



City of Plano Recommended Budget and Proposed CIP 2019-2020

Questions and Answers

Updated September 1, 2019

Question: I am confused by the "Effective tax rate of 44.85 per \$100 of assessed property valuation (must be certified)". Is that \$0.4485/\$100 valuation or \$44.85 or 44.85%?

Answer: The proposed effective tax rate is 44.85 cents per \$100 of assessed property value.

Question: The budget proposal emailed to residents would be more useful if residents could compare previous actual budgets to the proposal. For example, how does the total budget figure compare to the prior three budgets. What are the increases and why, and in each category? Present a chart with the figures for residents to assess. Compare property tax revenue for the City by year. How much has it gone up?

Answer: Thank you for contacting the City of Plano with your questions regarding the City Manager's Recommended Budget for Fiscal Year 2019-20. I appreciate your suggestion to include greater detail in the communications sent to residents. The Budget page of the City's website is a great resource to find the type of information you mention, including the complete Recommended Budget for Fiscal Year 2019-20 and links to the Operating Budget for the current and previous years.

The FY 2019-20 Recommended Budget totals \$601,794,895; this represents an increase of \$23.3 million, or 4% over the FY 2018-19 original Adopted Budget. That amount is consistent with the year-to-year increases of the past three budgets, including a 4.3% increase in FY 2018-19 compared FY 2017-18, and a 4.2% increase in FY 2017-18 compared to FY 2016-17. Increases can be driven by a variety of sources, including enhancements to current services in response to continued growth in the City, associated operating costs of completed capital improvement projects, or increased contractual obligations. Details for each year's increases are included in the annual Operating Budget documents (called the Program of Service) on the City's website.

Ad valorem taxes are estimated at \$194,873,038 in the Recommended Budget. This is an increase of \$4.7 million or 3% over the FY 2018-19 Adopted Budget. The property tax rate has been recommended to be lowered from the current rate of 46.03 cents per \$100 of assessed value to the preliminary effective tax rate of 44.85 cents per \$100 of assessed value. In FY 2018-19, ad valorem taxes were budgeted at \$190,111,409, an increase of \$12.9 million over the FY 2017-18 Adopted Budget, with an accompanying reduction in the property tax rate from 46.86 cents per \$100 of assessed value to 46.03 cents per \$100.

Question: I live in Willow Bend North subdivision and frequently enter Parkwood from Nassau. I sent the following statement to Councilman Anthony Ricciardelli in October of 2017:

I received an email from Lloyd Neal, Plano City Transportation Engineering Manager, on January 29, 2016, stating the following:

"The study to determine the need for a traffic signal at Nassau and Parkwood has been completed with a recommendation to install a traffic light at Parkwood and Chapel Hill. The signal will be designed this year [2016] with construction being planned for 2017."

It appeared this would happen and then it didn't, despite continued promises both from Mr. Neal and upon his retirement, Mr. Subrahmanya (Rama) Dhanikonda.

My understanding is that this light installation contract has been rebid and the project is part of the proposed budget. If it is not, it needs to be.

Please understand that we have not been waiting weeks, we have not been waiting months -- we have been waiting YEARS!! Years after your own traffic study indicated the need for this light. I am begging the city council to approve this stoplight installation so that we who live in the subdivision may safely enter Parkwood, especially now that it has become a major thoroughfare in this area of west Plano.

Answer: The bid was released on July 30, 2019 for seven traffic signals in the City. After a contractor is selected, we will take it to council for approval and start the construction. We anticipate the construction to begin in the first week of October.

Question: More funding for PISD special education!

Answer: Thank you for your question! The "I" in PISD stands for "Independent" - that means the school district is run independently from the city. The City of Plano enjoys a strong partnership with PISD, but we don't provide any of their funding or provide any type of operational oversight.

Question: What is the format of the townhall? One hour doesn't seem like much time for residents to ask questions.

Answer: Our Town Halls are always just one hour. You can call in, join in person, or participate via social media. However, that doesn't mean it's the only time you can ask questions. We're taking questions throughout the budget process - Council votes on the final approved budget on September 9. Just email your question to askplano@plano.gov or post them here on Facebook. We'll get them answered and post the answers every Monday morning at <http://share.plano.gov/budgetfb>.

Question: You pay property taxes if you live in an apartment in Plano?

Answer: Yes, multi-family/apartments pay property taxes, in fact, they represent approximately 11.5% of the property taxes collected in the City of Plano. Multi-family/apartment renters pay through their share of rent paid to the company who owns the multifamily/apartment units.

Question: This is in response to the request to submit questions on the proposed budget. I had planned on bringing this up in the Townhall meeting and they both happen to intersect within the same week. Attempting to kill two birds with one stone, if I may.

Being that the budget is 333 pages long, it's overwhelming and somewhat difficult to maneuver every page in order to locate the information I'm searching for. My questions are regarding two issues involving ATMOS gas. The 2nd question may not pertain to a budget line item, per se, but is an issue I do not understand.

