City of Fredericksburg

City Council Special Meeting Agenda
Thursday, September 12, 2024 ~ 9:00 AM
Law Enforcement Center
1601 E. Main Street
Fredericksburg, Texas 78624

Jeryl Hoover, Mayor
Tony Klein, Councilmember
Bobby Watson, Councilmember
Randy Briley, Councilmember
Emily Kirchner, Councilmember/Pro Tem
Clinton Bailey, City Manager

The City of Fredericksburg City Council will meet in a special session on Thursday, September 12, 2024, at 9:00 AM. The meeting will be live-streamed & available for re-watch on the City's website: fredericksburgtx.portal.civicclerk.com.

The City Council welcomes citizen participation and comments at all City Council Meetings on Agenda Items.
Comment Card for Written or Verbal Comments-submitted by 4 p.m. the day before the meeting.

i. Complete the Comment Card online at www.fbgtx.org;
ii. Make sure to check the appropriate box (verbal or written);
iii. Only one agenda item per Comment Card.

Sign up in person between 8:30 a.m. and 9 a.m. at the meeting location.

i. Only one agenda item per Comment Card;
ii. Speakers will be limited to three minutes to speak. **Please Note**: The Mayor can reduce the number of minutes for any speaker during Public Comment on a single agenda item depending on the number of people who sign up for it.
iii. Any citizen with handouts should provide them to the City Secretary before speaking. If you wish the City Council to receive your handouts for the meeting, please provide 10 copies; if not, the City Council will receive your handouts the following day.

NOTE: The City Council may adjourn into Executive Session to consider any item listed on this agenda if a matter is raised that is appropriate for discussion. An announcement will be made on the basis for the Executive Session discussion. The City Council may also publicly discuss any item listed on the agenda for Executive Session.

Attendance By Other Elected or Appointed Officials: It is anticipated that the Planning & Zoning Commission, Historic Review Board, and Zoning Board of Adjustment members may attend the City Council Meeting at the date and time above in numbers that may constitute a quorum. Notice is hereby given that at the City Council Meeting at the date and time above, no Board or Commission action will be taken by such in attendance unless such item and action are specifically provided on a separate agenda posted subject to the Texas Open Meeting Act. This is not an agenda of an official meeting of the City Boards and Commissions, and minutes will not be taken.

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1. CALL TO ORDER

2. OTHER ACTION ITEMS AND UPDATES

A. Conduct Public Hearing on Proposed Tax Increase as it relates to the Tax Rate for the 2024 Tax Year for the City of Fredericksburg, Texas.
i. Presentation by Krista Wareham, Finance Director.
ii. Hold a Public Hearing (The Mayor declares the Public Hearing open and calls upon individuals to speak. The Mayor declares the Public Hearing closed)
iii. Action Required-Motion to postpone the final tax rate vote until Tuesday, September 17, 2024

3. ADJOURN

CERTIFICATION

This is to certify that I, Leticia Vacek, City Secretary, posted this Agenda at 3pm on September 6, 2024, on the bulletin board of the City of Fredericksburg City Hall, 126 W. Main Street, Fredericksburg, Texas.

Leticia Vacek

Leticia Vacek, TRMC/CMC/MMC
City Secretary

CITY COUNCIL AGENDA MEMO

DEPARTMENT: Finance Department
TO: Mayor & City Council Members
FROM:
MEETING DATE: September 12, 2024

CATEGORY: OTHER ACTION ITEMS AND UPDATES

CAPTION: Conduct Public Hearing on Proposed Tax Increase as it relates to the Tax Rate for the 2024 Tax Year for the City of Fredericksburg, Texas.
i. Presentation by Krista Wareham, Finance Director.
ii. Hold a Public Hearing (The Mayor declares the Public Hearing open and calls upon individuals to speak. The Mayor declares the Public Hearing closed)
iii. Action Required-Motion to postpone the final tax rate vote until Tuesday, September 17, 2024

PRESENTATION:

SUMMARY:
Conduct a public hearing to discuss a proposed tax increase as it relates to the Tax Rate for the 2024 Tax Year and the 2024-2025 Fiscal Year City Budget. The purpose of this public hearing is to provide information about the proposed tax rate changes and to allow members of the public to voice their opinions and ask questions.

