



## UNIVERSITY PARK CITY COUNCIL AGENDA MEMO

**Meeting Date:**  
9/19/2023

**Item Type:**  
Public Hearing

**Subject:** CONTINUATION OF PUBLIC HEARING: FY2024 Budget (and overview of related items and procedures)

**Prepared By:** Thomas W. Tvardzik, Finance Director

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### **Background:**

The proposed FY2024 budget has been reviewed and recommended by three Advisory Committees - Employee Benefits, Finance, and Property/Casualty/Liability Insurance. The Capital Projects Committee will review and recommend their FY2024 capital budget and project plan at a later date, after which it will be brought to the City Council for approval.

The public hearing on the proposed budget was opened on September 5, 2023, and was continued over until September 19, 2023. Staff has published the required notices of both the budget hearing(s) and tax rate hearing in the newspaper of record and on the City website. Adoption of the budget occurs by ordinance, as does the property tax rate, fee schedule amendments and compensation plan.

### **LEGISLATIVE REQUIREMENTS FOR ADOPTION**

Texas Local Government Code section 102.007 governs the process of municipal budget adoption.

**TLGC 102.007(a)**, specifies that the governing body of the municipality shall act on a proposed budget at the conclusion of the public hearing. A vote to approve (or amend) the budget at the conclusion of the hearing will fulfill this requirement.

**TLGC 102.007(c)** mandates that budgets raising more revenue from property taxes than the previous year require a separate vote of the governing body to ratify the property tax increase reflected in the budget. This vote is in addition to (and separate from) the vote to adopt the budget or the vote to set the tax rate.

**TLGC 102.007(d)** requires a special cover page be affixed to the adopted budget that includes: (a) a specific statement on whether the budget raises more, less or the same amount of property tax revenue compared to the previous year's budget; (b) the record vote of each member of the governing body (by name) voting on the adoption of the budget; (c) the city property tax rates for the preceding and current fiscal years, including the adopted rate, the "no-new-revenue-tax-rate", the "no-new-revenue maintenance and operations tax rate, the voter approval tax rate, and debt rate; and (d) the total amount of

city debt obligations secured by property taxes. This cover page will be produced and included as part of the budget after the official vote.

**Fiscal Impact:**

- ☐ Not Applicable
- ☐ Budget Amendment Required
- ☒ Proposed Revenue
- ☒ Proposed Expenditure
- Funding Source:

**Master Plan Goal:**

Please check the associated Theme and provide the corresponding action item number.



	Theme	Action Item(s)
<input type="checkbox"/>	Affirming Sense of Place	
<input type="checkbox"/>	Assuring Connectivity	
<input type="checkbox"/>	Innovative Governance	
<input type="checkbox"/>	Technological Integration	
<input type="checkbox"/>	Preparing for the Future	
<input type="checkbox"/>	Not Applicable	

**Recommendation:**

Hold the second half of the public hearing on the FY2024 budget. After public comment (if any), close the hearing and open the Public Hearing on the FY2024 Tax Rate.

**Further:**

At the conclusion of the public hearings, Staff recommends that the Council take the following actions to approve the FY2024 budget and related items. Each of these items is presented under separate memoranda. A “script” will be provided to Council to ensure each item is handled in accordance with statutory guidance.

1. **Approve the ordinance adopting the FY2024 budget.** The total budget of \$65,817,493 is 7.4% higher than last year's \$61,268,885 adopted budget. The four funds included in the budget are the General, Water and Sewer, Sanitation, and Storm Water Funds.
2. **Vote to ratify the \$1,957,621 property tax increase.** This is an 8.4% increase in property taxes from the prior year. Of this increase, \$278,651 is due to new property added to the tax rolls. (Note: budget to budget, the increase is only 7.27%. The 8.4% increase is based on adjusted FY23 values.)
3. **Approve the ordinance adopting the Tax Year 2023 (FY2024) property tax rate of \$0.236226 (23.6226 cents) per \$100 taxable value.** The entire rate is dedicated for maintenance and operations, including budgeted amounts to be transferred to the capital projects fund. There is no general obligation debt service rate. The FY2024 tax rate of 0.236226 is 3.96% lower than the FY2023

rate of 0.245975. The FY2024 “No-New-Revenue” Tax Rate is \$0.216697 and is the rate that would raise the same amount of property tax revenue as last year, when applied to the same properties in both years. The FY2024 tax rate of \$0.236226 is 9.01% higher than the NNR Rate, but below the Voter Approval Rate of \$0.238613 (including unused increment from prior years).

4. **Approve the ordinance amending the City’s Master Fee Schedule.** This ordinance includes fee changes necessary to support the ongoing operations of the various “business-type” funds in the City. See the agenda memo and related items for further information.

**Committee Review (*optional*):**

**Attachments:**

- Budget Memo
- Budget Summary
- Property Tax Impact Calculation