

DRAFT

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL SPECIAL MEETING

September 1, 2020

**Addison TreeHouse,
14681 Midway Rd., Addison, TX 75001
5:00 p.m. Special Meeting**

The Addison City Council conducted its Special Meeting on Tuesday, September 1, 2020 at the Addison TreeHouse with a quorum of the City Council physically present. Limited seating for members of the public was available using CDC recommended social distancing measures. The Town utilized telephone and videoconferencing to facilitate participation in the meeting. Interested parties were able to make public comments and address the Council via emailed comments submitted to the City Secretary at iparker@addisontx.gov by 3:00 pm on the meeting day. Members of the public were also entitled to participate remotely via Toll-Free Dial-in Number: 877.853.5247; Meeting ID: 409.327.0683 Participant ID: #. Detailed instructions on how to participate in this meeting were available on the Town's website on the Agenda Page. The meeting was live streamed on Addison's website at www.addisontexas.net.

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

Call Meeting to Order: Mayor Chow called the meeting to order.

Pledge of Allegiance: Mayor Chow led the Pledge of Allegiance

Announcements and Acknowledgements regarding Town and Council Events and Activities

Discussion of Events/Meetings

Public Comment: *The City Council invites citizens to address the City Council on any matter, including items on the agenda, except public hearings that are included on the agenda. Comments related to public hearings will be heard when the specific hearing starts. Citizen comments are limited to **three (3) minutes**, unless otherwise required by law. To address the Council, please fill out a **City Council Appearance Card** and submit it to a staff member prior to the Public Comment item on the agenda. The Council is not permitted to take any action or discuss any item not listed on the agenda. The Council may choose to place the item on a future agenda.*

City Secretary Parker advised that three citizens: Nellie Garcia, 4009 Azure Lane; Patricia Hunt, and Marc Harper submitted remarks by email addressing the Town's Facebook page.

1. Hold a Public Hearing, Present, and Discuss the Town of Addison's Proposed Property Tax Rate for the Fiscal Year Commencing October 1, 2020 and Ending September 30, 2021.

Stephen Glickman, Chief Financial Officer presented this item. He reviewed the dates for publication, public hearings, and adoption of the Town's property tax rate. Council Member Willesen inquired whether the process could begin earlier in the future. Mr. Glickman replied that the Charter requires the proposed budget be ready by July 31st and the county is required to have the certified estimated values ready by July 25th. The actual final certified values were received from the county on August 20th. City Manager Wes Pierson added that Senate Bill 2 impacted the schedule as well.

Mr. Glickman reviewed Addison's current FY2020 tax rate and the proposed tax rate for FY2021, as well as the FY2020 assessed value calculated by the county and the FY2021 value. He advised that there is a change in value for the Town's FY2021 proposed rate (as discussed in the previous budget work session) compared to the county's certified value of 1.28 percent. Mr. Glickman provided a chart with a breakdown of the proposed tax rate and the rate based on the certified values as they relate to Maintenance and Operations, and the Interest and Sinking Fund. The total proposed tax rate is \$.616878, and the total tax rate based on certified values is \$.608931.

Mr. Glickman provided a comparison of property tax revenues for FY2019, FY2020 and the proposed FY2021 revenues, stating that there is an 8 percent increase between FY2020 and FY2021. A 12-year graph indicating the tax rate history was provided, as well a graph reflecting tax rates for Addison's Comparison Cities.

An example of a 2021 tax bill was provided which indicated the average homeowner would pay \$12.08 more per month based on a home value of \$335,597. Mr. Glickman also provided the Combined Property Tax Rate of \$2.540513 that included the rates for Addison, Dallas County, Dallas Independent School District (DISD), Dallas County Community College District, and Parkland Hospital. It was noted that DISD has reduced their tax rate so with Addison's proposed increase, the combined tax rate should be approximately the same as last year.

Mr. Glickman provided additional information reflecting the same tax rate calculations if there was not a 20 percent homestead exemption in Addison. Council Member Willesen expressed his concern that cities to the north of Addison have lower tax rates which may impact businesses looking to relocate.

Mayor Chow opened and closed the public hearing with no one wishing to speak.

2. Hold a Public Hearing, Present, and Discuss the Town of Addison's Annual Budget for the Fiscal Year Commencing October 1, 2020 and Ending September 30, 2021.

Stephen Glickman presented this item. He advised that since the budget work session, The Town has learned that there will be no increase in employee health insurance cost from the Town's provider. He advised that this amount (\$112,970) could be left in the budget as is, be reallocated to savings to increase the merit pool, or it could be used to reduce the budget and reduce the tax rate by 0.002376.

Mr. Glickman reviewed the current and proposed staffing for each fund, with nine additional full-time employees proposed for FY2021. An overview of the General Fund was provided with revenues being \$39.1 million and expenses being \$38.8 million. He provided funding sources and expenses for the Self-Funded Project Fund, including a list of projects. Funding sources and expenses were provided for the Hotel Fund, Economic Development Fund, Stormwater Fund, Airport Fund, and the Utility Fund. The Utility Fund information included a 6 percent increase for water and sewer operations and debt service. The Capital Improvements Projects list was provided, totaling \$37.2 million.

Mayor Chow opened and closed the public hearing with no one wishing to speak.

Council Member Hughes inquired about applying the health insurance savings to the Interest and Sinking Fund. Mr. Glickman advised that the debt service fund has approximately \$10,000 in it though that may improve after with next bond issue. He advised that the proposed tax rate of 16.7567 cents will add \$293,000 to the fund and the certified value rate of 16.5446 cents would add \$192,000 to the debt service fund. The target amount in the fund would be \$400,000. Mr. Pierson added that money in the Interest and Sinking fund cannot be used for general fund expenditures. Council Member Hughes expressed his appreciation to staff.

Discussion followed regarding how to apply the savings on the health insurance. The consensus of Council was to use it reduce the proposed tax rate to \$.608676, noting that the Interest and Sinking fund rate would remain as proposed.

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