BACKGROUND:
On July 31, 2024, the Gillespie Central Appraisal District (GCAD) submitted the No-New-Revenue and the Voter Approval tax rates for the City's Fiscal Year 2024-2025 Budget. The tax rate for the 2024 Tax Year was discussed at the August 20th Regular City Council Meeting, and the Council set the not-to-exceed tax rate at $0.205326 per $100 valuation. The tax rate of $0.25326 is the Voter-Approval Tax Rate including the unused increment. The Voter-Approval Tax Rate is the maximum tax rate a local government, such as a city or county, can set without needing approval from voters through an election. The unused increment refers to the portion of the voter approval tax rate that a local government did not use in previous years. Essentially, the City could have increased taxes but chose not to. The difference between the adopted tax rate and the Voter Approval Rate is considered "unused." Local governments are allowed to "bank" the unused increment for up to three years.

Tax Rate		Rate Info
$ 0.165180	per $100 valuation	Current Tax Rate
$ 0.160769	per $100 valuation	2024 No New Revenue
$ 0.188764	per $100 valuation	2024 VAR, not using the unused increment
$ 0.192171	per $100 valuation	2024 De Minimis Rate
$ 0.205326	per $100 valuation	2024 VAR, using the unused increment

CITY OF FREDERICKSBURG TAX RATE	2019	2020	2021	2022	2023	Proposed 2024
Maintenance & Operations	$0.189749	$0.184625	$0.168029	$0.169967	$0.152612	$0.181264
Interest & Sinking	$0.037535	$0.036150	$0.027794	$0.025856	$0.012568	$0.024062
Total Tax Rate	**$0.227284**	**$0.220775**	**$0.195823**	**$0.195823**	**$0.165180**	**$0.205326**

FUNDING SOURCE:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

COMPREHENSIVE PLAN GUIDING PRINCIPLE:

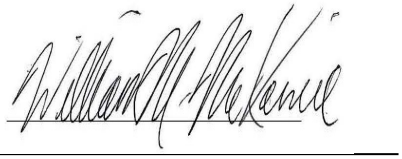
Business Visioning
Government Vision
Family Life Vision
Quality of Life Vision

ATTACHMENTS:

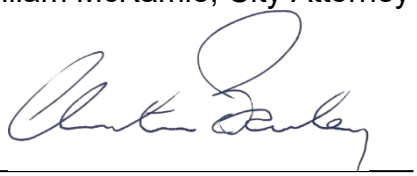
1. FORM 50-876 NOTICE OF PUBLIC HEARING ON TAX INCREASE

APPROVAL/REVIEW:

Leticia Vacek, City Secretary — Date: September 06, 2024



William McKamie, City Attorney — Date: September 06, 2024



Clinton Bailey, City Manager — Date: September 06, 2024

Statements required in notice if the proposed tax rate exceeds the no-new-revenue tax rate but does not exceed the voter-approval tax rate, as prescribed by Tax Code §§26.06(b-2).

NOTICE OF PUBLIC HEARING ON TAX INCREASE

This notice only applies to a taxing unit other than a special taxing unit or municipality with a population of less than 30,000, regardless of whether it is a special taxing unit.

PROPOSED TAX RATE	$0.205326	per $100
NO-NEW-REVENUE TAX RATE	$0.160769	per $100
VOTER-APPROVAL TAX RATE	$0.205326	per $100

The no-new-revenue tax rate is the tax rate for the 2024 *(current tax year)* tax year that will raise the same amount of property tax revenue for City of Fredericksburg *(name of taxing unit)* from the same properties in both the 2023 *(preceding tax year)* tax year and the 2024 *(current tax year)* tax year.

The voter-approval tax rate is the highest tax rate that City of Fredericksburg *(name of taxing unit)* may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is greater than the no-new-revenue tax rate. This means that City of Fredericksburg *(name of taxing unit)* is proposing to increase property taxes for the 2024 *(current tax year)* tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON September 12, 2024 at 9:00 AM *(date and time)* at Law Enforcement Center located at 1601 E. Main Street, Fredericksburg, TX *(meeting place)*.

