

CITY OF OVILLA MINUTES
Thursday, August 04, 2016
Special City Council Budget Workshop Meeting
105 S. Cockrell Hill Road, Ovilla, TX 75154

Mayor Dormier called the Special Council Budget Workshop Meeting of the Ovilla City Council to order at 5:42 p.m., with notice of the meeting duly posted. Mayor Dormier made the following public announcement asking all individuals to be cognizant of the two signs at the entrance to the Council Chamber room referencing Sections 30.06 and 30.07 of the *Penal Code, persons licensed under Subchapter H, Chapter 411, Government Code may not enter this property with a concealed handgun nor enter this property with a handgun that is carried openly.*

The following City Council Members were present:

Rachel Huber	Council Member, Place 1
Larry Stevenson	Council Member, Place 2
David Griffin	Mayor Pro Tem, Place 3
Doug Hunt	Council Member, Place 4
Michael Myers	Council Member, Place 5 was noted absent

Mayor Dormier announced present Council members, thus constituting a quorum. City Manager Dennis Burn, various department directors and staff were also present.

Mayor Dormier gave the Invocation and led the recitation of the Pledge of Allegiance.

COMMENTS, PRESENTATIONS, REPORTS AND/OR APPOINTMENTS

- **Presentations, Reports, Appointments**
 1. None
- **Citizen Comments**
 1. Ms. Carol Lynch stated she was interested in hearing the Council's reasoning on the tax rate proposal.

REGULAR AGENDA

ITEM 1. DISCUSSION/ACTION – Workshop and review of the proposed Fiscal Year 2016-2017 Budget and direct staff as necessary.

During the Special Council Meeting Budget Workshops City Manager Dennis Burn presented a proposed budget using the current rate of \$0.7000 per \$100 valuation. Listed items were reviewed from in previous workshops and by Council's direction, included in the FY 2016-2017 Budget:

Capital Expenditures

1. Replace one police vehicle
2. Add one crew-cab truck in the Public Works Department
3. One Command Vehicle in Fire Department
4. Upgrade restroom facilities in the municipal building
5. Design and construction for the Heritage Park Impact line
6. Rehab Lariat Trail and overlay Water Street
7. Installation of public restrooms in Heritage Park
8. Monument signs
9. Radio upgrades and infrastructure
10. One solar-battery powered outdoor siren
11. Installation of new waterline for FM 664 widening project.

Personnel

1. Added 1 new position in front city offices
2. Increased funding to meet staffing needs in the Fire Department to include an agreed amount from the ESD #2.
3. \$1 per hour increase to all police and public works personnel

Additional/updated information for departmental expenditures was presented for Council consideration:

- Fire Chief Kennedy and Police Chief Windham advised that they received additional information on the radio upgrades with an expected expense of at least \$189,000. This would allow for 21 radios in the Fire Department and 19 radios in the Police Department.
 - ❖ Council’s consensus was to budget for approximately half of the funds in the FY 2016-2017 (\$90,000) using \$40,000 of that as a reduction in fund balance.
- Public Works Director Piland shared that the line relocate on FM 664 could be accomplished for \$9,000, not the originally expected \$15,000.
- Council directed staff to add two more outdoor audible sirens at \$18,000 each, increasing the total sirens approved to 3.
 - ❖ Council’s consensus and direction to accounting for the sirens was to pull the \$36,000 from contingency funds.

Staff would amend the proposed budget as directed.

No Action.

ITEM 2. DISCUSSION/ACTION – Consideration of and action on a proposed tax rate for the Fiscal Year 2016-2017 Budget and take a record vote.

City Manager Dennis Burn gave a brief review of the Truth-N-Taxation Law and the City’s financial impact on the governing body’s decision, advising that the presented proposed budget was prepared using the same rate of \$0.7000 – no tax rate increase. Using the effective Tax Rate of \$0.665890 per \$100 valuation would require using \$104,000 from reserves in order to provide the same services to residents. Staff recommended using the same rate as the current year.

The Effective rate is the rate that is a calculated rate that would provide the taxing unit with the same amount of revenue it received in the year before on properties taxed in both years. If property values rise, the effective tax rate will go down. If property values fall then the effective rate goes up.

The Rollback rate is the calculated rate that is the maximum rate allowed by law without voter approval. Rollback rate is the effective maintenance and operations rate X 1.08 plus the current debt rate.

The tax rate is split into two parts. The first part is the maintenance and operation rate or commonly referred to as the M&O rate. This rate is used to fund the day-to-day operations and is unrestricted revenue. Council sets this rate.

The second part is the debt rate or commonly referred to as the I & S rate. This rate is used to fund any bonds that have been issued by the City. This rate is set by the amount of debt the City currently is paying and is calculated by the Tax Office.

FINANCIAL IMPACT:

1. If Council proposes same rate of, (\$0.7000) Ad Valorem Revenue will increase by \$181,353.
2. If Council proposes the Effective Tax Rate, (\$0.665890) Ad Valorem Revenue will increase by \$77,518 as compared to prior year at \$0.7000.
3. If Council proposes the Rollback Rate, (\$0.758867) Ad Valorem Revenue will increase by \$360,491 as compared to current rate of \$0.7000.

PL4 Hunt shared his desires to lower the rate slightly but realized it would prove difficult with the necessary needs this next fiscal year.

PL4 Hunt moved that the Council hereby propose the 2016 property tax of \$ 0.7000 with a Maintenance and Operation rate of \$ 0.5320 and a debt rate of \$ 0.1680. This proposed tax rate would increase the total percentage in Ovilla by 0%, seconded PL2 /Stevenson.

RECORD VOTE:

PLACE 1/HUBER	AYE	PLACE 4/HUNT	AYE
PLACE 2/STEVENSON	AYE	PLACE 5/MYERS	ABSENT
PLACE 3/GRIFFIN	AYE		

VOTE: Motion carried unanimously 4-0.

ITEM 3. DISCUSSION/ACTION – Consider and schedule dates for two public hearings on the proposed Tax Rate for Fiscal Year 2016-2017.

Section 26.05 of the Tax Code requires that the governing body hold two public hearings, if the entity is proposing a tax increase or a proposal to increase total tax revenue.

Mayor Pro Tem Griffin moved that Council schedule the listed dates and times for two public hearings on the Proposed Tax Rate for Fiscal Year 2016-2017 and direct staff to follow Tax Code Laws accordingly for Notice Requirements, seconded by P1 Huber:

The first public hearing will be held on Monday, August 22 at 6:30 p.m. at the Ovilla City Hall Council Chamber Room.

The second public hearing will be held on Thursday, September 1 at 6:30 p.m. at the Ovilla City Hall Council Chamber Room.

VOTE: Motion carried unanimously 4-0.

EXECUTIVE SESSION

NONE

REQUESTS FOR FUTURE AGENDA ITEMS AND/OR ANNOUNCEMENTS

- | | |
|--------------------------|--------|
| 1. Mayor | None |
| 2. PL1 Huber | None |
| 3. PL2 Stevenson | None |
| 4. Mayor Pro Tem Griffin | None |
| 5. PL4 Hunt | None |
| 6. PL5 Myers | Absent |

ADJOURNMENT

There being no further business, Mayor Dormier adjourned the meeting at 6:57 p.m.

ATTEST:



Pamela Woodall
 Pamela Woodall, City Secretary

Richard A. Dormier

Richard A. Dormier, Mayor

Approved September 12, 2016

Richard Dormier, Mayor
Rachel Huber, Place One
Larry Stevenson, Place Two

Doug Hunt, Place Four
David Griffin, Place Three
Michael Myers, Place Five