

DRAFT

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL SPECIAL SESSION

September 6, 2022

Addison Treehouse,
14681 Midway Rd., Suite 200, Addison, TX
5:30 p.m. Special Session

A Special Session was held by the City Council of the Town of Addison, Texas on September 6, 2022, beginning at 5:30 p.m. in the Addison Treehouse, 14681 Midway Road, Suite 200, Addison, Texas. The following members were present to-wit:

Present: Mayor Joe Chow; Mayor Pro-Tempore Kathryn Wheeler; Deputy Mayor Pro-Tempore Lori Ward; Council Member Tom Braun; Council Member Darren Gardner; Council Member Guillermo Quintanilla; Council Member Eileen Resnik

Call Meeting to Order: Mayor Chow called the meeting to order at 5:30 PM.

Pledge of Allegiance: Mayor Chow led the Pledge of Allegiance to the Flag.

REGULAR MEETING

Announcements and Acknowledgments Regarding Town and Council Events and Activities; Discussion of Meetings / Events

No announcements from Interim City Manager Khaleghipour.

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 there were no requests received to address the City Council.

Consent Agenda: *All items listed under the Consent Agenda are considered routine by the City Council and will be enacted by one motion with no individual consideration. If individual consideration of an item is requested, it will be pulled from the Consent Agenda and discussed separately.*

No items presented

Regular Items

1. Hold a Public Hearing, Present, and Discuss the Town of Addison's Proposed Property Tax Rate for the Fiscal Year Commencing October 1, 2022 and Ending September 30, 2023.

This is the first of two public hearings regarding the proposed tax rate for the Town of Addison. The second public hearing will be held on September 13, 2022, at a meeting that commences at 7:30 pm at the Addison TreeHouse. The proposed property tax rate for the Fiscal Year 2023 is \$0.609822 per \$100 of valuation. The proposed rate is made of the following components:

TAX RATE COMPONENT	AMOUNT (Per \$100 of valuation)
Maintenance & Operations: General Fund	\$0.415165
Maintenance & Operations: Economic Development	\$0.023716
Maintenance & Operations: Infrastructure Investment	\$0.006201
Interest & Sinking (Debt)	\$0.164740
Total Proposed Rate for FY 2023	\$0.609822

The State's Truth-in-Taxation law also requires calculation and publication of each taxing entity's no-new revenue tax rate, voter-approval tax rate, and de minimis rate:

TAX RATE	DEFINITION	AMOUNT (Per \$100 of valuation)
No-New Revenue Tax Rate	The no-new-revenue tax rate is the tax rate for the 2022 tax year that will raise the same amount of property tax revenue for Town of Addison from the same properties in both the 2021 tax year and the 2022 tax year.	\$0.563865
Voter-Approval Tax Rate	The voter-approval tax rate is the highest tax rate that Town of Addison may adopt without holding an election to seek voter approval of the rate, unless the de minimis rate for Town of Addison exceeds the voter-approval tax rate for Town of Addison.	\$0.689157
De Minimis Rate	The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate for Town of Addison, the rate that will raise \$500,000, and the current debt rate for Town of Addison.	\$0.590593

Notice of this public hearing was published in the Dallas Morning News on August 26, 2022. A copy of the public hearing notice was provided for Council information.

The proposed budget recommends a property tax rate of \$0.609822 per \$100 valuation, which exceeds the no-new revenue tax rate.

PROPERTY TAX REVENUES	FY 2021 Actual	FY 2022 Budget	FY 2023 Proposed	% Change FY22 to FY23
General Fund (O&M)	\$20,276,338	\$20,139,186	\$22,559,394	12.02%
Economic Develop Fund (O&M)	\$1,169,463	\$1,161,552	\$1,288,691	10.95%
Infrastructure Investment Fund (O&M)	\$305,778	\$303,710	\$336,953	10.95%
Debt Service Fund	\$8,263,966	\$8,521,915	\$8,951,749	5.31%
TOTAL TAX REVENUE	\$30,015,545	\$30,126,363	\$33,136,787	10.07%

This proposed rate is lower than last year’s adopted rate of \$0.614660 per \$100 of valuation. The average taxable home value for the Town of Addison is \$382,732, which generates a tax bill of \$2,333.98. Last year, the average taxable home value was \$347,576 which generated a tax bill of \$2,136.41. The average taxpayer would pay about \$197.57 more in property taxes than last year. Individual taxes may increase or decrease depending on the change in the taxable value of each property.

Of the total tax rate, \$0.445082 is dedicated to maintenance and operations, which is a slight increase from the Fiscal Year 2022 tax rate for maintenance and operations, and \$0.164740 is dedicated to debt service payments. The debt service portion of the tax rate is decreasing despite the issuance of General Obligation Bonds that were approved by voters in the 2012 and 2019 Bond Elections as well as Certificates of Obligation issued.

