

**THE FLOWER MOUND TOWN COUNCIL SPECIAL MEETING HELD ON THE 3<sup>RD</sup> DAY OF SEPTEMBER, 2013, IN THE FLOWER MOUND TOWN HALL, LOCATED AT 2121 CROSS TIMBERS ROAD IN THE TOWN OF FLOWER MOUND, COUNTY OF DENTON, TEXAS AT 6:00 P.M.**

The Town Council met in a special meeting with the following members present:

Tom Hayden	Mayor
Bryan Webb	Deputy Mayor Pro Tem
Mark Wise	Councilmember Place 3
Steve Dixon	Mayor Pro Tem
Jean Levenick	Councilmember Place 5

With the following members absent:

Michael Walker	Councilmember Place 1
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constituting a quorum with the following members of the Town Staff participating:

Theresa Scott	Town Secretary
Jimmy Stathatos	Town Manager
Debra Wallace	Assistant Town Manager/CFO
Tommy Dalton	Director of Strategic Planning
Mark Wood	Director of Economic Development
Christianne Price	Budget and Grants Manager

**A. CALL MEETING TO ORDER**

Mayor Hayden called the special meeting to order at 6:00 p.m.

**B. INVOCATION**

Mayor Pro Tem Dixon gave the invocation.

**C. PLEDGE OF ALLEGIANCE TO THE AMERICAN FLAG AND THE TEXAS FLAG**

Mayor Hayden led the pledges.

**C.(1) TOWN MANAGER'S REPORT**

1. Update and discussion on Economic Development projects.

Mr. Wood gave an update on the recently attended North Texas Commercial Association of Realtors (NTCAR) trade show.

2. Update on the Master Plan Review Process.

Mr. Dalton gave an update on the Master Plan Review Process identifying or noting:

- Currently engaged in the community input stage
- Important dates
- Promotional efforts and ways the public can provide input
- Comments received to date

- Offered an explanation as to what conservation development means

Hayden: When you're having the discussion, with respect to the Cross Timbers area, right now the option in the Master Plan is to put it in a conservation area. It would be nice for the Council to have the option to consider an offer of donated land for park use in those areas, especially out west.

Dixon: In a situation where a large land owner wants to donate land to the Town, the way it stands right now, if they want to donate a portion of their land to the Town, and allow the other portion to be sold and developed, the Town will not give them credit for that donated land because it's now a separate piece of property. If the option of full credit was available it would be an incentive to encourage the landowner to donate some land. In this way they would reap the benefit of getting open land credit in the development for where they develop. That should be discussed and weighed out and somehow posed as a way to encourage that landowner to donate the land.

The following action items were presented to the Town Manager:

Mayor Pro Tem Dixon:

- I would like staff to put together a feasibility study to consider small miniature train that kids can ride at Heritage Park.
- An option to consider the use of solar panels at the new senior center.

Mayor Hayden:

- Expressed interest in doing something at Christmas to promote retail businesses in Town (could include putting up lights or helping retail centers with their promotions). He would like staff to look into what can be done to promote retail and start formulating a plan.

#### **D. CONSENT AGENDA**

1. Consider approval of the minutes from a Joint Town Council/Planning and Zoning work session held on July 18, 2013.
2. Consider approval of the minutes from a special meeting of the Town Council held on July 29, 2013.

Councilmember Levenick moved to approve, by consent, items 1 and 2. Deputy Mayor Pro Tem Webb seconded the motion.

#### **VOTE ON MOTION:**

**AYES: Wise, Dixon, Levenick, Webb**

**NAYS: None**

**ABSENT: Walker**

#### **E. REGULAR ITEMS**

3. Public Hearing to consider a tax rate of \$0.4497 per \$100 assessed valuation.

### **Staff Presentation**

Ms. Price gave a presentation identifying or noting:

- 2<sup>nd</sup> public hearing on the tax rate
- Overview of debt services obligations and proposed tax rate
- The tax rate is unchanged since fiscal year 2001/2002
- Overview of required adoption language
- Procedure for adoption
- Chart of Flower Mound's tax rate in comparison to benchmark cities

Mayor Hayden opened the public hearing at 6:23 p.m.

