



# CITY COUNCIL AGENDA REPORT

**DATE:** September 5, 2025

**AGENDA OF:** September 9, 2025

**DEPARTMENT:** Finance

**SUBJECT:** Ordinance setting the 2025 Tax Rate for the No-New Revenue Maintenance and Operations (M&O) Fund at \$.XXXX and the Interest and Sinking (I&S) Fund at \$.XXXX for a Total Tax Rate of not to exceed \$.XXXX.

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**RECOMMENDED MOTION:** Approval of an Ordinance setting the not to exceed tax rate of \$0.XXXX per \$100 of taxable valuation for the Tax Year beginning January 1, 2026, and ending on December 31, 2026. The current proposed budget is based on Maintenance and Operating Tax Rate of \$0.4764. The proposed Interest and Sinking Tax Rate of \$.1218.

In order to comply with state law, the following motion is required: **“I move that the property tax rate be increased by the adoption of a tax rate of 0.XXXX, which is effectively a XX percent (increase or decrease) in the tax rate.”**

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**BACKGROUND:**

The Medina County Appraisal District in conformance with state law determines property tax values. The City’s Property Tax Rate consists of two components, the Maintenance and Operations (M&O) Property Tax Rate and the Interest and Sinking (I&S) Tax Rate.

To meet the requirements of the Budget, the FY 2025 Ad Valorem Tax Rate for M&O is \$0.XXX cents per \$100 of taxable valuation for the tax year beginning January 1, 2026 and ending on December 31, 2026. The Property Tax to pay the principal and interest on the funded debt of the City is \$0.XXXX cents per \$100 taxable valuation. Public hearings on the proposed tax rate were held on August 12<sup>th</sup> and August 26<sup>th</sup>.

The following tax rate is required to support the General Fund Fiscal Year 2026 Budget for Maintenance and Operations and the Interest and Sinking Fund:

FY 2025 Proposed Tax Rate:

No-New Revenue M&O Rate	\$0.4764
Interest and Sinking Rate	<u>\$0.1218</u>
<b>Total Tax Rate not to exceed</b>	<b>\$0.5982</b>

The attached document “Steps Required for Adoption of Tax Rate and Budget” is based on the **proposed tax rate** (M&O: \$.4764 and I&S: \$1218; total tax rate of \$.5982) that was adopted at the August 26<sup>th</sup> council meeting.

**FISCAL IMPACT/SOURCE OF FUNDING:**      ☐ Budgeted    ☐ Requires Budget Amendment

This budget will raise more revenue from property taxes than last year’s budget by an amount of \$355,693 which is a 20.82 percent increase from last year’s budget. The property tax revenue to be raised from new property added to the tax roll this year is \$154,897.

**ATTACHMENTS:** Ordinance Setting the Ad Valorem Tax Rate for Tax Year 2025  
Steps Required for Adoption of Tax Rate and Budget

**Urgency (0-5 = Low Urgency to High Urgency):** 5  
**Impact (0-5 = Low Impact to High Impact):** 5

Submitted by:      Leroy Vidales, Finance Director