



FY2022/2023 BUDGET WORKSHOP – TAX RATE

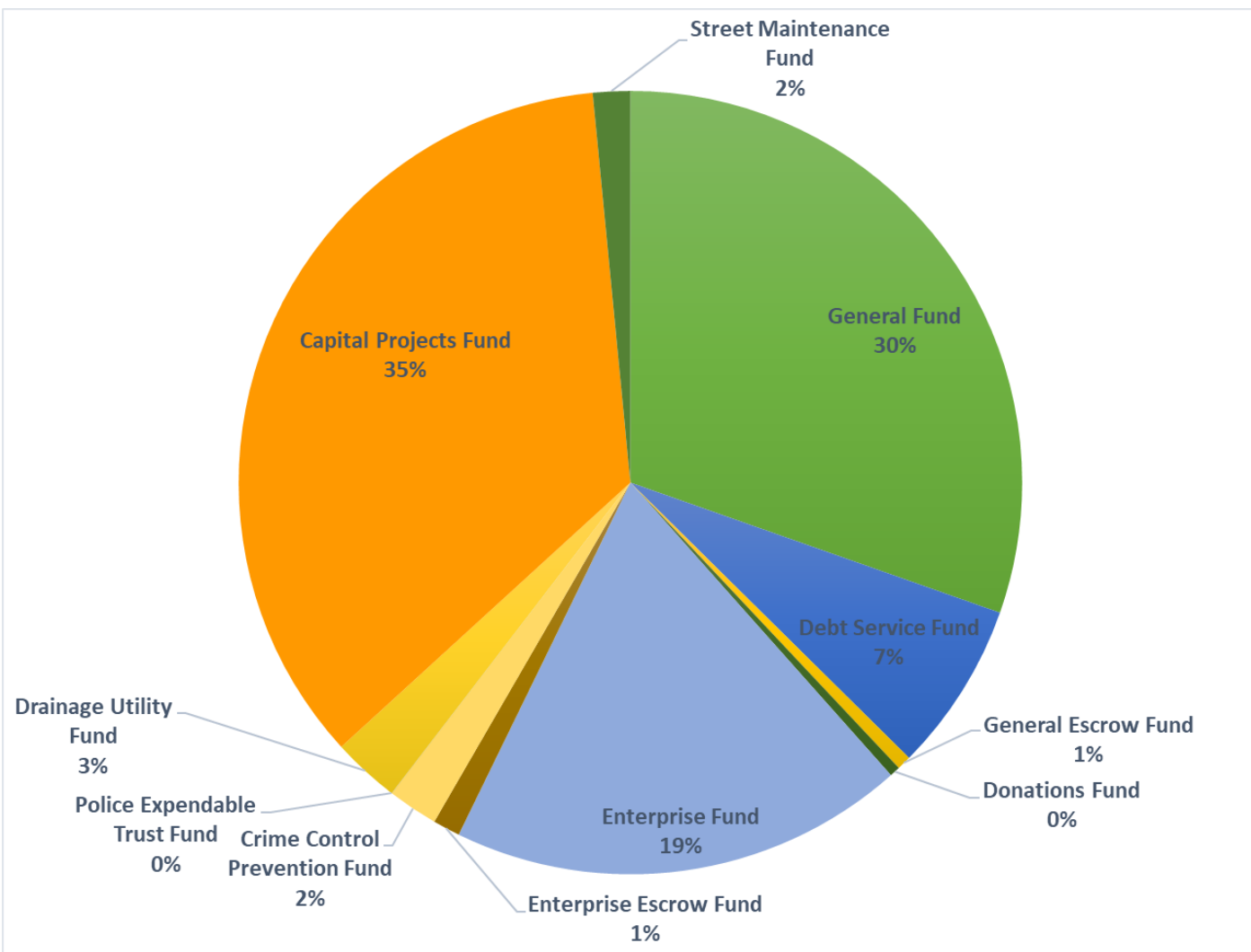


11 Different Fund Budgets

- General Fund
- Debt Service Fund
- Enterprise Fund (Water and Wastewater Utility Fund)
- Capital Projects Fund
- Crime Control and Prevention District Fund (CCPD)
- Police Expendable Trust Fund
- Drainage Utility Fund
- Street Maintenance Fund
- Donations Fund
- General Escrow Fund (Special Revenues)
- Water/Wastewater Escrow Fund (Impact Fees)



