



**SOUTH TEXAS
COLLEGE**

Board of Trustees

**PUBLIC HEARING AND
SPECIAL BOARD MEETING ON
PROPOSED 2015 TAX RATE**

Thursday, September 17, 2015

5:30 p.m.

**Pecan Campus
Ann Richards Administration Building
Board Room
McAllen, Texas**

Online Board Packet

SOUTH TEXAS COLLEGE
BOARD OF TRUSTEES PUBLIC HEARING AND
SPECIAL BOARD MEETING ON PROPOSED 2015 TAX RATE
Thursday, September 17, 2015 @ 5:30 p.m.
Ann Richards Administration Building Board Room, Pecan Campus
McAllen, Texas

AGENDA

“At anytime during the course of this meeting, the Board of Trustees may retire to Executive Session under Texas Government Code 551.071(2) to confer with its legal counsel on any subject matter on this agenda in which the duty of the attorney to the Board of Trustees under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code. Further, at anytime during the course of this meeting, the Board of Trustees may retire to Executive Session to deliberate on any subject slated for discussion at this meeting, as may be permitted under one or more of the exceptions to the Open Meetings Act set forth in Title 5, Subtitle A, Chapter 551, Subchapter D of the Texas Government Code.”

- I. Call Meeting to Order
- II. Determination of Quorum
- III. Public Hearing:
 - Presentation on South Texas College Proposed 2015 Tax Rate
 - Public Comments
 - Close of Public Hearing on the Proposed 2015 Tax Rate
- IV. Informational Items
 - The 1st Public Hearing on the Proposed 2015 Tax Rate was held on Thursday, September 10, 2015 at 5:30 p.m., Ann Richards Administration Building Board Room, McAllen, Texas
 - The South Texas College Board of Trustees will vote on the Proposed 2015 Tax Rate at its Regular Meeting on Tuesday, September 22, 2015 at 5:30 p.m., Ann Richards Administration Building Board Room, McAllen, Texas
- V. Adjournment

Presentation on South Texas College Proposed 2015 Tax Rate

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, will provide a presentation on the proposed 2015 Tax Rate for South Texas College to the public and Board of Trustees.

Chapter 26 of the Property Tax Code requires taxing units to comply with truth-in-taxation laws in adopting the tax rate. The laws have two purposes: to make taxpayers aware of tax rate proposals and to allow taxpayers, in certain cases, to rollback or limit a tax increase. The truth-in-taxation requires a taxing unit to calculate two (2) tax rates after receiving the certified appraisal roll from the chief appraiser the effective tax rate and the rollback tax rate.

Comparing a proposed a rate to these two (2) rates determines which truth-in-taxation steps apply. A taxing unit must publish special notices and hold two public hearings before adopting a tax rate that exceeds the lower of the effective tax rate or the rollback tax rate.

The notice concerning the 2015 Property Tax Rate and the Notice of Public Hearing on Tax Increase have been published in accordance with the Truth-In-Taxation requirements in the Monitor and the Starr County and Mid Valley Town Crier. Attached are copies of the Proposed 2015 Tax Presentation, 2015 Property Tax Rates, the Notice of Public Hearing on Tax Increase, and the Notice of Tax Revenue Increase for your information and review.

The tax rate for 2014 Tax Year was as follows:

2014 Tax Rate			
	M & O Rate	Debt Rate	Rate
2014 Tax Rate	\$0.1400	\$0.0450	\$0.1850

The Tax Assessors for Hidalgo County and Starr County determined South Texas College's tax rates to be the following:

2015 Tax Rates				
	M&O Rate	Debt Rate	Rate	Revenue
Effective Tax Rate	-0-	-0-	\$0.1789	\$57,033,907
Rollback Tax Rate	\$0.1462	\$0.0450	\$0.1912	\$60,658,334
Proposed Tax Rate	\$0.1400	\$0.0450	\$0.1850	\$58,831,387

Determination of Tax Rates (M&O Rate and Debt Rate)

The proposed maintenance and operations (M&O) tax rate of \$0.1400 is the maximum rate that the College can adopt as approved by the voters on November 5, 2013.

The proposed debt rate of \$0.0450 is the amount necessary to fully fund all the debt service payments, including the LT Bond, Series 2014 and Series 2015. The College will maintain the FY 2014-2015 debt rate of \$0.0450.

Public Hearings Prior to Adoption of the Proposed 2015 Tax Rate

STC is required to hold two public hearings and publish special notices before adopting the proposed tax rate of \$0.1850 since this rate exceeds the lower of the effective tax rate or the rollback tax rate. At the August 25, 2015 Board of Trustees meeting, the Board of Trustees took a record vote and scheduled the two public hearings for the proposed tax rate of \$0.1850.

First Public Hearing

The first Public Hearing on the Proposed 2015 Tax Rate was scheduled for Thursday, September 10, 2015 at 5:30 p.m. and special notices were published in accordance with state law.

