

**MEMORANDUM**

**To:** Mayor and City Councilmembers  
Steve Parker, City Manager

**From:** Susan Caddell  
Director of Finance

**Subject:** Notice to Propose a Tax Rate

**Date:** August 14, 2025

The FY26 Proposed Budget includes a proposed tax rate of \$.5135 per \$100 valuation, which is the no-new-revenue tax rate. It is an increase of \$.001 above the current rate. This rate consists of \$.2154 for debt service and \$.2981 for maintenance and operations. In the past, the City Council was to vote to propose a new tax rate using specific wording, but it seems that language has been taken out of the current law. This was the wording used in the past to make the motion:

*I make a motion to place a proposal to adopt a tax rate of \$.5135 per \$100 valuation on an agenda of a future City Council meeting.*

Since the tax rate being proposed does not exceed the no-new-revenue rate or the voter-approval rate, a public hearing is not required. The first vote on the tax rate will be held on September 2, 2025 with the second vote being held on September 16, 2025.

Please let me know if you have any further questions.