

**TOWN COUNCIL
SPECIAL
MEETING MINUTES
AUGUST 18, 2015**

The Town Council met in special session on Tuesday, August 18, 2015 at 4 p.m. at 372 Town Place, Fairview, Texas. Councilmembers present were Mayor Darion Culbertson, Mayor Pro Tem Henry Lessner, Councilmembers Ron Samuels, John Adler, Frank O'Reilly, Paul Hendricks (present for executive session, not for public hearing) and Renee Powell. Staff present were Town Manager, Julie Couch; Assistant to the Town Manager, Adam Wilbourn; Economic Development Manager, Ray Dunlap; Chief Financial Officer, Jason Weeks; Town Engineer, James Chancellor; Planning Manager, Ken Schmidt; Police Chief, Granver Tolliver; Fire Chief, Dick Price; Assistant Fire Chief/Fire Marshal, Jeff Bell; Public Works Manager, Aron Holmgren; and Town Secretary, Elizabeth Cappon.

Mayor Culbertson called the meeting to order at 4 p.m. and declared a quorum was present.

The council then adjourned into executive session at 4:01 p.m. to consult with legal counsel regarding personnel and economic development negotiations.

At 6 p.m., Mayor Culbertson reconvened back into regular session.

PROPOSED FY2015-2016 BUDGET: Discuss the proposed Fiscal Year 2015-2016 budget and take any necessary action.

Mr. Weeks gave an overview of the proposed budget, including the General Fund and Water/Wastewater Fund. Mr. Weeks stated that the Water/Wastewater Fund currently includes a revenue increase to cover the North Texas Water District increases. However, Mr. Weeks continued that staff is working with a water and wastewater rate consultant for an analysis of water rates before deciding on any potential rate increases. He stated the fund balances in the General Fund are at 51 percent, when only 25 percent is required. Mr. Weeks also said the Water/Wastewater Fund reflects 110 days of working capital.

Mr. Weeks stated that the budget includes an average of 3 percent merit increases for staff as well as the addition of 3.5 people. Mr. Weeks also mentioned an expenditure on upgrading the town's website for improved citizen communication. Mr. Weeks stated that after the impact study and water rate study are completed the town would create a five-year financial plan for infrastructure and capital improvements.

Mr. Weeks stated that for 2007 through 2016 wholesale water rates have increased by 82 percent; while during that same period, the town has only raised rates by 61 percent. Mr. Weeks stated that the current proposed utility rate increase is 15 percent, which is based off revenue increases rather than resident rates. Mr. Weeks stated total revenues are roughly \$16 million and total expenditures

are roughly \$18 million. Mr. Weeks said that the majority of General Fund revenues come from property tax at 42 percent and 18 percent from sales tax.

There was general discussion about the budget with the council and staff.

Mr. Weeks stated the second public hearing on the tax rate would be held on Tuesday, August 25 and that the budget and tax rate adoption would be held Tuesday, September 1 at 6:30 p.m.

PROPOSED FY 2015-2016 BUDGET PUBLIC HEARING: Conduct a public hearing regarding the proposed Fiscal Year 2015-2016 budget.

Jason Weeks had provided a presentation regarding the Fiscal Year 2015-2016 proposed budget and proposed property tax rate of \$0.359999. Mr. Weeks stated the proposed budget had been properly filed with the Town Secretary's office on July 31, 2015 and notice of the public hearing regarding the proposed budget was published on August 6, 2015 in the Allen American newspaper. The proposed budget and notice of the public hearing were posted to the town's website

Mayor Culbertson opened the public hearing.

Maryanne Simonsen, 980 Patrician Ct, asked if the town has the opportunity to find alternative sources for water that could be more cost effective.

Mayor Culbertson responded that one of the council's top initiatives for the year is to see if there are any alternative sources for water for the town. Mayor Culbertson stated that North Texas Municipal Water District likely will also be the primary source and that the town is currently under contract to them as a nonmember city, despite attempts to become a member city to gain a five percent discount. Mayor Culbertson further stated that the town has additionally hired a consultant to help the town evaluate possible additional water sources beyond normal water conservation efforts.

Mayor Culbertson closed the public hearing.

PROPOSED FY 2015-2016 BUDGET PUBLIC HEARING Conduct the first public hearing regarding the Fiscal Year 2015-2016 proposed property tax rate.

Mr. Weeks stated that the property tax rate is remaining the same but property tax revenue is increasing due to growth and increases in property values. He indicated that due to the growth, the proposed tax rate of \$0.35999 exceeds the current effective tax rate of \$0.339538 and the town must hold two public hearings on the proposed property tax rate as well as third meeting for the Council to vote on the tax rate. Mr. Weeks stated the \$0.35999 proposed tax rate consists of an interest and sinking (I&S) rate of \$0.134141 and a maintenance and operations (M&O) rate of \$0.225858. Mr. Weeks stated the town's assessed valuation has increased 7.5 percent to 1.4 million from 1.3 million. Mr. Weeks said the average taxable value of a residence in the town

had increased to \$424,559 from \$393,458 in 2014-15, which would result in the average tax levy increasing from \$1416 in 2014-15 to \$1528 in 2015-16.

Mayor Pro Tem Lessner asked if the legislature's increase in Homestead Exemptions would affect the town. Mr. Weeks stated that these changes would only affect school taxes, not the town.

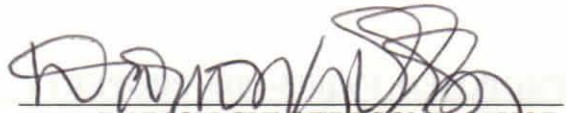
Mayor Culbertson asked if any of our bonds were worthy of being refinanced. Mr. Weeks said that they consult with their bond counsel periodically and no bonds have been identified for refinancing at this time but if any are in the future, they will bring those to the Council.

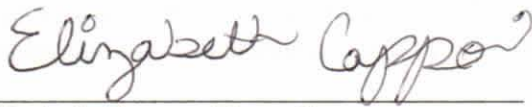
Mayor Culbertson opened the public hearing.

Nancy Lewis, 420 Black Diamond Court, asked for clarification on how the tax rate could remain the same but average taxes on residents are increasing. Mr. Weeks clarified that there is not an increase in the actual tax rate, but the tax revenue rate is increasing due to increased average home values. Mayor Culbertson added that she has the right to appeal the value of her home to the Central Appraisal District.

Mayor Culbertson closed the public hearing and announced that the second public hearing on the tax rate would be held on Tuesday, August 25 at 6 p.m. in the Town Council Chambers.

Mayor Culbertson adjourned the meeting at 6:31 p.m.


DARION CULBERTSON, MAYOR


Elizabeth Cappon, Town Secretary

