

**SPECIAL CALLED CITY COUNCIL MEETING
August 11, 2016**

MINUTES OF THE SPEIAL CALLED MEETING OF THE CITY COUNCIL OF THE CITY OF OVERTON, TEXAS THAT WAS HELD **AUGUST 11, 2016** AT 7:00 P.M. PM IN THE COUNCIL CHAMBER, CITY HALL, 1200 SOUTH COMMERCE, OVERTON, TEXAS.

PRESENT:

C. R. Evans Jr., Mayor
Philip Cox, Mayor Pro Tem
Jerry Clark
Lawrence Davis
John Posey
Michael Paul Williams

ABSENT:

Also in attendance were, Charles Cunningham, City Manager and Clyde Carter, Chief of Police; representing staff.

CALL TO ORDER –Mayor Evans called the meeting to order by at 7:00 p.m.

1. Invocation was given by Councilman John Posey.
2. Pledge of Allegiance was led by Councilman Jerry Clark.

I. CITIZEN FORUM

None

II. CITIZEN'S REQUEST

None

III. CONSENT AGENDA

Any or all items under Consent Agenda may be removed by the Mayor, any Council Member or the City Manager for discussion.

1. Approval of the Minutes of the Special Council meeting held on July 14, 2016.

Mayor Evans noted that the City Secretary had made some corrections to the version of the Minutes that Council had received in their packet when it was originally delivered. The change was to substitute page 10 as it appeared in the original packet with the corrected version that was passed out at the meeting for the Council to review.

Council reviewed the changes and Mayor Pro Tem Cox made a motion to approve the Minutes as corrected.

Councilman Clark seconded the motion.

Mayor Evans called for a vote.

Motion carried 3-0-1; Councilman Davis abstained based on his not having been at the meeting.

IV. OLD BUSINESS

1. Consider and propose *Ad Valorem* Tax Rates for Fiscal Year 2016 -2017 by record vote and schedule two (2) public hearing dates on Tax Rates for General Government Operations and Maintenance, Funding of Debt Obligations and Cemetery Operations and Maintenance.

City Manager Cunningham gave a short presentation on the purpose of the meeting which was to propose maximum tax rates that the Council was willing to go up to in considering funding the tax portion of the upcoming fiscal year 12016-17 operating budget.

Mr. Cunningham began by summarizing staff recommendations for each of the three tax rates which were described as follows:

Staff Recommended Tax Rates:

1. Maintenance and operations of the general government (General Fund),	\$0.410000.
2. Interest and Sinking fund (Debt Rate)	<u>\$0.238000</u>
Total Tax per \$100 of valuation	\$0.648000

and

3. Maintenance and Operations of the Cemetery	\$0.050000
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The City Manager then compared the proposed rates with those of the previous year and showed the percentage increase being recommended for the Debt Tax Rate. It was pointed out that justification for the 0.02 cent increase in the debt rate was based on trying to balance in a more equitable manner, the source of funding for annual debt service payments on previously issued bonds, to keep them in line with the types of projects the bond proceeds actually funded. For example, Water Surplus Revenue should be used to pay debt service on bonds that were used to build water/sewer projects. If the current debt tax rate were to be continued, tax revenue would only pay 80% of its allocable share of cost with the balance being paid by water/sewer surplus revenue. Raising the rate by \$0.02000 cents, tax revenue would fund 88% of its allocable costs and reduce the reliance on water/sewer surplus revenue.

Comments were made by the City Manager on the impact the increases would have on homeowners with homes valued from \$50,000 to \$150,000. It was noted that there was an average increase in total assessed valuation of 4.08% which would translate to an increase in the tax bill even if the tax rate stayed the same as the previous year.

Finally it was suggested by the City Manager that the Council may want to separate out the General Government O&M and Debt Rates from the Cemetery O&M rate since approval of the latter rate is separate and apart from the truth in taxation process for setting the former two rates.

Mayor Evans called for a motion to consider the first two tax rates.

Councilman John Posey moved that the Council approve a maximum tax rate for Maintenance and Operations of the General Government of \$0.410000 per \$100.00 of assessed value and a maximum tax rate of \$0.238000 for the debt portion of the rate. The motion was seconded by Councilman Davis.

Mayor Evans called for discussion on the motion.

Councilman Posey stated that in the past, the practice of the Council was to agree to a maximum tax rate that was at or near the rollback rate. This was to give the Council the flexibility to lower it if possible or stay at the higher rate when it came time to actually set the tax rate for the Budget Year. He did conclude that if the City Manager felt comfortable with keeping the current rate and only going up on the debt rate slightly, that this strategy would work as well.

Mayor Pro Tem Cox stated that the Council had been given all the information needed to make an informed decision on the matter and that he was ready to vote on it.

Mayor Evans called for the vote.

The Motion carried 4-0-0.

2. Consider and schedule a public hearing date on the City's Annual Operating Budget for Fiscal Year 2016 - 2017.

Mayor Evans informed the Council that at the last meeting of the Council, the August and September Meeting Schedule listed dates for public hearings on the Tax Rate and the date of a public hearing on to receive public comments on the Budget before it was adopted.

- 1st Public Hearing on Tax Rate August 25th, 2016
- 2nd Public Hearing on the Tax Rate September 8th, 2016
- Public Hearing on the Budget September 8th, 2016

No Action Taken

V. NEW BUSINESS

1. Council to review, consider and/or take action regarding RESOLUTION NO. 2016-08-11A; a Resolution of the City Council of the City of Overton, Texas documenting the Council's consideration of provisional tax rates for funding City operations; recording the votes on said tax rates; setting dates for two public

hearings on the tax rates; and a single public hearing on the FY 2016-17 Annual Operating Budget for FY 2016-17.