The City Council is scheduled to consider adoption of the proposed tax rate and budget on September 13, 2022, during a meeting of the Council to be held at the Addison TreeHouse at 7:30 pm. Information only, no action required.

Mayor Chow opened the Public Hearing and called for any questions and/or comments from the audience. There were no requests to address the City Council, therefore, Mayor Chow closed the Public Hearing.

2. Hold a Public Hearing, Present, and Discuss the Town of Addison's Annual Budget for the Fiscal Year Commencing October 1, 2022 and Ending September 30, 2023.

This is the first public hearing regarding the Town of Addison’s Annual Budget for Fiscal Year (FY) 2023.

Significant items in the proposed operating budget include:

- Revenues for all funds total \$89,782,283 an increase of \$4.79M compared to the FY 2022 budget. Primary revenues sources are property tax (\$32.96 million), sales tax (\$14.40 million), hotel occupancy tax (\$4.80 million) and utility service fees (\$15.27 million).
- Staffing level of 306.0 Full-time Equivalent (FTE) positions. This is an increase of 5.2 FTEs over FY 2022.

- Employee compensation allocation of approximately \$1.29 million in all funds for merit/market increases. This provides a pool equivalent to a 5.32 percent merit/market increase.

Significant decision packages include:

- \$500,000 funding for the creation of an Other Post-Employment Benefits (OPEB) trust.
- \$347,000 for Fire facility maintenance.
- \$82,000 for facility lightning protection.
- \$300,000 to utilize available Texas Ambulance Services Supplemental Payment Program (TASSPP) funds.
- \$110,000 for the painting of Wheeler Bridge.
- \$223,000 for Beltway Trail and Greenspace construction documents.
- \$55,280 for Beckert Park light bollard replacement and electrical improvements.
- \$260,000 to purchase chipper equipment for the Parks department.
- \$132,500 for a Park Land Dedication & Development fee study.
- \$192,459 for Addison Athletic Club fitness wing wall treatments.

The FY 2023 proposed five-year capital improvements budget totals \$43.53 million.

Significant projects include:

- Midway Road Reconstruction (\$10.38 million),
- Vitruvian West Streetscape and Bella Lane Extension (\$2.25 million),
- Improvements to Existing Buildings (\$2.58 million),
- Keller Springs Reconstruction (\$10.20 million),
- Les Lacs Pond Improvements (\$1.27 million),
- Vitruvian Park Phase 9, Block 701 Improvements (\$0.84 million),
- Quorum Drive Reconstructions (\$0.75 million),
- Traffic Signal and ADA Improvements (\$1.4 million),
- Lake Forest Drive Utility Improvements (\$0.87 million),
- Rawhide Creek Basin Improvements - Les Lacs Area (\$2.01 million),
- Bravo/Golf Taxiway Improvements (\$5.84 million), and
- Reconstruction of Jimmy Doolittle Drive (\$1.55 million).

The proposed FY2023 budget requests an appropriation of \$100,614,260 consisting of \$91,377,822 for operating expenditures, \$6,899,033 for capital improvements, \$1,677,405 for transfers, and \$660,000 for one-time decision packages. Listed below is a breakdown of funds:

FUND	EXPENDITURE AMOUNT
General	\$44,166,648
Hotel	\$6,906,049
Debt Service Combined	\$9,861,154
Economic Development	\$2,176,459
Infrastructure Investment	\$1,400,000
Airport	\$8,655,225
Utility	\$15,735,470
Stormwater	\$4,914,228
Combined Replacement	\$4,228,500
Combined Grants	\$13,700

Combined Special Revenues	\$2,556,827
TOTAL	\$100,614,260

Texas Local Government Code (LGC) Sec. 102.006 requires the governing body of a municipality to hold a public hearing on the proposed budget and provide for public notice of the date, time, and location of the hearing. This notice was published in the Dallas Morning News on Friday, August 26, 2022. A second public hearing will be held before the budget is considered for adoption on September 13, 2022, at 7:30 pm at the Addison Treehouse located at 14681 Midway Road, Addison, Texas 75001. The Fiscal Year 2023 proposed budget can be found at the following link on the Town's website: <https://addisontexas.net/finance/budget>

Mayor Chow opened the Public Hearing and called for any questions and/or comments from the audience.

- ❖ Question(s): David Collins, 14668 Wayside Court – staffing levels, incentives - how do they get rolled into budget, public site for budget numbers.

There being no further questions and/or comments, Mayor Chow closed the Public Hearing.

Adjourn Meeting

There being no further business to come before the City Council the meeting was adjourned at 6:01pm.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

Irma G. Parker, City Secretary