



**Steve Eitelman**  
Mayor

**Kim Smith**  
City Secretary

**Rickey Dugger**  
Water & Wastewater  
Superintendent

**Anita Paluch**  
Water Secretary

August 30, 2016

«AddressBlock»

Dear Property Owner;

It is now the time of the year that municipalities in the State of Texas must set a budget and a tax rate for the next fiscal year. The City of Hallsville has been in this process for the past several months. After hours spent in Budget Workshops, the City Council has agreed upon a proposed balanced budget which will be voted on at the September 20<sup>th</sup> regular City Council meeting.

A property tax rate must be adopted which meets the requirements for funding next year's financial obligations. Some of these obligations can be controlled by our decisions and some cannot. Unfortunately, this year the total City property tax rate will be increased from the rates that have not changed for the last three (3) years.

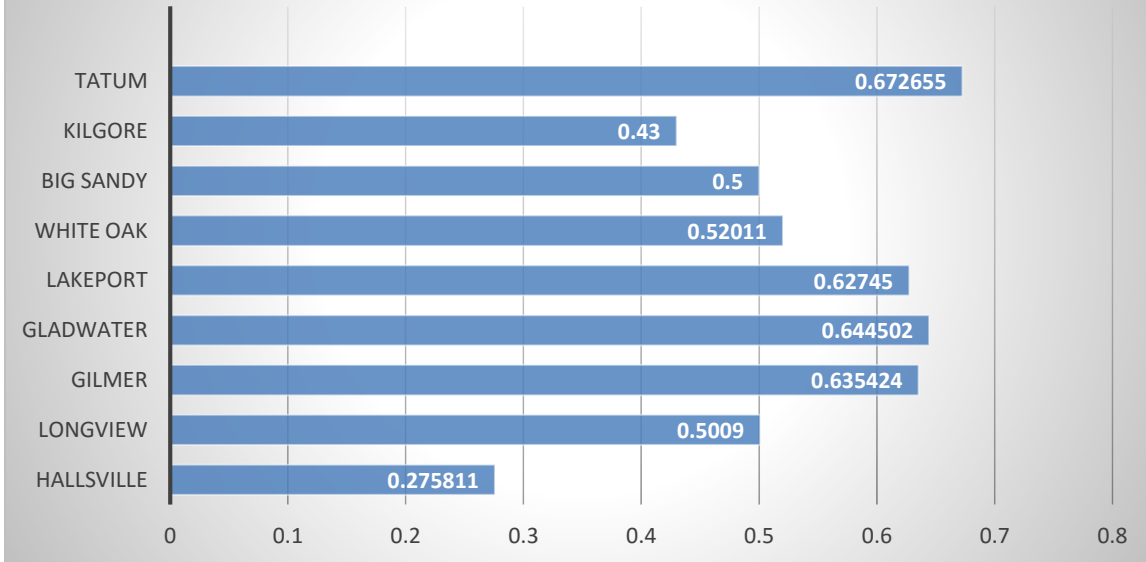
The City has bonded indebtedness which is required to be paid by a tax levy which is designated as the Interest and Sinking Fund (I&S). This indebtedness is for the 2014 Water Improvement Project which is in Phase 2 of construction now. The tax rate needed to generate the revenue to pay this obligation will be .239737 per \$100 of property value. The City has no control over this required payment. The other component of your property tax rate is the rate for Maintenance and Operations (M&O). This funds other City operations. The rate proposed for M&O is .160000 which is an increase of less than 1 cent per \$100 valuation.

Raising taxes is not what your City leaders would choose to do. However, the tax increase is required to pay for the much-needed project that is replacing antiquated and corroded water lines in our City. The proposed City tax rate will be .399737, which is lower than most Cities in our area and remains one of the lowest in the State of Texas.

There will be two public hearings held, one is September 13<sup>th</sup> at 6:00 pm and the second one will be on September 20<sup>th</sup> at 6:00 pm. All the interested parties are urged to attend.

Below is a graph showing the different City tax rates for the 2015-2016 surrounding areas. We do not have the 2016-2017 proposed rates for the surrounding area.

## 2015-2016 TAX RATES SURROUNDING AREAS



For further information, please contact City Hall, at 903-668-2313. If you have any questions, please do not hesitate to contact our office.

Sincerely,

*Steve Eitelman*

Steve Eitelman  
City Mayor

