

DRAFT

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL SPECIAL MEETING

Tuesday, September 3, 2019 @ 5:00 pm

Addison Town Hall
5300 Belt Line Rd., Dallas, TX 75254

Present: Mayor Joe Chow; Mayor Pro-Tempore Tom Braun; Deputy Mayor Pro-Tempore Lori Ward; Council Member Guillermo Quintanilla; Council Member Paul Walden; Council Member Marlin Willesen

Absent: Council Member Ivan Hughes

1. **CALL TO ORDER** - Mayor Chow called the meeting to order.

2. **Hold A Public Hearing, Present, and Discuss the Town of Addison's Proposed Property Tax Rate for the Fiscal Year Commencing October 1, 2019 and Ending September 30, 2020.**

Terri Doby, Budget Manager, presented the proposed Fiscal Year October 1, 2019 – September 30, 2020 property tax rate. This was the second of two (2) Public Hearings with the first held on August 27th. Ms. Doby explained that the City Manager's proposed property tax rate for Fiscal Year 2020 is \$0.591133 per \$100.00 of valuation. Based on the average home value in Addison of \$331,280, the average residential taxpayer would pay \$200.60 (\$16.71 per month) more than last year. The proposed combined tax rate for an Addison Homeowner is \$2.547618 or \$1.310385 for Dallas ISD, \$0.591133 Town of Addison, \$0.253100 Dallas County, \$0.269000 Parkland Hospital, and \$0.124000 Dallas County Community College.

PUBLIC HEARING: *Against* - Steven Loras, 4114 Rush. *For* – Neil Resnik, 3836 Park Place.

COUNCIL COMMENTS: Mayor Chow reported that he received fifteen emails about the proposed tax rate. Of those, three expressed concern with the remainder being favorable. Mayor Chow pointed out that the Town's fiscally conservative practices have allowed the Town to accumulate General Fund Reserves of 36% which is well above the 25% required. He suggested

a lower tax rate which would still provide for funding the entire budget less the \$400,000 transfer to the Infrastructure Investment Fund. It was determined that a \$0.583500 tax rate would accomplish this. Mayor Chow stated he wanted the citizens to know that the City Council heard their concerns. Council Members were asked to weigh-in on his proposal to lower the proposed tax rate to \$0.583500.

Mayor Pro-Tempore Braun advised he was in favor of the \$0.591133 proposed tax rate. He desires to ensure that the Town's goal of paying employees 1% higher than our comparative cities was met. He added that a commitment was made to the employees in the last salary survey and he felt compelled to honor that promise to have the funds available to compensate them as agreed. He also expressed his concerns about the possibility of a future recession. He pointed out the impact that a downturn in commercial real estate property values would have on the Town's revenues. He stated that any capital project should be funded via bond sales so the current and future residents and business would pay their share. Referencing the Town's healthy fund balance, Mayor Pro-Tempore Braun concurred with the adoption of a lower tax rate.

Deputy Mayor Pro-Tempore Ward concurred with Mayor Chow to adopt the lower tax rate of \$0.583500 per \$100 of valuation as it would still allow funding to accomplish the Town's Strategic Pillars and Milestones adopted by Council in July. Deputy Mayor Pro-Tempore Ward stated that adoption of the lower rate would assure the residents that their elected officials were listening and shared their concerns. Deputy Mayor Pro-Tempore Ward suggested that another attempt be made to secure reliable contractors versus hiring new employees.

Council Member Willesen requested clarification regarding the impacts of Senate Bill 2 (SB2) on the Town's ability to maintain the current service levels. City Manager Pierson opined that the proposed rate will place the Town in a better financial condition in the future and provide the services that our residents have come to expect.

Council Member Willesen advised he too was in favor of the lower rate of \$0.583500. He believes that the Gold Standards can still be achieved at the lower rate. He pointed out that the Town's fund balance is still projected to increase and would not result in any reduction in services.

Council Member Quintanilla reported he received input from Citizens asking him to stay the course and ensure that the current quality of life in Addison be maintained or exceeded. For that reason, he opined that the proposed rate of \$0.591133 was the best solution for the Town and its future. In addition, he added that a commitment was made to the employees in the last salary survey and he felt compelled to honor that promise to have the funds available to compensate them as agreed.

Council Member Walden expressed a preference for the proposed tax rate of \$0.591133. He opined that the citizens who had spoken to him recommended that this rate be adopted to ensure the Gold Standard that the citizens have come to expect from the Town. He cautioned the Council from making decisions for political expediency only and pointed out that the difference between the two tax rates to an average homeowner is only approximately \$27.00 per year depending on the exemptions a homeowner may have on their property. He concluded by stating

the adoption of the proposed tax rate be would be the prudent thing to do.

PUBLIC COMMENT: Hialeah Ramirez, 4107 Rush Circle, requested clarification as to when the tax would go into effect and for an update on the Midway Road Reconstruction Project.

3. **Hold a Public Hearing, Present, and Discuss the Town of Addison's Annual Budget for the Fiscal Year Commencing October 1, 2019 and Ending September 30, 2020.**

Terri Doby, Budget Manager, presented the proposed Annual Budget. A brief overview of the Budget with clarification was provided. Council Member Quintanilla requested explanations of the capital improvement projects for the Fire Department, Athletic Club and Storm Water Fund. City Manager Pierson explained each of the projects.

PUBLIC HEARING: There were no citizen comments.

Adjourn Meeting

There being no further business to come before the Council, Mayor Chow adjourned the meeting.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

Irma G. Parker, City Secretary