



City of Granite Shoals
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MEETING MINUTES
GRANITE SHOALS CITY COUNCIL
SPECIAL CALLED MEETING FOR BUDGET/TAX RATE PUBLIC HEARINGS
GRANITE SHOALS CITY HALL, 2ND FLOOR COUNCIL CHAMBER
2221 N. PHILLIPS RANCH RD, GRANITE SHOALS, TX 78654
WEDNESDAY, SEPTEMBER 7, 2016 6 PM

1. Call To Order / Welcome at 6:00 PM by Mayor Pro Tem Dillard

Present:

Mayor Pro Tem Tom Dillard
Council Member Shirley King
Council Member Anita Hisey
Council Member Mark Morren
Council Member Todd Holland

Absent:

Mayor Brugger
Council Member Eric Tanner

Staff:

City Manager Ken Nickel
Assistant City Manager Peggy Smith
City Secretary Elaine Simpson
Finance Director Wendy Gholson

2. **Public comment and announcements and Items of Interest**

At this time, any person with business before the Council not scheduled on the agenda may speak to the Council. No formal action can be taken on these items at this meeting. No discussion or deliberation can occur. Comments regarding specific agenda items should occur when the item is called. Anyone wishing to speak under this agenda item must complete a Comment Card and submit to the City Secretary prior to addressing the Council.

- *Fish Fry – Benefiting the Marble Falls Area EMS, Sept. 7th, 4pm – 8pm at Bluebonnet Café.*
- *John Rinehart Memorial Award for Outstanding Community Service 2017, Nomination forms available at City Hall. Nomination deadline September 30, 2016.*
- *Last Day to register to vote for November 8th Elections is Tuesday, October 11, 2016*

- *Fall City-Wide Clean Up Day* – Saturday, October 15, 2016, City Hall campus 8 AM to 12 noon.
- *Veterans Celebration* – November 5, 2016; Saturday, Veterans Park at 11:00 AM
- *November 8, 2016 City of Granite Shoals Special Elections* – Election Day polling places will be open 7 AM to 7 PM.

There were no public comments.

PUBLIC HEARINGS

3. PUBLIC HEARING(S):

A. Consider the City of Granite Shoals proposed Fiscal Year (FY) 2016-2017 budget. (*Finance Director Wendy Gholson/City Manager Ken Nickel*)

- Hear Presentation, as Council desires.
- Hold a Public Hearing
- Announce date for Council to consider taking action to adopt.

The Council decided to focus on the changes that have been made to the Presentation / proposed budget, since the last Public Hearing on this Budget, which was held on August 23, 2016.

Mayor Pro Tem Dillard opened the second Public Hearing on the Budget at 6:04 PM.

The City Council discussed the ‘Overview’ of the changes that were reflected in tonight’s budget presentation:

There was an elimination of the \$13,000 of Interest and Sinking ‘Buy Down’.

There was \$10,000 added back in for expenditures in the Fire Department.

There was \$10,000 added back in for City Manager’s contingency fund.

There is an increase in reserves.

There is a delay in planned ‘timing’ for acceptance of the Park Grant, should we be awarded it, to the FY 2017-2018 budget year.

Finance Director Gholson went through the Presentation page by page.

The following items were noted:

Positive fund balance predicted at the end of the budget year.

There will be 73.5 days toward the 90-day operating reserve fund that is a main budget goal for the City.

There is a reduction of \$151,000 in the overall department budget for Police Department.

There was a discussion of the 1.5 Park Maintenance employee.

There was a discussion about the advisability of the Parks Advisory Committee drafting an itemized list of priorities for the Parks, and list of their desired projects. There was a brief discussion about the Boat Launch voluntary fees that will be collected in the coming year. The projection was made at \$5,000 for the new year, a conservative number but one that staff feels will be realistic.

The only change to the I&S Fund is just offsetting one cent on the proposed tax rate.

There may be a budget amendment requested for an invoice to be paid from Utility Fund.

There was a short discussion about the 'new' CDBG Grant for water system improvements. This grant has an official number #7216199. It is a grant for \$275,000.

The proposed tax rate to support this proposed budget will be \$0.54720 per \$100 valuation. The 2015 property tax rate is \$0.5207 per \$100 valuation.

