



**MINUTES
MANOR CITY COUNCIL SPECIAL MEETING
201 E. PARSONS
MANOR, TEXAS 78653
August 29, 2012, 7:00 P.M.**

Council Members Present:

Mayor, Jeff Turner
Place 2, Gil Burrell
Place 3, Rita Jonse
Place 4, Danny Scarbrough, Mayor Pro-Tem
Place 5, Rebecca Davies

City Staff Attending:

Steve Shanks, City Manager
Paulina Torres, City Secretary

Place 1, Jim Hooker - Absent
Place 6, Gene Kruppa - Absent

CALL TO ORDER AND ANNOUNCE A QUORUM IS PRESENT.

The meeting was called to order by Mayor Turner at 7:00 p.m. who announced that a quorum of the City Council was present.

PLEDGE OF ALLEGIANCE

VISITOR AND CITIZEN'S FORUM

No citizens signed up to speak during the forum.

CONSENT AGENDA

1. Approval of the minutes:
 - a. August 15, 2012 regular meeting

A motion was made by Council Member Scarbrough and seconded by Council Member Burrell to approve the August 15th, 2012 meeting minutes. The motion carried unanimously, 5-0.

2. Conduct a Public Hearing on the proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by 3.57%. This is the first of two public hearings scheduled to provide an opportunity for taxpayers to express their views on the proposed tax increase to the City Council.

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Mayor Turner opened the public hearing at 7:04 p.m. and asked if any member of the audience wished to speak on the proposal to increase tax revenues.

Mr. Grant Hutchinson approached the podium and announced that he was with the ShadowGlen Golf Club. Mr. Hutchinson expressed concern that an increase in the tax rate will create a barrier to business and that Manor is already a stagnant place with regards to growth. He further explained that his (father) was the owner of the golf course and there is no way he would consider putting a stake in the ground today, knowing there would be a tax increase. He concluded by stating that he was not in favor of this (tax) increase.

Mayor Turner asked Mr. Hutchinson what this tax increase would do to his rate. Mr. Hutchinson replied that he did not know and didn't even know what the tax rate was until he came into this Council meeting.

City Manager, Steve Shanks, explained that the current tax rate is 0.8212 and the proposed tax rate is 0.8945. Our tax rate is divided into two different portions, the debt service rate and an operations and maintenance rate. The debt service rate, is the amount of tax revenue that is required to satisfy the City's outstanding obligation payments for the next year, whether we've issued general obligation bonds or certificates of obligation. Funds to meet those obligations, by law, have to be set aside for taxes to pay for. The debt service portion of the proposed rate, is 0.4808, last year, it was 0.4279. The operations and maintenance portion of the rate actually only went up the effective amount. For our daily operations and maintenance, the proposed tax rate will only raise an additional \$36,600, the rest is going to satisfy the debt service.

Mr. Hutchinson then asked where the rest of this was going. Mr. Shanks replied that the increase in our debt service is \$106,835 which is slightly less than what our payment obligation is going to be. Mr. Hutchinson then stated that the property tax increase is basically to fund the City Hall and asked what this property tax increase would do to owners. Mr. Shanks stated that the average valuation of a home in the City of Manor is \$87,505 and that a home of that value would have an annual increase of \$4.91 as a result of the proposed tax increase.

Mr. Stan McElroy, an Austin area real estate developer, was next to address the Council. Mr. McElroy asked Council if all of this was just a show or if they were actually listening? He further stated that the City had already bought a piece of property which will have no use if the Council does not spend \$200 to \$300 a foot for whatever else they want to do and increase the debt service. Mr. McElroy then asked the Council to define for him where they presently were in the process.

Mr. Shanks explained that the City is not seeking to issue any additional debt service – the debt service is already set and the public hearings to discuss whether or not to issue those obligations have already been held.

Mr. McElroy stated that Manor has the highest tax rate in Travis County and explained that it was a selling point of his to show prospective clients the existing City Hall building and explain that this town is struggling with a relatively low tax base. The reason for Manor's high tax rate was due to the geography and not because the public servants worked in a Taj Majal and were spending it on themselves. Mr. McElroy further noted his opinion that the City was acting like a child with a credit card that could not wait to make the deal. The City

should wait until it had earned the money to spend. He added that he understood the City needed a new City Hall, but what was being done was not necessary and that money like that was not spent on construction elsewhere.

Mr. McElroy then asked how many private sectors had the chance to respond to an RFP. Mr. Shanks explained that the City Hall project has not gone to bid yet and that the Certificate of Obligation he's questioning did not pay for the property. Mr. McElroy replied that most people in Manor did not understand the nexus between buying the property and a tax increase.

The City Manager reminded Mr. McElroy that this public hearing was to discuss the proposed tax rate... the public meetings and hearings to discuss the purchase of the property and issuance of a certificate of obligation for construction costs already took place, earlier in the year.

Mr. McElroy concluded by stating that he did not know how the tax increase would affect him personally, but what's important is the story he tells his clients. He explained that, before, he had the story down, but now it doesn't work. Mr. McElroy further indicated that he wants to see a proper order to things...adding that he does not live here, but cares about Manor and wants a return on his investments.

Ms. Pam Uhr, a resident of Austin, then stepped to the podium and announced that Tommy Seargent, the CEO of Greater Texas Federal Credit Union had asked her to come here and speak on his behalf...Ms. Uhr then appeared to be reading a quote..."They don't need to raise the taxes, they need to grow the business." Ms. Uhr went on to note that she was incensed to learn that the City would have to pay for construction costs and that the funds were not already saved up.

Mr. John Williams, a resident of Travis County, addressed the Council and read some of his personal notes taken during the July 11 Council meeting. The notes were taken during a public discussion about the impact on the tax rate that would result from issuance of a certificate of obligation.

Ms. Rebecca Castillo, a resident of Travis County, was next to address the Council. Ms. Castillo stated that none of the Spanish-speaking people she spoke to were aware of this Public Hearing. She was concerned that the Notice published in the paper was only printed in English and many members of our community do not speak English.

With no further requests to speak, Mayor Turner closed the public hearing.

3. Reminder announcement of the second public hearing on the proposal to increase taxes is scheduled for next Wednesday, September 5th. The September 5, 2012 meeting agenda will include a public hearing on the Proposed Annual Budget for FY 2012-2013.

The reminder announcement was read aloud by Mayor Jeff Turner.

4. Reminder announcement that the proposal to adopt a tax rate increase has been placed on the agenda of the September 19, 2012 City Council meeting, to be held at 7:00 p.m. in the Manor City Council Chamber.

The reminder announcement was read aloud by Mayor Jeff Turner.

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5. CITY MANAGER'S REPORT

6. Informative presentation to the City Council on the subjects of "Conflict of Interest" and the "Texas Open Meetings Act" by Zindia Pierson.


ADJOURNMENT

A motion was made by Council Member Davies and seconded by Council Member Scarbrough to adjourn. Motion was approved unanimously, 5-0. Mayor Jeff Turner adjourned the Council Meeting at 8:48 p.m.

ATTEST:



Steve Shanks, City Manager



Jeff Turner, Mayor