

**MINUTES OF A SPECIAL CALLED MEETING  
OF THE  
EULESS CITY COUNCIL**

**AUGUST 21, 2008**

**CALL TO ORDER**

A special called meeting of the Euless City Council was called to order by Mayor Mary Lib Saleh at 7:00 p.m. on Thursday, August 21, 2008, in the Council Chambers at Euless City Hall, 201 North Ector Drive, Euless, Texas. Those present included Mayor Mary Lib Saleh, Mayor Pro Tem Linda Martin, and Council Members Tim Stinneford, Leon Hogg, Donna Mickan, Glenn Porterfield, and Perry Bynum.

Staff Members Present

City Manager Gary McKamie, Deputy City Manager Loretta Getchell, City Secretary Susan Crim, Deputy City Secretary Becky Null, Director of Finance Vicki Rodriguez, Director of Economic Development Bill Ridgway, Director of Public Works Ron Young, and Director of Planning and Development Mike Collins.

Visitors Present

Faye Stinneford, Andy and Carolyn Byles, Ed and Geri Sorg, Mike Pring, and Rose Wallace.

**ITEM NO. 1    HOLD PUBLIC HEARING FOR PROPOSED TAX RATE**

Mayor Saleh opened the public hearing at 7:01 p.m. regarding the proposed ad valorem tax rate of \$0.47 per \$100 valuation for tax year 2008.

Director of Finance Vicki Rodriguez stated that at the council meeting scheduled for August 26, the city will hold a public hearing on the proposed FY 2009 Operating and Capital Budget and following the public hearing, the budget will be presented for council's consideration. The budget includes property tax revenue based on a proposed tax rate of \$0.47 per \$100 valuation, which will be used to fund a portion of the city's General Fund and the city's Debt Service Fund. In addition to the public hearing tonight, citizens will also have an opportunity to comment on the proposed tax rate at the next public hearing on Tuesday, August 26.

Ms. Rodriguez stated that roughly 30% of the budget is funded by property taxes, and the city's total operating revenue for FY2008 was \$29,626,955. Sales taxes represented the largest revenue source at 33% of the total, with property taxes being the second largest source at 30%.

For FY2009, the total operating revenue is forecast to increase to \$30,753,309 which is 3.81% over 2008. Due to the slowdown in the economy, sales tax has slipped to 32% of the overall revenue with property taxes at 31% of the total. The city did continue to have some new commercial and residential development during the past year which will provide some increased revenue for 2009.

The FY 2008 General Fund expenditures totaled \$29,604,902, compared to a proposed budget for FY 2009 of \$30,747,615, an increase of 3.86% over the prior year. Of this increase, 2.52% funds a salary and benefit package for the employees leaving a 1.34% cumulative increase in all other line items.

Approximately 55% of these funds are dedicated to the police & fire departments, with the remaining funds supporting the park and recreation department, street maintenance, development services, library services, city administration and general overhead such as electric, phone, gas, etc. A breakdown of the General Fund expenses by type shows that 75% of the budget is dedicated to personnel expenses and includes a proposed 3.5% salary increase for employees.

The city has been fortunate to see its tax base expand from just under \$1 billion in FY 1995 to \$2.73 billion for FY 2009. The Euless tax rate has declined steadily from a high of 61.6¢ in 1995 to a proposed rate of 47.00¢ for FY 2009, which is the same as the 2008 tax rate.

There are two components to the tax rate; a debt component and an operations component. The debt component has reduced from a high of 16.36¢ in 2005 to 11.81¢ in 2009. This reduction is due in part to the council's strategy of using Car Rental Funds to reduce the city's need for additional debt by cash-flowing capital improvements projects when possible. State law requires that we levy a tax rate sufficient to pay the required debt payments on outstanding bonds. The remainder of the tax rate is used to fund the city's general government operations. The operation component has dropped significantly since 1995 and has remained around 35¢ for several years.

The Euless tax rate publications are required to be based on average home value. Euless has seen the average home value rise in the last few years due to the construction of several new housing additions with substantially higher selling prices. It is important to note that a review of several established neighborhoods showed very little change over the past five years. These new subdivisions have pushed the average home value from \$137,094 last year to \$139,704 this year.

To show how the new residential construction throughout the city has impacted the valuations, Ms. Rodriquez compared building permit values from 2000 to 2009. The average new home has increased from a value of \$94,115 in 2000 to \$277,353 in 2008. The new construction can distort the publications as they relate to established neighborhoods. Therefore, several neighborhoods were reviewed throughout the city and found that very few existing homes showed increased valuations.

An actual home was selected in the Wilshire neighborhood that was very typical and a chart was created to show what the actual tax bill was for this home for the last five years and the proposed amount for FY2009. This comparison shows that based on this home's actual taxable value of \$105,000, with Eules's 20% homestead exemption, the homeowner has paid either the same or less taxes to the City of Eules in each of the preceding five years and will pay exactly the same taxes in 2009 as he paid in 2008. Since his value has not changed and our rate has been steadily decreasing, his tax bill to the City of Eules has decreased from \$415.80 in 2004 to \$394.80 in FY2009.

The required publications are based not on an actual home, but rather an average of all residential property within the City of Eules. Since the average value has increased due to the new construction, the publications show that taxes based on the average value of \$139,704 will be \$525.29 annually.

Likewise, the average home value for properties occupied by senior citizens in the City of Eules is \$123,543 and after applying the 20% homestead exemption and the \$35,000 senior citizen exemption, the taxes owed on the average value is \$300.02 annually. This amount may be further reduced due to the fact that Eules has passed a freeze on senior citizen taxes. This means that when an individual reaches age 65, taxes will be frozen and the citizen will never pay more than the frozen amount.

Eules is just one of the taxing entities included on the overall tax bill. The proposed tax rate for all entities for FY 2009 is \$2.395 per \$100 assessed value for those citizens located in the HEB ISD and approximately \$2.39 for those located in the GCISD. The school district represents about 54% of the total tax bill, the city 20%, the county 11%, the hospital 9%, and the community college 6%.

In closing, Ms. Rodriguez stated the City of Eules is pleased that the proposed tax rate will remain unchanged at \$0.47 per \$100 valuation, and that the city's FY2009 proposed budget provides for the continuation of all existing services.

## **ITEM NO. 2 ANNOUNCE THE DATE, TIME, AND PLACE OF A SECOND PUBLIC HEARING FOR PROPOSED TAX RATE**

Mayor Saleh announced that the second public hearing for the proposed ad valorem tax rate of \$0.47 per \$100 valuation for tax year 2008 will be held on Tuesday, August 26, 2008, at 7:00 p.m. in the City Council Chambers, 201 N. Ector Drive, Eules, Texas.

## **ITEM NO. 3 ANNOUNCE THE DATE, TIME, AND PLACE OF VOTE ON TAX RATE**

Mayor Saleh announced that the vote on the tax rate will take place on Tuesday, September 9, 2008, at 7:00 p.m. in the City Council Chambers, 201 N. Ector Drive, Eules, Texas.

**ITEM NO. 4 ADJOURNMENT**

The meeting was adjourned at 7:10 p.m.

**APPROVED:**

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Mary Lib Saleh  
Mayor

**ATTEST:**

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Susan Crim, TRMC  
City Secretary