



CITY OF BELLAIRE TEXAS

MAYOR AND COUNCIL

SEPTEMBER 22, 2014

Council Chamber

Public Hearing

6:00 PM

7008 S. RICE AVENUE
BELLAIRE, TX 77401

SPECIAL SESSION (FIRST PUBLIC HEARING ON INCREASE IN TAX REVENUES) - 6:00 P.M.

A. Call to Order and Announcement of a Quorum - Dr. Philip L. Nauert, Mayor.

Dr. Philip L. Nauert, Mayor, called the Special Session (Public Hearing) of the City Council of the City of Bellaire, Texas, to order at 6:02 p.m. on Monday, September 22, 2014. Mayor Nauert advised that a quorum of all members of City Council were present as set forth below.

Full Name	Title	Status	Arrived
Dr. Philip L. Nauert	Mayor	Present	
Mr. B. Nathan	Mayor Pro Tem	Present	
Mr. J. Reed	Councilman	Present	
Mr. J. Aviola Sr.	Councilman	Present	
Mr. J. Appas	Councilman	Present	
Mr. J. Laughlan	Councilman	Present	
Mr. S. Friedberg	Councilman	Present	
Mr. J. Hofmann	City Manager	Present	
Mr. J. Dutton	City Clerk	Present	
Mr. J. Mank	Chief Financial Officer	Present	

B. Reading of Notice of Public Hearing - Tracy L. Dutton, City Clerk.

Tracy L. Dutton, City Clerk, read the "Notice of Public Hearing on Tax Increase" into the record as follows:

"The City of Bellaire will hold two public hearings on a proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by 7.06 percent (percentage by which proposed tax rate exceeds lower of rollback tax rate or effective tax rate calculated under Chapter 26, Tax Code). Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

The first public hearing will be held on September 22, 2014, at 6:00 p.m. at the City of Bellaire, City Hall, Council Chamber, 7008 South Rice Avenue, Bellaire, Texas 77401.

The second public hearing will be held on October 6, 2014, at 6:00 p.m. at the City of Bellaire, City Hall, Council Chamber, 7008 South Rice Avenue, Bellaire, Texas 77401.

The members of the governing body voted on the proposal to consider the tax increase as follows:

FOR:

Dr. Philip L. Nauert, Mayor
Amanda B. Nathan, Mayor Pro Tem
Roman F. Reed, Councilman - Position No. 1
James P. Avioli, Sr., Councilman - Position No. 2
Gus E. Pappas, Councilman - Position No. 3
Pat B. McLaughlan, Councilman - Position No. 4
Andrew S. Friedberg, Councilman - Position No. 5

AGAINST:

None

PRESENT and not voting:

None

ABSENT:

None

The average taxable value of a residence homestead in the City of Bellaire last year was \$534,810. Based on last year's tax rate of \$0.3999 per \$100 of taxable value, the amount of taxes imposed last year on the average home was \$2,138.71.

The average taxable value of a residence homestead in the City of Bellaire this year is \$588,131. If the governing body adopts the effective tax rate for this year of \$0.3658 per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$2,151.38.

If the governing body adopts the proposed tax rate of \$0.3936 per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$2,314.88.

Members of the public are encouraged to attend the hearings and express their views."

C. Summary of Public Hearing Procedures - Paul A. Hofmann, City Manager.

Paul A. Hofmann, City Manager, summarized the public hearing procedures for the evening.

D. Presentation:

Presentation regarding a proposal to increase total tax revenues for the 2014 tax year from properties on the tax roll in the preceding year by 7.60% percent by proposing a tax rate of \$0.3936 per \$100 valuation.

Chief Financial Officer Linda Symank advised that the City began the process to adopt a property tax rate this year with the presentation of the City's certified tax roll and effective and rollback tax rates on September 8, 2014. The results of those calculations then determined the steps the City needed to follow in the adoption of its tax rate.