The proposed tax rate is not greater than the voter-approval tax rate. As a result, City of Fredericksburg *(name of taxing unit)* is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the City Council *(name of governing body)* of City of Fredericksburg *(name of taxing unit)* at their offices or by attending the public hearing mentioned above.

YOUR TAXES OWED UNDER ANY OF THE TAX RATES MENTIONED ABOVE CAN BE CALCULATED AS FOLLOWS:

Property tax amount = (tax rate) x (taxable value of your property) / 100

(List names of all members of the governing body below, showing how each voted on the proposal to consider the tax increase or, if one or more were absent, indicating absences.)

FOR the proposal: Mayor Jeryl Hoover, Councilmembers Bobby Watson, Emily Kirchner, Tony Klein, Randy Briley

AGAINST the proposal: None

PRESENT and not voting: None

ABSENT: None

Visit Texas.gov/PropertyTaxes to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by City of Fredericksburg *(name of taxing unit)* last year to the taxes proposed to the be imposed on the average residence homestead by City of Fredericksburg *(name of taxing unit)* this year.

	2023	2024	Change
Total tax rate (per $100 of value)	$0.165180	$0.205326	24.3% increase
Average homestead taxable value	$466,210	$510,495	9.49% increase
Tax on average homestead	$770	$1,048	36.11% increase
Total tax levy on all properties	$5,022,399	$6,639,357	32.19% increase

(Include the following text if these no-new-revenue maintenance and operations rate adjustments apply for the taxing unit)

No-New-Revenue Maintenance and Operations Rate Adjustments

State Criminal Justice Mandate (counties)

The _____ County Auditor certifies that _____ County has
(county name) *(county name)*
spent $_____ in the previous 12 months for the maintenance and operations cost
(amount minus any amount received from state revenue for such costs)
of keeping inmates sentenced to the Texas Department of Criminal Justice. _____ County
(county name)
Sheriff has provided _____ County information on these costs, minus the state
(county name)
revenues received for the reimbursement of such costs.

This increased the no-new-revenue maintenance and operations rate by _____ /$100.

Indigent Health Care Compensation Expenditures (counties)

The _____ spent $ _____ from July 1 _____to June 30 _____
(name of taxing unit) *(amount)* *(prior year)* *(current year)*
on indigent health care compensation procedures at the increased minimum eligibility standards, less the amount of state assistance.

For current tax year, the amount of increase above last year's enhanced indigent health care expenditures is $ _____.
(amount of increase)

This increased the no-new-revenue maintenance and operations rate by _____ /$100.

Indigent Defense Compensation Expenditures (counties)

The _____ spent $ _____ from July 1 _____to June 30 _____
(name of taxing unit) *(amount)* *(prior year)* *(current year)*
to provide appointed counsel for indigent individuals in criminal or civil proceedings in accordance with the schedule of fees adopted under Article 26.05, Code of Criminal Procedure, and to fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure, less the amount of any state grants received. For current tax year, the amount of increase above last year's enhanced indigent defense compensation expenditures is $ _____.
(amount of increase)

This increased the no-new-revenue maintenance and operations rate by _____ /$100.

Eligible County Hospital Expenditures (cities and counties)

The _____ spent $ _____ from July 1 _____to June 30 _____
(name of taxing unit) *(amount)* *(prior year)* *(current year)*
on expenditures to maintain and operate an eligible county hospital.

For current tax year, the amount of increase above last year's eligible county hospital expenditures is $ _____.
(amount of increase)

This increased the no-new revenue maintenance and operations rate by _____ /$100.

(If the tax assessor for the taxing unit maintains an internet website)

For assistance with tax calculations, please contact the tax assessor for City of Fredericksburg
(name of taxing unit)
at (830) 997-9809 or tax@gillcad.org, or visit https://gillespiecad.org
(telephone number) *(email address)* *(internet website address)*
for more information.

(If the tax assessor for the taxing unit does not maintain an internet website)

For assistance with tax calculations, please contact the tax assessor for _____
(name of taxing unit)
at _____ or _____.
(telephone number) *(email address)*