Second Public Hearing

The second Public Hearing on the Proposed 2015 Tax Rate was scheduled for Thursday, September 17, 2015 at 5:30 p.m. and special notices were published in accordance with state law.

Regular Board Meeting

The Board of Trustees of South Texas College is scheduled to take action on the proposed tax rate at a public meeting to be held on September 22, 2015 at South Texas College, Board Room, Annex Bldg., 2nd Floor, 3201 W. Pecan, McAllen, Texas at 5:30 p.m..

No action is request of the Board at this time.

Proposed 2015 Tax Rate

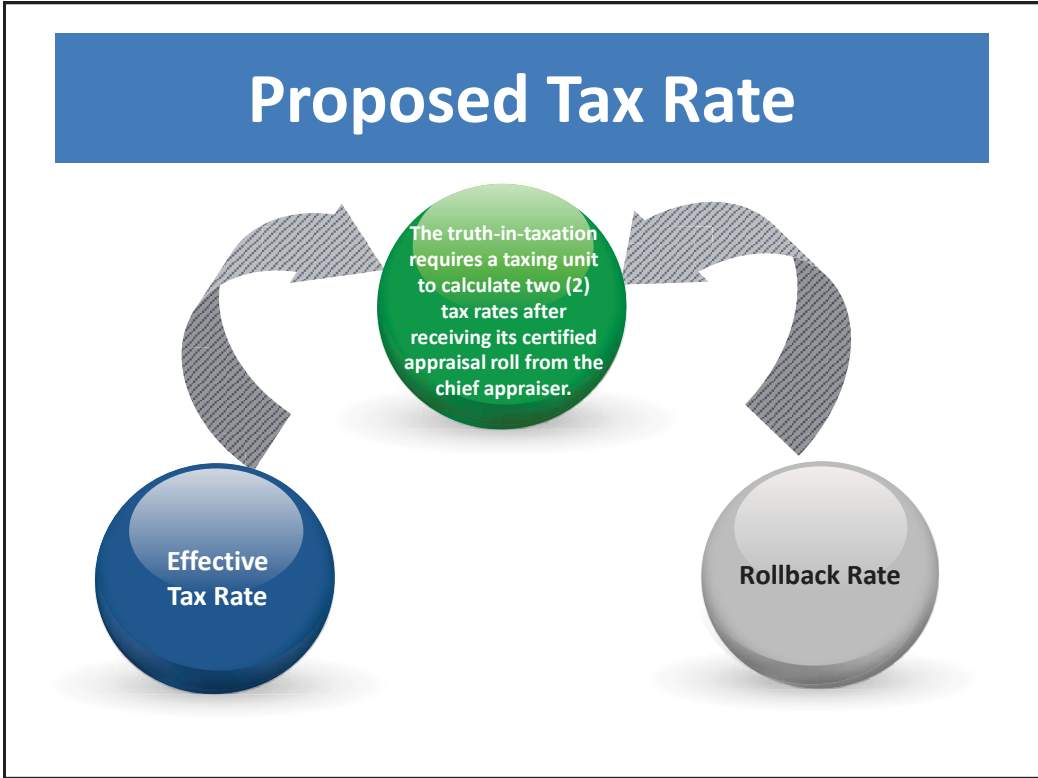


Proposed Tax Rate



Chapter 26 of the Property Tax Code requires taxing units to comply with truth-in-taxation laws in adopting the tax rate.

Truth in taxation is designed to inform the public of increases in total tax revenues assessed by taxing units.



Tax Rate Calculations

	M&O Rate	Debt Rate	Rate	Revenue
Effective Tax Rate			\$0.1789	\$57,033,907
Rollback Tax Rate	\$0.1462	\$0.0450	\$0.1912	\$60,658,334
Proposed Tax Rate	\$0.1400	\$0.0450	\$0.1850	\$58,831,387

Proposed Tax Rate: \$0.1850



The College is required to hold two public hearings and publish special notices before adopting the proposed tax rate since the proposed rate (\$0.1850):

- Exceeds the lower of the effective tax rate of (\$0.1789) or;
- The rollback tax rate of (\$0.1912)

Action on Proposed Tax Rate



Notice of Public Hearing on Tax Increase is published at least 7 days before public hearing - September 2, 2015



1st Public Hearing - September 10, 2015



Notice of Tax Revenue Increase published before meeting to adopt tax rate at least 7 days before meeting - September 16, 2015



Action on Proposed Tax Rate

Public Hearing

2nd Public Hearing
(may not be earlier than 3 days after 1st Public Hearing) -
September 17, 2015



Schedule and announce meeting to adopt tax rate 3 to 14 days from this date -
September 17, 2015



Meeting to adopt tax rate. Meeting is 3 to 14 days after 2nd Public Hearing -
September 22, 2015



Thank You Questions?



2015 Property Tax Rates in South Texas College

This notice concerns the 2015 property tax rates for South Texas College. It presents information about three tax rates. Last year's tax rate is the actual tax rate the taxing unit used to determine property taxes last year. This year's *effective* tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's *rollback* tax rate is the highest tax rate the taxing unit can set before taxpayers start rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$100 of property value.