In the public budget meeting and/or Townhall, can you please explain the differences between items one and two, and how this affects our home gas rates beginning October 1st.

1. Gas Franchise Fee of \$3.8 million, (Page 18) which reflects "... an increase of \$742,022 over the original budgeted level due to very cold weather." This seems excessive. Also, do not understand verbiage regarding very cold weather. To what is this referring? I do not recall any excessive cold weather recently.

2. See attached screenshot of the insert we received in a recent gas bill. Notification of RRM Mid-Tex Division, Proposed Rate Change by ATMOS, approximately \$51 million increase, which is considered a "major change." I have previously reached out to the City via email and was told this was in the discussion phase and would be decided at a later date. Has this been approved or revised in any way? (RRM In 2017 was +\$46 million, 2018 was +\$30 million, and now this.)

How many more rate increases are we expected to absorb? As a senior living on a limited income, it is increasingly becoming impossible to afford simple, daily living. Our utility costs steadily increasing year-by-year is not only unmanageable, but out of control.

Thank you for addressing these issues. This is a wonderful, well-run city, and I appreciate the opportunity to be heard, the televised the meetings (since I cannot attend), and periodic town halls. Kudos to you all.

Answer: Thank you for your two questions regarding Atmos Mid-Tex Energy's ("Atmos") gas franchise agreement with the City of Plano ("City") and Atmos' recent proposal for a rate change.

In response to your first question: Revenue from Atmos to the City through our Franchise Agreement did increase from 2017 to 2018. The total amount you mentioned is \$742,022 which includes revenue from Atmos and CoServ, mostly from Atmos. The increase is due to increased consumption by existing customers AND new customers coming online. Roughly 74% of the new customer increase was

residential, and the other 26% was commercial. The City also picked up an additional transport customer. A transportation customer is a business which purchased its own gas and Atmos delivers it from point A to point B. They are usually industrial customers. Atmos has a distribution division (this division delivers gas to our homes and smaller businesses in the community) and a transmission division. Transportation customers fall under the transmission division.

In response to your second question: Yes, there has been an update since June. Yesterday, on August 7, attorneys for Atmos and attorneys for the Atmos Cities Steering Committee (“ACSC”) met to discuss a possible settlement amount regarding Atmos’ pending rate review application. The ACSC attorneys notified the cities, including Plano, of an agreed upon amount and staff will present this recommendation to council through an ordinance later this month or possible September. The reason Atmos gave for filing their rate review on March 29 is that they are experiencing a system wide revenue deficiency of \$70 million. It is my understanding that both parties made concessions to what would be likely losses on issues resolved in recent Railroad Commission orders.

Also, Atmos has two programs that may be of interest. One program is called Budget Billing which averages a customer’s annual charges and breaks the charges into 12 payments. The customer pays close to the same amount each month and does not experience the spikes we sometimes see in cold winter months. <https://www.atmosenergy.com/customer-service/billing-options>
Atmos also has partnerships with assistance agencies in the area. If a customer is having difficulty paying their natural gas bill they might be eligible for assistance. <https://www.atmosenergy.com/customer-service/get-help-paying-your-bill>

Question: Any first time home buyer credits available?

Answer: You can find information on the City's First Time Homebuyer program here: <https://www.plano.gov/650/First-Time-Homebuyers-Program>

Question: Is this reflected on Collin CAD's website for us to check? I wasn't aware of the 20% discount. The way the exemption was always explained to me (by the CAD) was that there was just a 10% cap on appraised value increases year-over-year.

Answer: The 10% and 20% are two different items. The 20% Homestead exemption is offered by the City of Plano and comes directly off the value of your property. After the 20% is deducted, the remaining amount is the amount you are taxed on.
Example: \$200K house less 20% (\$40K) = \$160,000 this would be the taxable value for your home.

The 10% Taxable Appraisal Cap is a State of Texas law that says, taxable appraisal values can only go up 10% per year, but your Market Value can go up over the 10%. Example on the home above. This year my home was appraised for \$250,000, up from the \$200,000 which is a 25% increase. By law you can only be taxed on the 10% value of \$220,000 not the \$250,000.

Question: I guess my only outstanding question is how we view that. If I go on CollinCAD.org to view my valuation, I only see the HS Cap that the state law provides - I don't see a line item (unless I'm just missing it, or if it will only appear on the tax bill once CAD mails them out) for the 20% from the City.

Answer: You can see the full exemptions provided (for all cities) on this page of the CCAD: https://www.collincad.org/ccad/reports/rates_exemptions.php. To clarify a little further: The State of Texas allows cities to determine what, if any, homeowner exemption to offer up to 20%. The City of Plano offers the full 20% allowable by State of Texas law.

Question: How can I make sure that I am receiving the Senior Discount? I am 67, 68 next March. I hadn't heard of this and would like more information about it and how I can apply for it.

Answer: In order to determine if you are currently considered to qualify for the City of Plano senior tax freeze and exemption by the Collin Central Appraisal District, you will need to contact them directly at 469-742-9200.