### **Public Participation**

David Langley, 1504 Lake Crest Court, Flower Mound, TX

Mr. Langley indicated from what he read on the Town's website this public hearing is a result of somewhat of a windfall because of the increase on values of homes in the Town.

Stathatos: It's a minor increase of about 3.5%. It's a result of new economic development projects, and also an appreciation of existing properties.

Mr. Langley indicated the appreciation rate is probably a large increase to the coffers of the Town, correct?

Stathatos: If you look at our overall tax base from year to year and you add all the new economic development projects, as well as the appreciation of the existing properties, it's around a 2.5 – 3.5% increase.

Langley: Is that increase in total revenue?

Stathatos: Total property tax revenue, and since our tax rate is the same it's basically the same for the tax base.

Langley: Now for this rate increase, how much is it?

Stathatos: The rate is going to stay the same for the 12<sup>th</sup> straight year. The only reason we have to do the 2<sup>nd</sup> public hearing is because we have a lot of economic development projects that we were able to land. Also, property values that increased contributed to us generating enough additional revenue (year over year) that triggered the extra public hearing.

Hayden: Provided a breakdown of the percentages from the tax bill that goes to the various entities (i.e. county, schools, Town).

Langley: Given the increases all around, I would caution Council to not make it so expensive we can't live here. That becomes a true possibility when you start having the kinds of appreciation that you're seeing right now. He gave the example of his neighbor selling his home for \$400,000, when only a year ago it was probably \$250,000. We could end up pricing ourselves out of the market if we're not careful.

Dixon: Wanted to make sure everyone understands our tax rate (.4497) is not changing.

Hayden: Also, we're still in the bottom third with respect to rates in our benchmark cities.

Kevin McNamara, 3109 Wood Trail, Flower Mound, TX

Mr. McNamara questioned if the Town has any exposure to any unfunded pension liabilities, and do we have any unfunded liability for retiree medical health benefits or other surprises that might come down the road.

Wallace: The Town is 95% funded on pension liabilities and we don't have any unfunded retiree insurance liability.

Mayor Hayden closed the public hearing at 6:30 p.m.

Hayden: Pointed out populations for some cities in the vicinity of Flower Mound, and he summarized ways cities generate funds, including sales tax revenue. He noted that Flower Mound differs from our neighboring cities in the area of sales tax generated in that it is lower. It's important we bring these figures up to help with things such as maintaining our roads, putting in or maintaining parks, as well as compensation for our employees. As a Town, we have to diversify our budget from being so reliant upon residential taxpayers (ad valorem property taxes). We have to keep Flower Mound consumers shopping in Flower Mound so we're able to generate the numbers. Generating sales tax revenue is a major leg of a three legged stool on how we're going to support our Town.

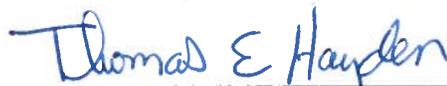
Mayor Hayden recited the following required announcement:

The Town of Flower Mound's tax rate is scheduled for adoption on Monday, September 16, 2013, at 6:00 p.m., at a regular Town Council meeting, to be held in the Town of Flower Mound Council Chambers, located at 2121 Cross Timbers Road, Flower Mound, Texas 75028.

**F. ADJOURN SPECIAL MEETING**

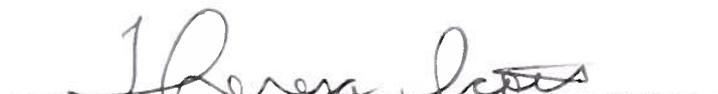
Mayor Hayden adjourned the special meeting at 6:41 p.m. on Tuesday, September 3, 2013, and all were in favor.

TOWN OF FLOWER MOUND, TEXAS



THOMAS E. HAYDEN, MAYOR

ATTEST:



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THERESA SCOTT, TOWN SECRETARY