Last year's tax rate:

Last year's operating taxes	\$38,937,258
Last year's debt taxes	\$12,515,547
Last year's total taxes	\$51,452,805
Last year's tax base	\$27,812,327,027
Last year's total tax rate	\$0.1850/\$100

This year's effective tax rate:

Last year's adjusted taxes (after subtracting taxes on lost property)	\$51,408,617
÷ This year's adjusted tax base (after subtracting value of new property)	\$28,730,203,142
=This year's effective tax rate	\$0.1789/\$100

(Maximum rate unless unit publishes notices and holds hearings.)

This year's rollback tax rate:

Last year's adjusted operating taxes (after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate, and/or enhanced indigent healthcare expenditures)	\$38,902,047
÷ This year's adjusted tax base	\$28,730,203,142
=This year's effective operating rate	\$0.1354/\$100
x 1.08 =this year's maximum operating rate	\$0.1462/\$100
+ This year's debt rate	\$0.0450/\$100
= This year's total rollback rate	\$0.1912/\$100

Statement of Increase/Decrease

If South Texas College adopts a 2015 tax rate equal to the effective tax rate of \$0.1789 per \$100 of value, taxes would increase compared to 2014 taxes by \$1,263,454.

Schedule A - Unencumbered Fund Balance

The following estimated balances will be left in the unit's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Property Tax Fund	Balance
Interest and Sinking Money Market Account	15,330,515

Schedule B - 2015 Debt Service

The unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
South Texas College District Limited Tax Refunding Bonds, Series 2007	5,875,000	861,750	0	6,736,750
South Texas College District Limited Tax Refunding Bonds, Series 2010	785,000	236,250	0	1,021,250
South Texas College District Limited Tax Refunding Bonds, Series 2013	1,590,000	96,750	0	1,686,750
South Texas College District Limited Tax Bonds, Series 2014	0	2,687,500	0	2,687,500
South Texas College District Limited Tax Bonds, Series 2015	520,000	4,381,340	0	4,901,340

Total required for 2015 debt service			\$17,033,590	
- Amount (if any) paid from Schedule A			\$3,770,000	
- Amount (if any) paid from other resources			\$0	
- Excess collections last year			\$0	
= Total to be paid from taxes in 2015			\$13,263,590	
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2015			\$0	
= Total debt levy			\$13,263,590	

This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at Hidalgo County, Administration Building, 2804 S, US Hwy 281, Edinburg, TX 78539.

Name of person preparing this notice: Pablo (Paul) Villarreal, Jr.
 Title: Hidalgo County Tax Assessor/Collector
 Date Prepared: 08/06/2015

Notice of Public Hearing on Tax Increase

The South Texas College will hold two public hearings on a proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by 3.41 percent (percentage by which proposed tax rate exceeds lower of rollback tax rate or effective tax calculated under Chapter 26, Tax Code). Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

The first public hearing will be held on September 10, 2015 at 5:30 PM at South Texas College, Board Room, Annex Bldg, 2nd Floor, 3201 W. Pecan, McAllen, Texas.

The second public hearing will be held on September 17, 2015 at 5:30 PM at South Texas College, Board Room, Annex Bldg, 2nd Floor, 3201 W. Pecan, McAllen, Texas.

The members of the governing body voted on the proposal to consider the tax increase as follows:

FOR:

AGAINST:

PRESENT and not voting:

ABSENT:

The average taxable value of a residence homestead in South Texas College last year was \$61,214. Based on last year's tax rate of \$0.1850 per \$100 of taxable value, the amount of taxes imposed last year on the average home was \$113.25.

The average taxable value of a residence homestead in South Texas College this year is \$66,143. If the governing body adopts the effective tax rate for this year of \$0.1789 per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$118.33.

If the governing body adopts the proposed tax rate of \$0.1850 per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$122.36.

Members of the public are encouraged to attend the hearings and express their views.

NOTICE OF TAX REVENUE INCREASE

The South Texas College conducted public hearings on September 10, 2015 and September 17, 2015 on a proposal to increase the total tax revenues of the South Texas College from properties on the tax roll in the preceding year by 3.41 percent.

The total tax revenue proposed to be raised last year at last year's tax rate of \$0.1850 for each \$100 of taxable value was \$51,452,805.

The total tax revenue proposed to be raised this year at the proposed tax rate of \$0.1850 for each \$100 of taxable value, excluding tax revenue to be raised from new property added to the tax roll this year, is \$53,150,876.

The total tax revenue proposed to be raised this year at the proposed tax rate of \$0.1850 for each \$100 of taxable value, including tax revenue to be raised from new property added to the tax roll this year, is \$54,513,739.

The Board of Trustees of South Texas College is scheduled to vote on the tax rate that will result in that tax increase at a public meeting to be held on September 22, 2015 at South Texas College, Board Rm, Ann Richards Admin. Bldg, 2nd Floor, 3201 W. Pecan, McAllen, TX 78501 at 5:30 PM.