

MINUTES OF SPECIAL
CITY COUNCIL MEETING HELD
AUGUST 30, 2017

The City Council of Olmos Park, Texas held a special meeting on August 30, 2017 commencing at 6:00 p.m. in the Council Chambers at City Hall. Mayor Ronald Hornberger presided and Council members present were Kenyon McDonald, Casey Fry, Juliana Dusek, Sharon Plant and Enzo Pellegrino. Staff present was City Manager, Celia DeLeon; City Secretary, Diane Gonzales and Police Chief Rene Valenciano. Also present were Margaret Cluck, 300 Mandalay; Merribell Parsons, 486 E. Olmos; Joseph Oliver, 216 Belvidere; Chuck and Yollie Anderson, 320 Park Drive; Clyde Johnson, 320 Park Hill and Sandra Thomas, 125 E. Mariposa.

Mayor Hornberger called the meeting to order at 6:00 p.m. and determined a quorum was present.

Discuss the purchase of a police patrol vehicle in FY2017 or FY2018 for the amount of \$49,000; take possible action

City Manager DeLeon stated it was her understanding at the August 17th meeting that the City Council consensus was to purchase the patrol vehicle in the current FY2017 year and we were going to allocate \$49,000.00 into the reserves so we can buy the vehicle by the end of the fiscal year. There wasn't a motion made so it is back on the agenda to further discuss it.

Mayor Hornberger stated we should pay for it out of FY2017 then we will have more money to allocate the FY2018 budget for street repairs, maintenance and capital equipment purchases.

Councilwoman Plant stated she spoke with Police Chief Valenciano and the vehicle he wants to replace is a 2013 Ford Explorer and has over 100k miles and thinks he will be able to get \$6,500 for it which can go back into the reserves.

Police Chief Valenciano stated the actual amount of the purchase will be around \$39,000.00 which includes all the equipment.

Councilman Pellegrino asked when do you expect the 2015 vehicle to be replaced?

Police Chief Valenciano stated next year, it already has 85k miles and we average about 30k miles every year.

Councilman McDonald moved to approve to purchase a police patrol vehicle in FY2017 in the amount of \$49,000.00.

Councilwoman Plant seconded the motion.

The vote in favor of the motion was unanimous.

Hold First PUBLIC HEARING to receive comments on proposed 2017 Tax Rate and tax increase

Mayor Hornberger stated the proposed tax rate is a reduction and because of the valuation increases that will produce some extra monies that we can put into the reserves. Based on the FY2016 year an average taxable of a residence of last year's tax rate was about \$3,344.00. With the reduction in tax rate, and based on average tax valuations again the amount of taxes imposed for the coming fiscal year would be \$3,582.00 which is about \$11.50 a month above the increase. As we have been doing in the last several years we try to earmark as much of the

end of year excess money as possible to reserve funds for street repair, maintenance for sewer repair, and capital improvements.

Councilman Fry stated there is a recommendation put out by Bexar County on the tax rate and our previous tax rate was \$0.44 and the recommended tax rate is \$0.42 and we reduced it from \$0.44 to \$0.43 so the difference for the average home based on the recommendation by Bexar County versus our recommendation is \$3,582.00 versus \$3,512.00.

Mayor Hornberger stated which works out to \$11.50 a month over for what the tax was for last year and we left the rate the same for last year.

Councilman Pellegrino stated he has been on Council since around 2013 and then took time off and when he started the tax rate was at \$0.49 and it has been slowly going down and for a couple of years it stayed at \$0.44 and now we are trying to bring it down to \$0.43. The rate is coming down but the values of the houses are going up and a longer term goal in his opinion would be if our tax rate is competitive with Alamo Heights and Terrell Hills which is lower than ours so we could end up paying more taxes but have a lower tax rate. Our proposed tax rate is actually less than it was last year.

Mayor Hornberger stated another thing to consider is that in this fiscal year we have had some significant repairs to the sewer system and street repairs that exceeded the budget so we use those reserves when we have problems.

Councilwoman Plant stated Bexar County is basing on what they are saying your home is valued at now and if there are residents that are contesting and they have not made a decision yet on what that value is.

The residents at the public hearing discussed a Tax Freeze for 65 years and older and stated they have paid their dues and let the younger families handle it who are physically able and have the income as opposed to the older residents who are now retiring and don't anticipate these extra expenses in their retirement plan. Reducing the tax rate is not a good incentive for residents over 65 if the taxes continue to go up.

Councilwoman stated it takes a petition and she would not have a problem with a Tax Freeze for 65 yr. and older exemption.

City Manager DeLeon stated a petition is 10 percent of the registered voters.

Mayor Hornberger stated the biggest component of our taxes is school district and this Council has no control over that. The amount of your City taxes is a small percentage of your total tax bill.

Councilwoman Plant stated she is not in favor of raising taxes, we are a landlocked City. We do have City services and the ad valorem taxes go to salaries and benefits and the only other revenue that comes in is from building permits and tickets.

Councilman Fry stated if we don't take the recommended rate down recommended by Bexar County then we have to hold two public hearings. If we took the tax rate down to the lowest rate it could amount to the difference of \$70.00 over a year and it is important to us based on what we are doing with the City right now and are currently going through and figuring out what kind of infrastructure we have in place.

Mayor Hornberger stated what percentage of residence whom are over 65 would be eligible to take the positions of freezing their taxes and he would not vote in favor of that. It has to be a petition to get it on the ballot for an election and we can have a special election in November if the petition is filed early enough or we can have an election in May.

City Manager DeLeon stated at the budget meeting four councilmembers agreed on the proposed tax and one councilmember was absent and was not here to vote and she is opposed.

Mayor Hornberger stated Bexar County gets to influence what we can do and the way the structure was set up by the legislature and you can actually have a tax rate freeze and a tax rate increase so this year we have a proposed tax rate reduction but an increase in the amount of money that produces so as far as the legislature is concerned that is a tax increase.

Mayor Hornberger announced the second public hearing date, time and place of meeting for the tax rate for 2017 is September 7, 2016 at 6:00 pm at City Hall and the meeting to vote on the tax rate will be on Thursday, September 21, 2017, 6:00 pm at City Hall.

There was no further business and the meeting was adjourned at 6:37 p.m.

Ronald Hornberger
Mayor

ATTEST:

Diane Gonzales
City Secretary