<b>36. 2014 debt adjusted for collections.</b> Divide Line 34 by Line 35	\$4,127,679
<b>37. 2014 total taxable value.</b> Enter the amount on Line 19.	\$1,642,601,628
<b>38. 2014 debt tax rate.</b> Divide Line 36 by Line 37 and multiply by \$100.	\$0.251289/\$100
<b>39. 2014 rollback tax rate.</b> Add Lines 31 and 38.	\$0.931006/\$100
<b>40. COUNTIES ONLY.</b> Add together the rollback tax rates for each type of tax the county levies. The total is the 2014 county rollback tax rate.	

A taxing unit that adopted the additional sales tax must complete the lines for the Additional Sales Tax Rate. A taxing unit seeking additional rollback protection for pollution control expenses completes the Additional Rollback Protection for Pollution Control.

## 2014 Additional Sales Tax Rate Worksheet City of Lancaster

Date: 07/29/2014

<p><b>41. Taxable Sales.</b> For taxing units that adopted the sales tax in November 2013 or May 2014, enter the Comptroller's estimate of taxable sales for the previous four quarters. Taxing units that adopted the sales tax before November 2013, skip this line.</p>	\$0
<p><b>42.</b> Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue.  <b>Taxing units that adopted the sales tax in November 2013 or in May 2014.</b>          Multiply the amount on Line 41 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95.</p> <p style="text-align: center;">- or -</p> <p><b>Taxing units that adopted the sales tax before November 2013.</b>          Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.</p>	\$1,031,939
<p><b>43. 2014 total taxable value.</b> Enter the amount from Line 37 of the Rollback Tax Rate Worksheet.</p>	\$1,642,601,628
<p><b>44. Sales tax adjustment rate.</b> Divide Line 42 by Line 43 and multiply by \$100.</p>	\$0.062824/\$100
<p><b>45. 2014 effective tax rate, unadjusted for sales tax.</b> Enter the rate from Line 24 or 25, as applicable, on the Effective Tax Rate Worksheet.</p>	\$0.813151/\$100
<p><b>46. 2014 effective tax rate, adjusted for sales tax.</b>  <b>Taxing units that adopted the sales tax in November 2013 or in May 2014.</b>          Subtract Line 44 from Line 45. Skip to Line 47 if you adopted the additional sales tax before November 2013.</p>	\$0.813151/\$100
<p><b>47. 2014 rollback tax rate, unadjusted for sales tax.</b> Enter the rate from Line 39 or 40, as applicable, of the Rollback Tax Rate Worksheet.</p>	\$0.931006/\$100
<p><b>48. 2014 rollback tax rate, adjusted for sales tax.</b> Subtract Line 44 from Line 47.</p>	\$0.868182/\$100