FISCAL YEAR 2021/2022 REVISED BUDGET



General Fund	20,584,120
Debt Service Fund	4,753,725
General Escrow Fund	395,580
Donations Fund	294,220
Enterprise Fund	12,735,320
Enterprise Escrow Fund	760,845
Crime Control Prevention Fund	1,407,575
Police Expendable Trust Fund	3,290
Drainage Utility Fund	1,886,815
Capital Projects Fund	23,876,245
Street Maintenance Fund	1,041,480
TOTAL ADOPTED BUDGET	67,739,215

Revenue _(tax levy) = Base x Rate



- Property Tax Revenue – Revenue source for the General Fund and the Debt Service Fund
- Tax base - property values determined by Tarrant Appraisal District (TAD)
- Tax rate - determined by City Council



Property Tax Rate

Maintenance and Operations Tax Rate (General Fund)

+

Interest and Sinking Tax Rate (Debt Service Fund)

=

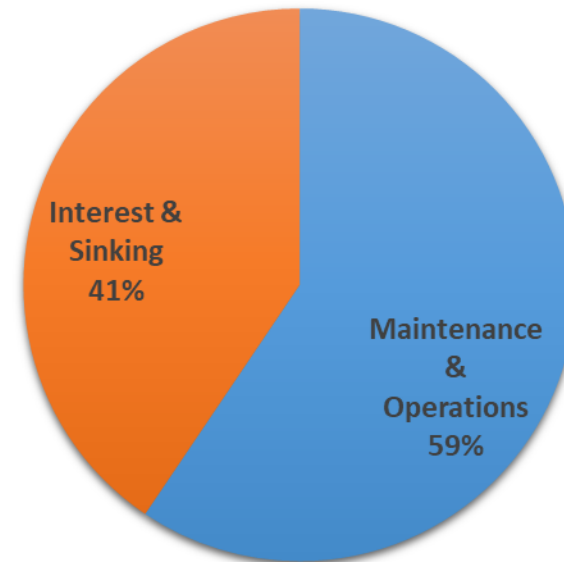
Total Tax Rate

FY21/22 Tax Rate:

M&O 28.5058

I&S 19.4458

Total 47.9516





Tax Rate Terminology

No New Revenue
Tax Rate

Voter Approval
Tax Rate
3.5%

De Minimis
Tax Rate
+ \$500,000

Unused
Incremental Rate

No New Revenue Tax Rate



- The property tax rate that generates the same operating revenue as last year on the same properties plus amount required for debt service
- Tax revenue = Base X Rate
 - If base increases, rate decreases
 - If base decreases, rate increases



Voter Approval Tax Rate

- The property tax rate that generates an increase of 3.5% more operating revenue than last year on the same properties plus amount required for debt service
- Any rate adopted over the voter approval rate will trigger an automatic election on uniform election date



De Minimis Tax Rate

- This rate may be used by special taxing districts and cities with a population of less than 30,000
- Rate is the no new revenue M&O rate plus the rate that will generate an additional \$500,000 plus the amount required for debt service
- If adopting this rate, must use the accelerated budget time table
- If adopt this rate and is less than 8%, no election
- If adopt this rate and is more than 8%, voter may petition
- If adopt a rate higher than this, automatic election



Unused Incremental Rate

- The difference between the adopted rate and the voter approval rate can be “saved” and used for up to three years

- Example:

Year	Voter Approval Rate	Adopted Rate	Difference	Unused Incremental Rate
2020	0.5000	0.5000	0.0000	0.0000
2021	0.5025	0.5000	0.0025	0.0025
2022	0.5100	0.5000	0.0100	0.0125

In 2023 could increase voter approval rate by 0.0125

- City of Saginaw:

Year	Voter Approval Rate	Adopted Rate	Difference	Unused Incremental Rate
2020	0.4687	0.4616	0.0071	0.0071
2021	0.4961	0.4795	0.0166	0.0237
2022				



Property Tax Exemptions

- Homestead Over 65 is \$50,000
- Homestead Disabled is \$30,000
 - Example: Appraised value \$200,000

less \$ 50,000

taxable value \$150,000

Property tax is \$719.27 instead of \$959.03 a \$239.76 savings

- An additional \$20,000 in exemption would be a savings of \$95.90 and would cost the other tax payers \$12.07
- Changes to exemptions must be submitted to TAD by July 1st

CITY-WIDE FY 22/23 BUDGET ISSUES



Competitive salaries and cost of living adjustments

Employee health insurance increases and/or plan
Changes