

SIMONTON

Texas

EST. 1850



September 8, 2022

Promoting the Communities Future

“Another major task is making sure community plans are based in economic reality. Plans should express the community’s ideals- for example, smart growth and limited sprawl- but they must also take into account the market environment. A plan that ignores market realities is not likely to succeed. “



Definitions

Tax Rates

No New Tax Rate

The no-new-revenue tax 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.

Voter Approval Tax Rate

The voter approval tax rate is a calculated maximum rate allowed by law without voter approval- capped at 3.5% in 2020. A taxing unit's voter approval tax rate is a calculated rate that divides the overall property taxes into two categories - M&O and debt service, also called interest and sinking.

De Minimus Tax Rate

New in 2020 tax year was created a third calculation for taxing units *with a population of 30,000 or less and is not a school district, water district or special taxing unit.*

Definitions

Small Taxing Unit

With a population of under 30,000 and a tax rate of less than \$0.50/lb. per \$100 value, The City of Simonton is considered a Small Taxing Unit.

General Law City

- No Charter
- We do not sell utilities
- No MUD's or LID's

Projected Expenses

Road Maintenance

The City is responsible to maintain approximately 16 miles of roads in the City Limits of Simonton.

Material cost only for asphalt roads

- Utilizing interlocal agreement with Fort Bend County Road and Bridge
- Subject to availability
- Overlay Per Mile \$125,000
- Rebuild Per Mile \$275,000

Outside contract cost for asphalt roads

- Overlay Per Mile \$155,000
- Rebuild Per Mile \$305,000

4 miles of overlay and 4 miles of rebuild estimate \$1.8 million

Projected Expenses

Matching Funds for Mobility Projects

Preliminary construction cost estimate of the FM 1093 and FM 1489 intersection is \$6.4mm. The City will be required to provide matching funds..

Engineering and Inspections

As part of a Development Agreement implemented in 2015, the City is responsible to provide engineering and inspection services for all Twinwood USA construction projects in the City and ETJ.

Projected Expenses

Comprehensive Plan

Texas Local Government Code, title 7A, Chapter 213 Comprehensive Plan
The governing body of a municipality must adopt a comprehensive plan for the long range development of the municipality.

- Required by the State of Texas prior to zoning or land use designation.
- Business Best Practice
- Project cost is estimated \$200K. Accelerated to one year project.

Wegner, Sr., AICP, Professor, School of Urban and Public Affairs, at the University of Texas at Arlington. "A comprehensive plan can be defined as a **long-range plan intended to direct the growth and physical development of a community for a 20 to 30 year or longer period.**"

Projected Expenses

Emergency Management

The City of Simonton is the farthest northwest entity in Fort Bend County with the highest per capita expense for emergency response in high water events. Preparedness and self management are the keys to protecting people, livestock and property.

- Maintaining emergency equipment and contracts has a cost regardless of deployment.
- Interlocal agreement with Fort Bend County provides labor if available. The City must provide equipment and support.
- 2019 pumping deployment \$125,000.
- The City of Simonton subsidized post flood building permits 2016-2017 at a cost of \$500,000.

Projected Expenses

Inflation

Out of the ordinary inflation affects the City in the same way it does personally.

Federal inflation rate is 9.1% however, Anticipated actual costs average 20%:

- Energy Costs +41.6%
- Goods and Services +40%
- Contract Prices (generator, pump services contracts, etc.) In negotiation
- Liability Insurance, Health Insurance +10.7%



Proposal

CORRECTION

Small Taxing Unit Notice of Proposed Tax Rate to increase total taxes by 143.71% is incorrect. The increase over current rate is 102.54%

<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
\$0.244211	\$0.260000	\$0.240000	\$0.230000	\$0.220000	\$0.240000	\$0.212978	\$0.220000	\$0.219189	\$0.443954

10-year historical Tax Rate Calculation

10-year average: \$0.259083

Proposal

2022-2023 Proposed tax rate is \$0.443954/ \$100 value

No New Revenue Rate	\$0.182166/ \$100
Voter Approval Rate	\$0.204459/ \$100
De Minimus Rate	\$0.642343/ \$100

Appendix

Surrounding City Rates

City of Wallis (of which we subsequently fund by default because of the mail code issues)	\$0.695782
City of Brookshire	\$ No rate yet
City of Beasley	\$0.399746
City of Kendleton	\$0.829500
City of Meadows Place	\$0.832000
City of Needville	\$0.385642
City of Orchard	\$0.400000
City of Richmond	\$0.680000
City of Pleak (Initial year of Ad Valorem Tax)	\$0.255555
City of Rosenberg	\$0.355000
City of Arcola	\$0.680149

Proposal

Property Tax Summary- Example

Year 2022 Market Value		\$ 317,910.00	
	2022 No New	2022 Proposed	
Taxing Entity	Revenue Rate Taxes	Tax Rate Taxes	Change
City of Simonton	\$ 319.02	\$ 777.49	\$ 458.47
Fort Bend Co DRNG	\$ 22.19	\$ 22.59	\$ 0.40
Fort Bend Co Gen Fund	\$ 670.93	\$ 767.59	\$ 96.66
Fort Bend ESD 4	\$ 184.11	\$ 212.25	\$ 28.14
Lamar CISD	\$ 2,124.81	\$ 2,408.36	\$ 283.55
Total Tax Bill	\$ 3,321.06	\$ 4,188.28	\$ 867.22

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