

The City of Hilshire Village

THURSDAY, September 23, 2010
PUBLIC HEARING & SPECIAL COUNCIL MEETING
6:00 P.M.

1. CALL TO ORDER: Mayor Robin Border called the City of Hilshire Village Special Council Meeting to order at 6:00 P.M. at 8301 Westview, Houston, Texas 77055.

1.1 INVOCATION: Council Member Post gave the invocation.

1.2 Present: were Mayor Robin Border, Mayor Pro Tem Connie Castro and Council Members Shannon Whiting, Stephanie Post, Edward Davis and Bill Bristow.

Mayor Border's Comments: The Mayor stated that money from taxes is used for running the City on a day-to day basis to provide basic services: police, fire protection and trash collection (the health and safety requirements). He stated the City also uses the tax money to run the office which handles utility billing, building permits, inspections, daily service requirement of the residents, maintenance of the Village records and ensuring the Village is in compliance with State regulations and handling of all Council meetings. Mayor Border stated that before the year 2000, Hilshire Village enjoyed steadily rising tax valuations and adopted the minimum tax rate (the effective rate) which enabled the City to say they were not raising tax rates. When the City lost the Hilshire Building, the City started adopting the higher rollback rate. Mayor Border stated that when he was elected Mayor he changed the way the Budget was presented, separating Metro and Utility Funds from the General Fund and at that time he reported to the residents that the City's property taxes were not great enough to pay for the most basic requirements of government (health and safety). Mayor Border stated most likely the reason Council has never increased the taxes was because of the risk of an election and if the election failed the City would have to refund the difference in the taxes collected which would cost the City even more money. He stated before the budget was presented to Council he and City Secretary Blevins pulled out as much extraneous spending that did not need Council's approval. After every extra expense was removed the City still did not have enough operating money. The City's safety net should be approximately \$200,000 which is three (3) months of operating funds. The question Council is presented with is how long it should take to raise the funds. Mayor Border stated that as this year closes, the nest egg is gone and we can see the bottom of the pot. We will have no "emergency fund" or "rainy day fund" at year-end. Our fiscal situation is projected to be poor by any responsible homeowner's standard. We must raise tax rates now. It is necessary and we believe our citizens will understand this and vote to allow this rate to go forward if an election is called. Mayor Border stated the City has approximately \$1,500,000 in Metro funds, approximately \$450,000 in the Utility Fund for water and sewer lines and the City is working on obtaining about \$3,000,000 in grants for street and drainage renovations.

Council Comments:

Council Member Post stated these rates are a proposed rate and Council was here to listen to the residents. She wanted to hear what kind of tax rate the residents think they can tolerate and what the residents think the City needs. Council Member Post wanted to hear from the residents if they wanted to pay the garbage fee as a tax or as a fee.

Mayor Pro Tem Castro stated Council has been wrestling with the need for a tax increase for a long time. She does not want to leave the City without any reserves and it would be irresponsible of her as a Council Member to do so. Mayor Pro Tem Castro said the proposed tax rate is a starting point for Council. She is against paying the trash fee through taxes. The City has looked at cutting expenses line by line. Last year the City had an unexpected cost of \$35,000 in a law suit. She welcomed any comments from the residents that would help with the solution.

Council Member Davis stated that if he looked at his personal taxes, the increase the City is discussing would be approximately \$500. He said residents have to understand the City's tax base. "The Village is unique and our tax base is limited".

Council Member Bristow stated that for the record there were approximately thirty people in attendance. He stated he was in favor of keeping the garbage expense as a fee; not as a tax. Council Member Bristow felt the City's attorney should be at all meetings and it was not a place where the City should cut the cost.

Council Member Whiting stated that in contexts of the residents total tax rate 53% of every tax dollar that a resident pays, goes to Spring Branch I.S.D., 24% goes to Harris County and 23% goes to Hilshire Village of which 5% goes to the Debt Tax. She wanted to remind everyone that the increase is just on a portion of their taxes. Council Member Whiting said Council has not taken this decision lightly. It is crucial that the City get its finances in order.

