



**NOTICE OF A SPECIAL COUNCIL MEETING
FAIRVIEW TOWN COUNCIL
TOWN HALL COUNCIL CHAMBERS
372 TOWN PLACE
FAIRVIEW, TX
TUESDAY, AUGUST 22, 2023
6:00 P.M.
AGENDA**

NOTICE IS HEREBY GIVEN the Town of Fairview Town Council will conduct a Special Meeting scheduled at 6:00 p.m. on Tuesday, August 22, 2023, located at Fairview Town Hall, 372 Town Place, Fairview, TX 75069. A meeting can be held with a member participating by videoconference provided that there is a quorum of members physically present at the location that is open to the public. One or more Council members may attend the meeting via video conference.

This notice and meeting agenda will be posted online at fairviewtexas.org.

The public will be permitted to offer public comments as provided by the agenda and as permitted by the presiding officer during the meeting.

1. Call to Order
2. Citizen's Comment
At this time, any person may address the Council regarding an item on this meeting agenda that is not scheduled for public hearing. Also, at this time, any person may address the Council regarding an item that is not on this meeting agenda. Each person will have up to five minutes. No discussion or action may be taken at this meeting on items not listed on this agenda, other than to make statements of specific factual information in response to a citizen's inquiry or to recite existing policy in response to the inquiry.
3. Conduct a public hearing regarding the Fiscal Year 2023-2024 proposed budget and take any necessary action.
4. Conduct a public hearing regarding the Fiscal Year 2023-2024 proposed tax rate and take any necessary action.
5. Discuss the proposed Fiscal Year 2023-2024 budget, rates, staffing, capital planning, long range planning, budget process, meeting dates, and other related matters and take any necessary action.
6. Discuss and consider action to authorize the Town Manager to proceed with procuring financing for capital projects.

7. Adjourn

I, Adam Wilbourn, Alternate Town Secretary, hereby certify that notice of the above-named meeting was posted on the bulletin board of the Town Hall of the Town of Fairview, Texas, a place readily accessible to the public at all times, on the 17th day of August, 2023 at or before 5:00 p.m. and will remain continuously posted for at least 72 hours immediately preceding said meeting.

Adam Wilbourn, Alternate Town Secretary

NOTICE OF ASSISTANCE AT THE PUBLIC MEETINGS:

The Town of Fairview Council Chambers is wheelchair accessible. Access to the building and special parking is available at the primary southwest and northwest entrance into the Town Hall parking lot. Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services such as interpreters for persons who are deaf or hearing impaired, or readers, are requested to contact the Town Secretary's office at 972-562-0522, Ext 4234 or by fax at 972-886-4203.



Memorandum

August 22, 2023

TO: Mayor & Council

FROM: Julie Couch, Town Manager
Steven Ventura, Chief Financial Officer

SUBJECT: **PUBLIC HEARING ON THE FISCAL YEAR 2023-24 PROPOSED BUDGET**

BACKGROUND: In accordance with the Texas Local Government Code, the Town Council must hold a public hearing on the proposed budget. The public hearing must be set for a date occurring after the 15th day after the proposed budget is filed with the Town Secretary, but before the date the Town Council adopts its tax rate. As budget officer for the Town, the Town Manager filed the proposed budget on Monday, July 24th to allow the public the ability to review the budget prior to the public hearing. As required by State law, notice of the public hearing regarding the budget was published in the Allen American on Sunday, August 6th. In addition, the public hearing notice was posted on the Town's website.

Section 102.007 of the Local Government Code requires a budget that raises more revenue from property taxes than in the previous year to contain the following note:

“THIS BUDGET WILL RAISE MORE REVENUE FROM PROPERTY TAXES THAN LAST YEAR’S BUDGET BY AN AMOUNT OF \$833,471, WHICH IS A 10.55% INCREASE FROM LAST YEAR’S BUDGET. THE PROPERTY TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR IS \$193,711.”

The above statement is based on the calculation using the methodology required by the state.

Section 102.007 of the Local Government Code also requires a vote of the Town Council, in addition to and separate from the vote to adopt the budget, to ratify the property tax increase reflected in the budget when a proposed budget raises more revenue from property taxes than in the previous year.

STATUS OF ISSUE: The Town Manager is required by ordinance to prepare the Town's annual budget and submit the budget to the Town Council. The Town Manager filed the proposed budget for fiscal year 2023-24 with the Town Secretary on Monday, July 24th. After filing the budget with the Town Secretary, the Town Council met to discuss the budget at the budget work session on Thursday, July 27th. The proposed budget includes a budget for the Fairview Economic Development Corporation (EDC) and Fairview Community Development Corporation (CDC). The EDC and CDC approved the budget at their meeting on Wednesday, July 12th.