The certified tax roll this year was approximately \$4 billion. Included in that tax roll was \$72.6 million in new property. The effective tax rate, the rate that would give the City the same revenue this year as last year on existing properties, was

calculated to be \$0.3658 per \$100 in valuation, and the rollback rate, which was the highest rate the City could adopt without being subject to a rollback election, was \$0.3936 per \$100 in valuation. The rollback rate allowed an increase in revenues for maintenance and operations of eight percent. The proposed tax rate was noted to be \$0.3936 per \$100 in valuation.

Even though the City's proposed tax rate was below the current tax rate of \$0.3999 per \$100 in valuation, it was above the City's effective tax rate. The City's proposed tax rate would increase revenues by 7.60 percent on existing properties.

Truth-in-taxation regulations stated that when the City was proposing a tax rate that was above the effective tax rate, a rate that would give the City more revenue this year than last year on existing properties, then the City was required to hold two public hearings prior to the adoption of the tax rate. This evening was the first public hearing, and the second public hearing was scheduled to be held on October 6, 2014. The agenda item to adopt the tax rate would appear on the City Council agenda for October 20, 2014.

(Requested by Linda Symank, Finance Administration)

E. Recognition of Citizens and/or Other Interested Parties - Dr. Philip L. Nauert, Mayor.

Elaine Mowad, 4526 Maple Street, Bellaire, Texas:

Ms. Mowad addressed City Council regarding the proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by 7.60 percent. Ms. Mowad indicated that she and her husband were shocked at the proposal to increase total tax revenues by 7.60 percent, which was a very large increase, in her opinion. She understood that she did receive a discounted rate as a senior citizen, but wanted to attend the hearing to learn how the City justified the increase. She referenced an article in the Houston Chronicle that indicated that the residents in Houston were going to receive a decrease in their taxes this year.

Ms. Mowad urged City Council to convince her that 7.60 percent was needed. She advised further that it was shocking that no one was in attendance this evening to question the increase.

Richard Franke, 1104 Howard Lane, Bellaire, Texas:

Mr. Franke addressed City Council regarding the proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by 7.60 percent. Mr. Franke advised that he concurred with the tax rate proposed by Chief Financial Officer Symank and agreed by the City Council.

Mr. Franke indicated that the citizens of Bellaire had received a very reduced tax rate for the last 50 years because Bellaire built everything down to such a low standard, in his opinion. Part of that was due to economic issues from the 40s, 50s, and 60s. The City was left with a failing infrastructure, massive expenses for streets, water lines, and drainage that were still unfunded.

He urged City Council to pursue the tax rate and to better educate the public as to what the City was facing. In addition, Mr. Franke stated that the budget process was flawed in that an infrastructure update was not obtained from Director of Public Works Brant Gary and City Engineer James Andrews regarding residential infrastructure and major

thoroughfares. In closing, Mr. Franke urged City Council to focus on the substantive issues, such as infrastructure.

F. Questions from the Mayor and City Council - Dr. Philip L. Nauert, Mayor.

Dr. Philip L. Nauert, Mayor, open the floor for questions from the City Council regarding the proposed tax increase. There were no questions from City Council.

G. Close of Public Hearing - Dr. Philip L. Nauert, Mayor.

Dr. Philip L. Nauert, Mayor, closed the Special Session (Public Hearing) before the City Council of the City of Bellaire, Texas, at 6:17 p.m. on Monday, September 22, 2014. Mayor Nauert advised that oral comments would be received again during the second public hearing on this matter scheduled to be held on Monday, October 6, 2014, at 6:00 p.m. in the Council Chamber, First Floor of City Hall, 7008 South Rice Avenue, Bellaire, Texas 77401. Written comments could also be submitted to the City Council in care of the City Clerk. The deadline for written comments was noted to be noon on Thursday, October 16, 2014, in order for such written comments to be considered for the public record.

H. Adjourn.

Motion:

To adjourn the Special Session (Public Hearing) of the City Council of the City of Bellaire, Texas, at 6:17 p.m. on Monday, September 22, 2014.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Roman F. Reed, Councilman - Position No. 1
SECONDER:	Gus E. Pappas, Councilman - Position No. 3
AYES:	Nauert, Nathan, Reed, Avioli Sr., Pappas, McLaughlan, Friedberg