Question: For the disability, does the disabled have to be on the mortgage or can it be a child with a permanent disability?

Answer: They have to be on the mortgage or own the house.

Question: How do I file for the Tax Freeze? My exemptions now are HS and OV65. My home is over appraised and I filed the protest before May 15 but have still not heard anything except it was received.

Answer: You will need to contact the Collin Central Appraisal District directly at 469-742-9200.

Question: We bought a house here in February 2019, when can we apply for the homestead exemption?

Answer: Because the general homestead requires ownership and use as primary residence on January 1st, the owner must wait to file it until then. An owner that bought in February 2019 would need to file the general homestead in 2020. The forms are available at www.collincad.org
The 65 & older exemption is no longer tied to January 1st and can be filed anytime during the year.

Question: How can i apply for the exemption?

Answer: The forms for the standard homestead exemption are available at www.collincad.org. If you want information on your senior exemption/over age 65 freeze, you will need to call the Collin Central Appraisal District Directly at 469-742-9200.

Question: This only applies to the 0.4603% City of Plano tax rate, correct?

Answer: You can see all exemptions offered here: https://www.collincad.org/ccad/reports/rates_exemptions.php

For Plano, living in Collin County, your taxing entities are:

- City of Plano
- Collin College
- Collin County
- Plano ISD or Frisco ISD

For Plano, living in Denton County, your taxing entities are:

- City of Plano
- Denton County
- Lewisville ISD

We have a tool for you to figure out your taxes. Try the My Tax Dollars calculator: <https://www.plano.gov/301/My-Tax-Dollars-Calculation-Tool>

Question: Are the city tax exemptions administered through the county of residence? I am a new Plano resident, but property is in Denton County.

Answer: The county you live in does apply the city exemption to your tax bill. Your exemption paperwork is filed with Denton Central Appraisal District: <https://www.dentoncad.com/>

For Plano, living in Denton County, your taxing entities are:

- City of Plano
- Denton County
- Lewisville ISD

We have a tool for you if you want to figure out your taxes, the My Tax Dollars calculator: <https://www.plano.gov/301/My-Tax-Dollars-Calculation-Tool>

Question: Do you need to request this or is it automatic when you Collin County tax bill has you listed as over 65?

Answer: Some residents have told us their senior exemption/age 65+ tax freeze was automatically applied by the Appraisal District. However, we recommend calling to be certain your senior exemption/age 65+ tax freeze has been applied. The contact phone number for the Collin Central Appraisal District Directly is 469-742-9200.

Question: How do I ensure I am receiving the 20% Plano exemption?

Answer: The fastest way to be sure you are receiving your 20% homestead exemption is to contact the Central Appraisal District. If you live in Collin County, the contact information for the Collin Central Appraisal District is: 469-742-9200. If you live in Denton County, the contact information for the Denton Central Appraisal District is: 940-349-3800.

Question: My wife and I are both over 65 and I am a care giver for her. How do we apply for tax freeze? [address given]

Answer: The Appraisal District will apply the freeze for you, as well as the additional senior exemption. Since your home is located in Collin County, you will need to call the Collin Central Appraisal District. Their phone number is 469-742-9200.

Question: 65 and over and disabled. How to apply for tax freeze?

Answer: Some residents have told us their senior exemption/age 65+ tax freeze was automatically applied by the Appraisal District. However, we recommend calling to be certain your senior exemption/age 65+ tax freeze has been applied. If you live in Collin County, the contact phone number for the Collin Central Appraisal District is 469-742-9200. If you live in Denton County, the number for the Denton Central Appraisal District is 940-349-3800.

Question: On page 21 of the recent Community Impact that I received; I am a little confused about the reference chart displayed.

1. I already have my Homestead Exemption. The form I completed is titled 2018 Residence Homestead Exemption Application. I filed with the Collin County Appraisal District notifying them about my birthday coming up whereby I turn 65. I was asked to call them in late June to make sure all paperwork was in place.

2. HOWEVER, the chart on page 21 is referencing another \$40,000 Senior Exemption. This was never mentioned to me by the County. The sentence on Page 21 states "Homeowners who are 65 and over, or disabled (I am not disabled) can get an additional property tax exemption".

How do I know if this is being applied to my property by the Collin County Central Appraisal District? OR, do I need to return to their office and inquire and fill out another form? Please advise.

3. What do I need to do to apply for the "tax freeze" on my City of Plano taxes? Page 21 references "Age 65 and Older or Disabled Tax Freeze. Homeowner's 65 and over, or disabled, can apply for a tax freeze on their City of Plano taxes". Please advise.

Answer: Thank you for your email! Some residents have told us their senior exemption and age 65+ tax freeze was automatically applied by the Appraisal District. However, we recommend calling to be certain your senior exemption and age 65+ tax freeze have been applied. As a Collin County resident, the contact phone number for the Collin Central Appraisal District is 469-742-9200. They should be able to look at your files to verify if it has been applied.