

**MINUTES OF THE REGULAR MEETING
RIVER OAKS CITY COUNCIL
SEPTEMBER 1, 2009**

MEMBERS PRESENT:

MAYOR HERMAN EARWOOD
MAYOR PRO TEM JOE CREWS
COUNCIL MEMBER JOANN BUTLER
COUNCIL MEMBER STEVE HOLLAND
COUNCIL MEMBER R.R. "BOB" MINTER
COUNCIL MEMBER JOANN GORDON

STAFF PRESENT:

CITY SECRETARY MARVIN GREGORY
POLICE CHIEF DAN CHISHOLM
SECRETARY SUSAN STEWART

1. CALL TO ORDER

With a quorum present, Mayor Earwood called the Regular Meeting of the River Oaks City Council to order at 7:00 p.m. on Tuesday, September 1, 2009 at the River Oaks City Hall, 4900 River Oaks Blvd., River Oaks, Texas 76114.

2. INVOCATION

Mayor Pro Tem Crews delivered the Invocation.

3. PLEDGE OF ALLEGIANCE TO UNITED STATES FLAG AND THE TEXAS FLAG

Council Member Holland led the pledges of allegiance to the United States and the Texas Flags.

4. PUBLIC HEARING: SECOND PUBLIC HEARING ON TAX RATE PROPOSAL OF \$0.820000/\$100 OF PROPERTY VALUE

At 7:02 p.m. Mayor Earwood opened the public hearing.

CS Gregory summarized the process to obtain the effective tax rate that provides approximately the same revenue as the previous year. This year's effective tax rate is \$0.797991. The proposed tax rate is \$0.820000. CS Gregory stated that approximately 45% of revenue is generated from property taxes and 6% of revenue is generated from sales tax. CS Gregory stated that the City had a property tax increase in 1998 to 0.797980 followed by a property tax decrease in 2003 to 0.782700 where the tax rate remained through 2008.

John Claridge, 5355 Baylor, asked CS Gregory what additional expenditures had been spent that resulted in the budget deficit increasing from \$180,000 to \$194,000. CS Gregory replied that the budget deficit as adopted was \$194,000 not including the cost of the purchase of the garbage truck, which would increase the deficit another \$180,000.

John Claridge inquired about the ceiling of reserve funds. CS Gregory responded that there is not a ceiling.

James Myrick, 5825 Meandering, commented that although he is not in favor of a tax increase, a tax increase may be necessary. Mr. Myrick spoke in favor of retaining the level of city services currently provided. Mr. Myrick mentioned that in addition to a tax increase, the City should be mindful of expenditures.

John Claridge expressed concern that if taxes were increased, the City would find a way to spend the additional revenue.

John Claridge mentioned a piece of real property that was recently purchased by the City, stating that with a deficit budget the City spent money not originally budgeted. Mayor Earwood responded that the City purchased the property that was appraised for \$40,000 for a purchase price of \$17,026.00 and with the City taxes being paid back to the City would result in a net purchase price of approximately \$12,000.00. Property taxes had not been paid on the property for approximately 20 years, and the City has been maintaining the property for years. Mayor Earwood added that the purchase of the property was a good investment, in which the City could lease the mineral rights, creating additional revenue.

PC Chisholm commented that revenue lost by the senior tax freeze must be paid by the remainder of the property owners in order for the City to continue to operate. PC Chisholm asked CS Gregory if the tax freeze could ever be repealed, to which CS Gregory responded "No".

Council Member Holland added that as an auditor for the City of Hurst, he noticed that over 50% of the City of Hurst's revenue was generated by sales tax, compared to 6% for the City of River Oaks.

Don Istook noted that the City and the City Council have worked diligently to manage the City's funds and he supports a tax increase to maintain the level of city services that are currently provided.

At 7:35 p.m. Mayor Earwood closed the public hearing.

Council Member Holland stated that during his 15-year tenure on the City Council property taxes have only been increase one time. Council Member Holland commented that small tax increases over time can be more desirable and affordable than a large increase at one time.

Mayor Pro Tem Crews noted the BIG program offered by EDC and the Strategic Planning Committee are avenues used by the City to be proactive in increasing commerce and sales tax.

- ANNOUNCE MEETING TO ADOPT TAX RATE ON TUESDAY, SEPTEMBER 8, 2009 AT 7:00 P.M. (PURSUANT TO TAX CODE)

Mayor Earwood announced that the City Council would adopt a tax rate on Tuesday, September 8, 2009 at 7:00 p.m. at the Regular Meeting of the City Council to be held in the Council Chambers.

CORRESPONDENCE – ANNOUNCEMENTS:

5. MAYOR, CITY COUNCIL AND/OR DEPARTMENT HEADS MAY MAKE ANNOUNCEMENTS AND PRESENT CORRESPONDENCE AT THIS TIME.

None.

EXECUTIVE SESSION:

6. CONVENE IN EXECUTIVE SESSION PURSUANT TO CHAPTER 551, TEXAS GOVERNMENT CODE: THE COUNCIL RESERVES THE RIGHT TO CONVENE IN EXECUTIVE SESSIONS(S) FROM TIME TO TIME ON ANY POSTED AGENDA ITEM TO RECEIVE ADVICE FROM ITS ATTORNEY AS PERMITTED BY LAW DURING THIS MEETING. THE COUNCIL MAY CONVENE IN EXECUTIVE SESSION TO DISCUSS THE FOLLOWING:

- a. Section 551.071 Pending or contemplated litigation or to seek advice from attorney:
- b. Section 551.072 Discussion regarding possible sale, lease or acquisition of real estate:
- c. Section 551.074 Personnel matters – To deliberate the appointment, employment, evaluation, reassignment of duties, discipline or dismissal of a Public Officer or Employee or to hear a complaint or charge against an Officer or Employee
- d. Section 551.076 Deliberation regarding security devices

None called for.

RECONVENE:

7. CONSIDER APPROVAL OF ANY ACTION FROM EXECUTIVE SESSION

None.

ADJOURN:

8. ADJOURN

At 7:44 p.m. Mayor Pro Tem Crews moved, seconded by Council Member Gordon to adjourn the meeting. All voted "Aye."

APPROVED:

Herman Earwood, Mayor

ATTEST:

Marvin Gregory, City Secretary