Jim Davant, 310 S. Shorewood, Granite Shoals: requested clarification on certain processing fees. City staff explained that these fees are charged for late water payments, or for credit card processing charges.

Mayor Pro Tem Dillard closed the Public Hearing on the Budget at 6:44 PM.

- B. Consider a proposed property (ad valorem) Tax Rate for 2016 for the City of Granite Shoals at \$0.54720/\$100 valuation, as discussed at the August 23, 2016; Regular Council Meeting. (*Finance Director Wendy Gholson/City Manager Ken Nickel*)
- a. Hear Presentation, as Council desires.
 - b. Hold a Public Hearing
 - c. Announce date for Council to consider taking action to adopt.

Laura Campbell, 206 E. Bluebriar Drive, Granite Shoals, TX: Expressed concerns regarding the 3% raise proposed for city employees. She noted that many citizens of Granite Shoals are on a fixed income and this may prove difficult for them to pay higher taxes.

There was a discussion about similar concerns of City Council. It was noted that if a taxpayer is over 65 or disabled, their taxes are 'frozen' and no tax hike affects them. It was also noted that the customary method of describing tax rates is how much the owner of a home worth \$100,000 would pay in taxes. The tax assessor has provided the city with a form that indicates how many tax payers have homes worth less than \$100,000. The Council is proposing a tax rate increase which would cause an increase in taxes over last year of about \$26.50 for the year, for the homeowner of the \$100,000 home. If the home is worth \$50,000 the increase will only be half that, and if the home is worth only \$25,000, it will be a fourth of that. There are about 61% of the homes in the city (and may be the taxpayers on fixed incomes who were mentioned) worth less than \$100,000. The largest share of the tax burden falls on those homeowners/property owners who have expensive homes. Also, it was noted that the City of Granite Shoals tax payers can get a homestead exemption for their primary residence.

Mayor Pro Tem Dillard opened the Public Hearing on the tax rate at 6:45 PM.

Finance Director Gholson presented the PowerPoint slides regarding the tax rate.

If the City Council adopts the tax rate proposed tonight; Granite Shoals will be third from the top on the list of area tax rates. It was noted that Granite Shoals does rely more heavily on property taxes, since the city doesn't have as robust a Sales Tax base as Marble Falls or Burnet.

Mayor Pro Tem Dillard closed the Public Hearing on the tax rate at 6:54 PM.

4. **Future Meetings and Agenda Items**

- a.) Review Agenda Calendar
- b.) Identification of future agenda items

Council Member Holland asked for a future agenda item to review the membership and appointment procedures for the city's Boards and Committees.

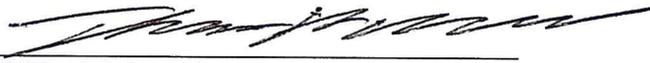
Council members agreed that it would be beneficial to have a future agenda item to allow them to discuss the budget season this year and the processes that we followed. This could be a workshop to discuss 'Lessons Learned'. Next year, the Council requested more time with the proposed budget. After this workshop is held, the notes can be reviewed next year as budget season begins, to hopefully improve the process.

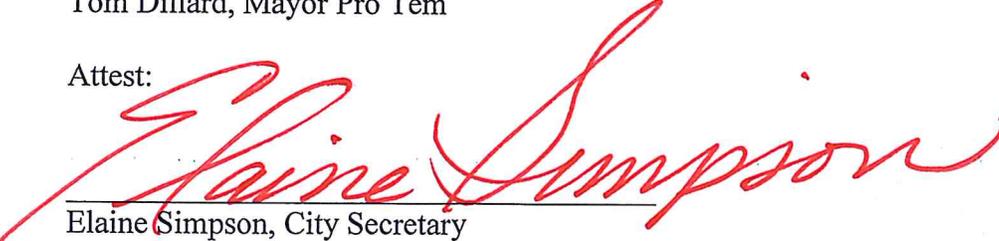
The next meetings of City Council will be September 13, 2016; Regular Meeting.
And Friday; September 16, 2016; Special Called Meeting

5. **Adjournment**

With no other items on the agenda and no objections, Mayor Pro Tem Dillard adjourned the meeting at 7:04 PM.

Approved by City Council on the 27th of September, 2016

By: 
Tom Dillard, Mayor Pro Tem

Attest:

Elaine Simpson, City Secretary