

SPECIAL CITY COUNCIL MEETING

The City Council of the City of Kyle, Texas met in Special Session on August 19, 2015, at 7:00 p.m. at Kyle City Hall, with the following persons present:

Mayor Todd Webster
Mayor Pro Tem David Wilson
Council Member Damon Fogley
Council Member Becky Selbera
Council Member Daphne Tenorio
Council Member Diane Hervol
Scott Sellers, City Manager
Amelia Sanchez, City Secretary
Perwez Moheet, Finance Director
Robert Olvera, IT Manager
Kerry Urbanowicz, Parks & Recreation Director
Mario Perez, Building Official

Leslie Perry
Vikki Richee
Sue Ballarini
Mildred B. Taylor
Allison Pflaum
Mattie Welch
Roy Burke
Denise Quinterri
Janis Payne
Bruce Gilson

CALL MEETING TO ORDER

Mayor Webster called the meeting to order at 7:00 p.m.

ROLL CALL

Mayor Webster called for roll call. Present were Mayor Webster, Council Member Fogley, Council Member Hervol, Council Member Selbera, Council Member Tenorio, and Mayor Pro Tem Wilson. Council Member Arabie was absent.

CITIZEN COMMENT PERIOD WITH CITY COUNCIL

THE CITY COUNCIL WELCOMES COMMENTS FROM CITIZENS EARLY IN THE AGENDA OF REGULAR MEETINGS. THOSE WISHING TO SPEAK MUST SIGN IN BEFORE THE MEETING BEGINS AT THE KYLE CITY HALL. SPEAKERS MAY BE PROVIDED WITH AN OPPORTUNITY TO SPEAK DURING THIS TIME PERIOD, AND THEY MUST OBSERVE THE THREE-MINUTE TIME LIMIT.

Mayor Webster opened Citizens Comments at 7:03 p.m. Vikki Richee, resident of Woodlands Park Subdivision stated she had moved here from California last year. She stated that she is retired and that Council's proposed budget increase is substantial and would be hard for the retired, those on fixed income, and working families. She asked the Council for consideration for constituents and compromise. With no one else wishing to speak Mayor Webster closed Citizens Comments at 7:05 p.m.

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CONSIDER AND POSSIBLE ACTION

CONDUCT PUBLIC HEARING TO OBTAIN COMMENTS ON THE CITY MANAGER'S PROPOSAL TO INCREASE THE AD VALOREM TAX RATE FROM \$0.5383 TO \$0.6145 PER \$100.00 OF ASSESSED TAXABLE VALUATION PRIMARILY TO PAY FOR THE INCREASE IN DEBT SERVICE PAYMENTS (PRINCIPAL AND INTEREST) ASSOCIATED WITH THE ROAD BONDS.

With no objection Mayor Webster placed item #1 on the table for discussion.

Mayor Webster opened the Public Hearing at 7:07 p.m. to hear comments on the City Manager's proposal to increase the ad valorem tax rate from \$0.5383 to \$0.6145 per \$100.00 of assessed taxable valuation for Fiscal Year 2015-16. This is an increase of \$0.0762 per \$100.00 of assessed taxable valuation primarily to pay for the increase in debt service payments (principal and interest) associated with the road bonds.

Roy Burke of Plum Creek said that our town is over-taxed and that our debt will never be paid off because our population can't support it. He said it is Council's job is to ensure that the standard of living is acceptable for its citizens. He asked at what point are we going to turn around rather than keep going toward the edge of the waterfall.

Janis Payne of 251 Blue Stem, resident of Kyle for 9 years, Hays County for 30 years. She asked why the city wants accelerated growth.

Sue Ballarini said there is no direct road to HEB – she has to drive five miles to arrive 2 blocks away. She says to take the money for the Road Bond because it was approved. She said we don't have [public] transportation and there is a need for that, even if it's only a couple of routes.

Mattie Welch stated she grew up in Kyle. She asked the council if there is another way to get the funds needed without raising taxes. She says there has to be some stabilization, and there has to be some other way to get the money other than raising taxes. She asked the Council what they can do to consider the people and help the ones who cannot help themselves.

Mildred Taylor of Silverado subdivision, and agreed with Ms. Welch and the others and stated she lives here, is retired and is a senior citizen. She wants to see the City concerned about its seniors. She said that seniors need attention, along with those that are disabled and those who cannot purchase cars. She is concerned because she is a widow now and she wants to be able to keep her home. She said we need the roads, traffic is getting bad. The seniors and disabled people need to be looked after and taken care of.

Allison Pflaum of Plum Creek asked about the Special Road Tax on her Hays County Appraisal. Mayor said that is a County tax and doesn't go to the City. She asked whether Council knows how much was taken in from the 2014 tax rolls. Finance Director Moheet replied that 4.3 million was received for Maintenance and Operations and 4.6 million was received in INS. She asked if we stayed at the current rate, what was expected for 2015. Mr. Moheet said 53.83 cents it would be

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\$10,675,000. At the new rate it would be \$12.18 million. Ms. Palm said that would be an approximate 1.5 million difference. She said she is coming from a real estate background and tenants cannot afford rents because landlords are having to raise rent because property values went up. She said people are being forced out and that we all saw our property values go up a lot. With that, she said, more taxes will be paid, and she thinks adding a tax increase on top of it is excessive at this point. She asked for Council to wait and see the position we're in in the next year and then consider an adjustment.