2. CITIZENS COMMENTS:

Kim Phillips, 8211 Burkhart, asked if the City could make an assessment instead of tax increase because the tax increase is so permanent. Council Member Whiting said that expenses are going to continue to increase so the City does need a permanent solution.

Mayor Border said one of the City's problems is that the City does not even get 1% interest on the City's money and sales and franchise taxes are down.

John Phillips, 8211 Burkhart, asked how many households were in the City. He said he thought his taxes would go up approximately \$1,000. He said he would hate to have to leave the City because he could not afford to live here. He understands the City needs more money but he does not think the City needs to increase it in such a large increment. Mr. Phillips was against the trash fee being collected as a tax.

Vimal Patel, 8001 Anadell, believes the trash fee should continue to be on the water bill and that it should not be based on the size of the house. He is against a tax increase. Mr. Patel knows the City needs the increase but he would like Council to find a different solution. He suggested increasing permit fees. Council said that permit fees cover all the expenses and that the City can't make a profit. Mr. Patel thought it would be better

to increase the trash fee than charge more in taxes.

Cheryl Wolfe, 1314 Pine Chase, said that the trash fee could be drastically reduced if the City did away with picking up yard debris. She was concerned with the assessment fee because each resident should pay based on the value of their home. Mrs. Wolfe did not feel it should be a one size fee fits all.

Janet Wourms, 8201 Burkhart, was for everyone paying the fee on their water bill. She was not for doing away with picking up yard debris. She thought it was a big risk increasing the taxes, risking an election and having to refund the money. Mrs. Wourms thinks the City should ask for less money and not go with the increase under discussion.

Jay Mitchell, 1232 Ridgeley, appreciates the time and effort that Council has put into this topic. He said it would be beneficial if everyone could see a copy of the budget and the City's forecast. Mr. Mitchell was wondering what the other cities were doing. Mayor Border tried to explain the budget and the expenses. Stating he had a conversation with Spring Valley's Mayor to persuade him to do what he could "not to increase the Police Department's fee". He was told that the Police personnel did not get pay raises last year and in the conversation he discovered the City of Spring Valley was getting \$2,500,000 in new monies as a result of the I-10 construction. Whereas, the City of Hilshire Village, lost 10% of their revenue and got a park in place of the revenue produced by the building. Piney Point has an 18% base rate but their tax revenue is in the millions. Mayor Border said you can't compare Hilshire Village to the other cities. Hilshire Village has the same responsibilities as the larger cities. He stated that Hilshire Village has lots of churches. He suggested re-zoning Wirt Road to commercial. Mayor Border said that all the Churches have Specific Use Permits which are "forever". He said the City does not receive taxes from the Churches but the City has to provide services. Mr. Mitchell asked if the City has thought about merging with the other Cities. Mayor Border said that the other Cities have previously stated that the City of Hilshire would have to correct all their street and water issues. Mr. Mitchell said he was also for a trash fee instead of a tax.

Sanjeev Dubey, 1214 Glourie, suggested that the City form an alliance with one of the larger villages to contract for Police and Fire. Mayor Border explained that Hilshire Village does share the cost of the Police Department with Spring Valley and out of the three (3) Village Police Departments; Spring Valley is the least expensive. He also explained that three (3) years ago he had negotiated the contract with Spring Valley and he had gotten quotes from the Constables Department which was slightly cheaper. The Mayor said that the residents did not want to go with the Harris County Constables and they chose Spring Valley Police. Mayor Border said the City is a co-owner of the Village Fire Department already. Council Member Post suggested the City check into going together with one of the other Villages for trash services. Mayor Border stated the City already pays less for trash service than any of the other Villages.

Wally Partridge, 1301 Glourie, thanked the Mayor and Council for their time supporting the City. He stated he moved into the Village in 1988 and Council meetings were held in a Church and the City's records were kept in someone's garage. Mr. Partridge understands that the City's costs have gone up considerably. The City purchased property and built City Hall and with inflation he can understand that a tax increase was inevitable. However, he would like to keep the rainy day fund at a minimum. He would

personally like to see a balanced budget and an itemized list of where the expenses have increased. Mr. Partridge said he would like to see the trash expense as a tax but he thinks it should be equal to all residence so with that said he would vote for a fee since taxes are based on evaluations.