Mayor Evans read the caption for **RESOLUTION NO. 2016-08-11A**; and considering that all the information contained therein had been voted on and approved in previous action, stated that a motion was in order.

Councilman Posey made a motion to approve **RESOLUTION NO. 2016-08-11A** as revised from the original submittal, to include two separate votes on tax rates for the 2016-17 Fiscal Year.

Mayor Pro Tem Cox seconded the motion.

Mayor Evans called for discussion; no discussion.

Mayor Evans called for a vote.

Motion carried 5-0-0;

VII. ADJOURNMENT

Mayor Pro Tem Cox made a motion to adjourn.

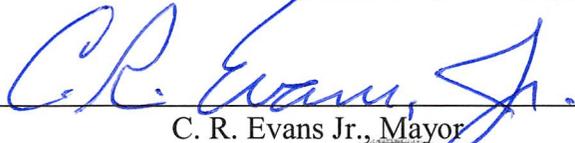
Councilman Davis seconded the motion.

Mayor Evans called for a vote.

Motion carried 5-0-0;

With no further business, the meeting was adjourned at 7:45 P. M.

Minutes approved and submitted and/or corrected this 18th day of August, 2016.


C. R. Evans Jr., Mayor

Attested by:


Rachel Gafford, City Secretary



ATTACHMENT A RESOLUTION NO. 2016-08-11A

RESOLUTION NO. 2016-08-11A

A RESOLUTION OF THE CITY OF OVERTON, TEXAS, TO RECORD COUNCIL VOTE TO CONSIDER PROPOSED *AD VALOREM* TAX RATES PER \$100.00 OF TAXABLE VALUATION OF ~~\$0.410000~~ FOR GENERAL GOVERNMENT MAINTENANCE AND OPERATIONS; ~~\$0.238000~~ FOR FUNDING OF ITS ANNUAL DEBT OBLIGATIONS AND; ~~\$0.050000~~ FOR MAINTENANCE AND OPERATIONS OF THE OVERTON MUNICIPAL CEMETERY FOR FISCAL YEAR 2016-17; TO SCHEDULE TWO PUBLIC HEARINGS ON THE TAX RATE AND SCHEDULE ONE PUBLIC HEARING ON THE PROPOSED 2016-17 FISCAL YEAR BUDGET; MAKING FINDINGS OF FACT; AND PROVIDING FOR RELATED MATTERS.

WHEREAS, the Texas Tax Code, Section 26.06, requires that prior to holding the required public hearings on the tax rate, the governing body must take a record vote by an ordinance or resolution, as appropriate, showing how each member of the governing body voted on the proposal to consider the tax increase, and

WHEREAS, this Resolution complies with the provisions of the Texas Tax Code.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OVERTON, TEXAS, RUSK COUNTY, THAT:

Section 1. Findings. As required by the Texas Tax Code, Section 26.06, the City Council of the City of Overton, Texas, has on this day considered the proposal to set the following *ad valorem* tax rates as described and in the amounts stated herein, per \$100 valuation for Fiscal Year 2016-17:

- Support of Operations and Maintenance of General Government \$0.410000
 - Funding for the City's annual debt Obligations \$0.238000
- Total Tax Rate \$0.648000

Section 2. Recorded Vote. The recorded the vote on the tax rate proposal in Section 1. Above is as follows:

Council Member	FOR	AGAINST
Mayor Pro Tem Philip Cox, Place # 1	X	
Councilman John Posey, Place # 2	X	
Councilman Jerry Clark, Place #3	X	
Councilman Lawrence, Davis #4	X	
Councilman Michael Paul Williams, Place # 5	X	

PRESENT AND NOT VOTING: Mayor C.R. Evans, Jr.

ABSENT:

Section 3. Findings. The City Council of the City of Overton, Texas, has on this day considered the proposal to set the following *ad valorem* tax rate as described and in the amounts stated herein, per \$100 valuation for Fiscal Year 2016-17:

- Support of Operations and Maintenance of the Municipal Cemetery \$0.050000

Section 4. Recorded Vote. The recorded the vote on the tax rate proposal is as follows:

Council Member	FOR	AGAINST
Mayor Pro Tem Philip Cox, Place # 1	X	
Councilman John Posey, Place # 2	X	
Councilman Jerry Clark, Place #3	X	
Councilman Lawrence, Davis #4	X	
Councilman Michael Paul Williams, Place # 5	X	

PRESENT AND NOT VOTING: Mayor C.R. Evans, Jr.

ABSENT:

Section 5. The date of August 25th, 2016 is set as the date of the first public hearing on the FY 2016-17 Tax Rates for the City of Overton.

Section 6. The date of September 8th, 2016 is set as the date of the second public hearing on the FY 2016-17 Tax Rates for the City of Overton.

Section 7. The date of September 8th, 2016 is also set as the date of the required public hearing on consideration of the FY 2016-17 Annual Operating Budget for the City of Overton.

Section 8. In addition, the following recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 9. Authorization. This Resolution of the City of Overton, Texas, is hereby adopted in compliance with the requirements set forth in Section 26.06 of the Texas Tax Code.

Section 10. Effective Date. This Resolution shall take effect from and after the date of its passage as authorized by the rules governing General Law Cities.

Section 11. Open Meetings. It is hereby officially found and determined that the meeting at which this Resolution is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551, Local Government Code.

FINALLY PASSED AND APPROVED on this the 11th day of August, 2016.

THE CITY OF OVERTON, TEXAS


Mayor C.R. Evans, Jr. 8-11-16
Date



ATTEST:


Charles Cunningham, City Manager 8-11-16
Date