Sue Ballerini asked what the difference is for businesses versus residents on the tax rate. Mayor responded that it's the same rate for both businesses and residents. She said that in other places the rate for residents would go down and businesses would pay more. She said if we bring more businesses in then there will be more taxes paid, so wouldn't the residents' tax obligation go down? Mayor said yes, that is correct. She says in the endeavor to increase business growth, the needs of the people are not taken in consideration. She wanted to know who decides what businesses we attract. Council member Tenorio recommended she contact Diana Torres and the Chamber of Commerce, and stated that the task for the evening was to discuss the tax rate.

Leslie Perry of the Trails across the highway asked about the 85/15 split. Mayor said it's a percentage of residential/commercial tax valuation. She asked which valuation is looked at in estimating tax revenues. Mayor said Certified Tax Roll. She continued that the tax base has significantly increased, therefore revenue will increase significantly. Mayor says that the voters approved up to a 22 cent increase in ad valorem tax rates for the road bond. He said the valuation increases have driven down the increase to pay for the road bonds. She asked if there was a rate increase on maintenance and operations. Mayor said there is no rate increase on maintenance and operations in the tax rate proposal.

Janis Payne said that she is a stay at home mom and is on a fixed income. Her family did not get a 26% budget increase this year, so the increase for the city means something to her. She challenged the council to go through the budget thoroughly to find things that aren't necessary this year. She has issues with getting rid of Economic Development items because that is to bring money in.

Councilmember Hervol spoke about the citizen survey that was sent out by the City Manager early in the year which asked the citizens what was important to them. She said that priority was given to the Police Department and the Fire Department, and that Council just needs to hear from more of the citizens. She thanked the citizens who came for the Public Hearing.

Allison Pflaum said that the tax rate increase is to service the debt. She posed that if she doesn't accept the tax increase then there won't be cops or safety. Mayor says that is not the case. He explained that the additional services, including the new officers 3 patrol officers and one sergeant, are funded from the extra expected general revenue. She then asked without the tax rate increase, whether there is money in the budget. Mayor responded that we would have to eliminate multiple necessary positions that would set the City in regress. Mayor explained that we have a lower tax increase than we would have had but for the increased sales tax revenue.

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Mayor Pro Tem Wilson spoke on basics saying that we have to have sewer and we have to meet minimum standards. He said the purchase of our sewer plant is going to reduce our costs long-term. He continued that Safety – EMS, Police, Fire – is a have to, that we have to keep our citizens safe. He also said we need to take care of our staff. He put value on experienced staff.

Councilmember Tenorio ask asked whether the documents are available online, including the new positions. She said for the citizens to go to the website and look at the information because nothing is hidden.

Denise Quinterri spoke saying she keeps hearing about saving money in the long run. She asked when that is going to happen. She said there are many more businesses than when she got here, and more businesses mean more money. She said she keeps seeing more apartments going up and asked what the point of all the growth is if people can't afford their homes anymore. She said it doesn't make sense for the homeowners to have to pay more to bring in more growth. She said with hundreds of homes and businesses coming in, and with the property value increase, and now the tax rate increase, she asked how it's going to cost more. She said eventually the growth will stop because people won't be able to afford to live here, or all low-income people will be forced out. She wants Council to think creatively and the burden to be taken off the homeowners. She suggested taxing RV tenants, developers. She said stopping development would cause less need for new schools and less need for new roads.

Mayor asked about the savings from refinancing the bonds. Finance Director Moheet responded a savings of \$2 million was the benefit of refinancing the bonds. Mayor asked him to quantify the savings on the bonds for the roads. Mr. Moheet said that the payments at this time for getting one bond every two years may have been approximately 1/5 of what they are from getting the bonds all at one time, but it would have caught up and surpassed our payments over time, and we would pay more in interest by doing one at a time. Mayor spoke about the impact of inflation and the increase in construction costs.

Councilmember Tenorio stated that one cent equates to \$200,000. She went on that if we were to cut \$1,000,000 that would be 5 cents on the tax rate.

Roy Burke spoke about incentives to large businesses and wanted to know what the city is saddled with to get those here. Mayor spoke about incentive to Seton, and that Seton sold property to the neighboring businesses. The tax abatement was part of the original incentive package with Seton. Mayor Pro Tem Wilson spoke about the Chamber of Commerce Luncheon related to putting Kyle on the map. He spoke about the Shop Kyle App through the Economic Development Department. Mr. Burke said we have given up so much to these businesses that weren't even from here and bring in their own people, and they negotiate to get whatever they want, with little benefit to the City. He asked that Council hold back some in the future.

Bruce Gilson said he commends the Council for struggling with the budget. He mentioned that we have to all work together through this challenge.

With no one else wishing to speak Mayor Webster closed the Public Hearing at 9:51 p.m.

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ADJOURN

With no further business to discuss, Mayor Pro Tem Wilson moves to adjourn. Council Member Fogley seconds the motion. All votes aye. Motion carried 6-0.

The City Council meeting adjourned at 8:51 p.m.

R. Todd Webster, Mayor

Attest: Amelia Sanchez, City Secretary