Council Member Whiting wanted to remind the citizens that the City has had several budget workshops where the budget is gone through line by line. She suggested that the residents should attend so they would have the opportunity to review the budget. Also, it was stated that the budget could be found on the City's website.

David Labbe', 1311 Pine Chase, stated trash fees should not be part of the taxes. He was shocked on the size of the tax increase. He thinks contingency funds should be at a minimum. He questioned why the City waited so long to address the need for extra funds.

Matt Elliott, #9 Hilshire Oaks, realizes that City Council Members are also residents and have the best interests of everyone. He thinks Council should go for the minimal amount of tax possible. Mr. Elliott said he thinks the City needs two (2) to three (3) months of reserve funds. He thinks the City should do what they have to do but in a reasonable amount of time.

Jay Mitchell, 1232 Ridgeley, said interest rates were low at this time so the City might consider borrowing money instead of increasing taxes.

Allan and Cheryl Wolfe, 1314 Pine Chase, said the City needs to look at cutting costs in trash service by going green. Mr. Wolfe said the City Council needs to get out there and make sure the public is aware of why the City needs an increase.

Council recessed the Public Hearing at 8:00 P.M.

Council reconvened the Public Hearing at 8:20 P.M.

3. DISCUSSION:

3.1 The City's Proposed 2010 Total Rate: Council and the attending residents continued to discussed ideas and issues related to the tax increase. Mayor Border reiterated that the tax increase was for the ongoing operations of the City and the City has money for Capital improvements.

3.2 The City's Proposed FYE 2011 Budget: The Mayor said the budget Council needs to look at is the one using the trash service as a fee. Mayor Border asked the City Secretary to go over the requirements the City needed to do for the balance of the public meetings. City Secretary Blevins stated the City needed to have two (2) more public hearings and they needed to be advertised in the paper. Council decided to have a Special Council Meeting on September 27, 2010 to decide on the new proposed tax rate. The two (2) Public Hearings will be on September 28th and October 7th.

Council discussed charging residents the exact amount that the City pays for each resident for the garbage service. The revenue for trash will equal the expense for trash. The only thing on the budget revenue that will change is the revenue for taxes using

either \$0.08 over the rollback rate or \$0.06 over the rollback rate. City Secretary Blevins said that the amount the City will have in the checking account at the end of September is only an estimate.

Mayor Border suggested \$0.08 over rollback rate and that is the number he is going to put in the budget that will be presented to Council on the 27th. He stated that the legal expense was lowered to cut cost and that would mean legal representation would not be at all the meetings. Council Member Post and the rest of Council felt the attorney should be at all the meetings. Mayor Border said that the treasurer stipend had been removed and the duties would be given to the City Secretary. He also said that he put \$21,239 incremental funds to cover the lawsuit. Council said the expense needed to be left in the budget. City Secretary Blevins stated the miscellaneous expense was deleted out of the present budget and that meant there would not be any extra money to balance the budget with at the end of the year. She suggested the \$5,000 contingency fee which she removed in the last budget that was presented be put back in the budget. City Secretary Blevins stated that in her personal budget she always has a contingency line and Council agreed. Mayor Border asked Council to look at line 115 regarding the CDBG Grant and there was a City contribution. He thought that there should also be a City contribution for the Pine Chase Glourie Loop Grant.

Mayor Border asked Council to look at the Utility Budget. The Mayor said to look at line 223 for it does not achieve the \$55,000 surplus the City wanted to achieve. Council Member Whiting said the City should achieve its goal in the current year.

Mayor Border asked Council again what rate they wanted to put in the budget. Council Member Post said what the citizens were saying was that they wanted Council to achieve the goal in two (2) to three (3) years not in one (1) year. Mayor Border said the rollback rate does not work. He said the City does not waste money. Council Member Whiting said that none of the residents said that the City did not need to raise the taxes. Council decided to go with the \$0.08 over rollback rate to put in the budget being presented on the 27th of September.

4. ANNOUNCEMENT: None

5. ADJOURNMENT: Council Member Post moved to adjourn, seconded by Council. The meeting was adjourned at 9:01 P.M.

Mayor Robin Border

ATTEST:

Susan Blevins, City Secretary