The Collin County Tax Office provides tax assessment and collection services to the Town and has calculated the Town's No New Revenue rate, Voter Approval rate and De Minimus rate as \$0.290064 per \$100 of property valuation and \$0.300915 per \$100 of valuation, and \$0.311703 per \$100 of valuation respectively. The No New Revenue rate is a calculated rate that would provide the taxing unit with about the same amount of revenue it received in the year before on properties taxed in both years. If property values rise, the effective tax rate will go down and vice versa. The Voter Approval rate is a calculated maximum rate allowed by law without voter approval. The voter approval rate provides the taxing unit with about the same amount of tax revenue it spent the previous year for day-to-day operations, plus an extra three and a half (3.5) percent increase for those operations, in addition to sufficient funds to pay debt in the coming year. The De Minimus rate is calculated for cities under 30,000. This rate would allow smaller cities to generate an additional \$500,000 in taxes, however, a petition could still be submitted to require an election to approve or deny the proposed rate.

The proposed budget is based on a combined tax rate of 0.311683. The combined tax rate consists of an interest and sinking (I&S) rate of \$0.077483 and a maintenance and operations (M&O) rate of \$0.234200. The proposed combined tax rate exceeds both the No New Revenue rate and the Voter Approval rate but is less than the DeMinimus rate.

Since the budget work session, there have been a few changes to the proposed budget. The Public Works department has a parks maintenance line item that was inadvertently omitted from the original proposed budget totaling \$25,000, because of savings in healthcare benefits of nearly that same amount, there is no significant change in General Fund expenses. Originally NTMWD was proposing an increase in water and sewer of 11% and 26.59% respectively. Revised estimates from NTMWD included an 8.72% increase in water and a 26.80% increase in sewer rates. Included in the budget is a proposed 5% increase in water and a 26.59% increase in sewer. Lastly, with updated tax rate calculations, the Debt Service fund saw an increase in property tax revenue of roughly \$125,000, and expenses increased by \$230,000 accounting for the proposed issuance of tax notes for capital projects.

BUDGET: The Town Council must adopt a budget and tax levy to support the maintenance, operation, and debt obligations of the Town.

RECOMMENDATION: After conducting a public hearing to receive input on the FY2023-24 Town of Fairview proposed budget, Town staff recommends that the Town Council set the date to adopt the proposed budgets and the associated tax rates.



Memorandum

August 22, 2023

TO: Mayor & Council

FROM: Julie Couch, Town Manager
Steven Ventura, Chief Financial Officer

SUBJECT: PUBLIC HEARING ON THE PROPOSED TAX RATE FOR FISCAL YEAR 2023-24

BACKGROUND: The Collin County Tax Office has calculated the Town's No New Revenue rate, Voter Approval rate and De Minimus rate as \$0.290064 per \$100 of property valuation and \$0.300915 per \$100 of valuation, and \$0.311703 per \$100 of valuation respectively. Although the proposed tax rate is lower than last year's tax rate of \$0.321577, the Town Council must hold a public hearing on the proposed rate because the Town's proposed tax rate of \$0.311683 exceeds the No New Revenue and the Voter Approval tax rates.

STATUS OF ISSUE: On August 1st, the Town Council took a record vote recognizing the proposed tax rate and established the date, time, and location of the public hearing as Tuesday, August 22nd at 6:00 p.m. in the Town Hall Council Chambers located at 372 Town Place in Fairview, Texas and via telephonic/video access. Taxpayers shall be given an opportunity to express their views on the proposed rate at the hearing. The governing body may not adopt the tax rate at the hearing. At the hearing, the governing body must announce the date, time, and place of the meeting at which it will vote on the tax rate.

State law also requires that the City publish a "Notice of 2023 Tax Year Proposed Property Tax Rate" in its official newspaper, the Allen American, and post the same notice on its website. The notice was published on Sunday, August 6th and has also been posted on the website since August 11th. The Town Council is scheduled to take final action on the proposed budget and tax rate, on August 28th by adopting the FY 2023-24 budget and 2023 tax rate by ordinance.

The average taxable value of a residential homestead in the Town of Fairview last year was \$722,630. Based on last year's tax rate of \$0.321577 per \$100 of taxable value, the amount of

taxes imposed last year on the average home was \$2,323.81. The average taxable value of a residential homestead in the Town of Fairview increased to \$728,192 this year, which is less than a 1% increase. When the proposed tax rate of \$0.311683 per \$100 of taxable value is applied to the increased home value, the amount of taxes imposed this year on the average home would be \$2,269.65-a reduction of \$54.16-if there is no tax cap applicable to the home.

BUDGET: The Town's tax rate directly impacts the Town's budget. The proposed tax revenues for fiscal year 2023-24 are based on a tax rate of \$0.311683.

RECOMMENDATION: Town staff recommends the Town Council conduct the public hearing on the proposed tax rate of \$0.311683. At the end of the public hearing, the mayor should announce that the Town Council will take final action on the 2023 tax rate on August 28th, 2023 at 6:00 p.m. Meetings will be in the Town Hall Council Chambers located at 372 Town Place in Fairview.