



done this year, for the following reasons:  
 1<sup>st</sup> The dissatisfaction of many tax-payers with the valuations fixed by the Board of Assessors, resulting in litigation, amounts to the amount of \$1,374,952.00, has indefinitely tied up the taxes which properly amounting to \$1,074,422.00, about one third of the taxable values in the City. It is therefore impossible to estimate accurately the amount which will be yielded by taxation, or when it will be collected.

2<sup>nd</sup> Notwithstanding the vast sums expended by the City in the construction of its Water Light and Power Plant, it is notoriously incomplete. We have not yet an ample supply of pure water, and it is certain that some additions to and changes in the machinery in the Power house must be made to cure these defects. The balance in the Water and Light fund has been gradually depleted by the payment of obligations contracted by preceding City Councils, until it is now not more than \$25,000.00, and it is possible it may be still further reduced in the same manner. As I have not had the assistance of competent engineering advice, I am unable to inform you what the necessary changes and improvements in the Power house and Plant will cost, but I fear they will exceed the balance of \$25,000.00 in the Water and Light fund and may absorb all or nearly all the earnings fund for the next year. It would be extremely satisfactory to me to advise the application of the earnings of the Plant to the payment of the Interest and Sinking fund and a reduction of the taxes to that extent, but, in my opinion, it is imperative that the Plant shall be put in perfect working condition in order that its full earning capacity shall be developed and proper service rendered to the people, and that this must be done at once, even though by so doing, we delay much desired and much needed reduction in taxation.

Based upon the expenditures so far this year, the needs of the general fund next year will be as follows:

Salaries, Officers and Employees,	\$ 48,183.00
Expense, Dog business,	355.00
Rent of Engine House,	600.00
Rent of Telephones	84.00
Winding Clock,	50.00
Rent of Ground for Electric Light Poles	48.00
Pay of Judges, Clerks, etc., Election,	165.00
Printing, Stationery, and Postage,	2,000.00
Charity,	1,250.00
Feed and Repairs Fire Department,	3,300.00
Supplies, City Hospital,	3,500.00
Blacksmithing & Feed Sanitary Department	350.00
" " " " " " "	1,500.00
Wards, City Jail, Prisoners	450.00
Coal	1,250.00
Low City Water Company and Interest	10,660.00
City & County Councils	300.00

Mayor's message on Ord. fixing tax levy for 1896.

Miscellaneous, \$1000.00  
 The total estimated expenditure is \$77,070.00. By rigid economy, this can and should be reduced by \$10,000.00, leaving a balance of \$67,070.00 to be provided for. Of this sum the Assessor and Collector estimates receipts from various sources, as follows:

General Revenue Tax, former years;	5,000.00
License Tax,	9,000.00
Recorder's Court	2,400.00
Travis County, (Hospital)	2,000.00
Pound Fees and Sales,	500.00
Dog Tax	450.00
Miscellaneous Sources,	<u>800.00</u>
Total,	\$20,850.00

leaving the sum of \$46,170.00 to be raised by taxation. Taking the taxrolls as they now appear, the property subject to taxation amounts to \$17,253,720.00, of which the sum of \$1,317,957.60 is in dispute on the ground of excessive valuations. Assuming that the City will be finally sustained in half of this increased appraisement, amounting to \$658,976. the property subject to taxation would be \$11,594,747.00, in round numbers \$11,600,000.00. Upon this valuation, a tax of forty cents on the hundred dollars would yield \$46,400.00, and a tax of that rate is therefore recommended for general revenue purposes. It is probable that the delinquencies may reduce the proceeds of this tax to the extent of, say \$5000.00, in which case I should, though with reluctance, recommend making up that deficiency out of the earnings fund.

The earnings of the Water, Light and Power Plant have amounted for the ten months of this fiscal year to \$43,078.03, of which \$3,370.50 was paid by the City as one quarter's rent for Water and Light. Deducting this amount, we have \$39,707.53, as the true earnings of the Plant for the ten months. Upon this basis we may fairly estimate that the Plant will next year earn \$55,000.00. The operating expenses for the ten months have been \$21,013.49, indicating total operating expenses for the year of \$25,000.00. I think this should, and will, be reduced for the next year to not more than \$20,000.00, which would leave a net revenue from the Plant of \$35,000.00 to be applied to its necessary completion.

We must further provide for 5% Interest and 2% Sinking fund on \$1,327,000.00 of Dam Bonds, and 6% Interest and 2% Sinking fund on \$700,000.00 of Dam Bonds, together amounting to \$108,800.00. A tax of 94 cents on the one hundred dollars will yield \$109,040.00, and therefore recommend a tax of that amount for Interest and Sinking fund on Dam Bonds.

We must also taxation further provide for 6% Interest and 2% Sinking fund on \$10,000.00 of \$100,000.00 of Sinking Bonds, issued to pay up bonds issued prior to 1900. This tax will be levied upon the property, with, in the City, with the other taxes, amounting to \$10,000.00, and the amount of \$10,000.00, which will be applied to the same purpose.

Mayor's message on Ord.  
fixing tax levy for 1896.

to \$10,200,000.00. A tax of ten cents on the hundred dollars would yield \$10,200.00, and I therefore recommend a tax of this rate to meet the interest and sinking fund on those Bonds.

We must further levy a tax of  $33\frac{1}{3}$  cents on the hundred dollars for School purposes.

The total tax levy would then be as follows:

For General Revenue,	.40
For Interest and Sinking Fund on \$1,575,000.00 Dam Bonds,	.94
For Interest and Sinking Fund on Bonds issued prior to 1890,	.10
For Schools,	$33\frac{1}{3}$
Total tax,	$1.07\frac{1}{3}$

This makes a total tax of One dollar and seventy-seven and one third cents on the hundred dollars, and I recommend that the accompanying ordinance, providing for such levy, have your careful consideration and be passed at your earliest convenience.

You will observe that I have omitted any provision for payment by the City out of the General Revenue to the Earnings fund for Water and Sewerage consumed by the City for public purposes.

As long as both funds are controlled by one body, this practice seems to me confusing and useless. It is simply taking money out of one pocket and putting it in the other.

Respectfully,

Lewis Hancock, Mayor.

The Mayor then laid before the Council an ordinance levying taxes for the year 1896, which was read first time.

Alderman Glass entered the Council Chamber.

Alderman North moved that the ordinance be referred to the Finance Committee and the City Attorney, which motion prevailed.

On motion, the Council adjourned.

Jno. A. Johnson  
City Clerk.