

CITY OF CASTLE HILLS
SPECIAL CITY COUNCIL MEETING
MINUTES OF AUGUST 28, 2008

The City Council of the City of Castle Hills convened at 6:00 p.m. on the 28th day of August, 2008, in the Community Room at the City of Castle Hills, 209 Lemonwood Drive, Castle Hills, Texas.

The attendance roster included Bill Martin, Bill Schluter, Joan Buerschinger, and Rhonda Currie.

I. OPENING

QUORUM - Present and composing a quorum of the City Council were Mayor Protempore Marcella Huff, Douglas Gregory, Tom Davis, Bruce Smiley and Tim Howell. Mayor Harper was absent.

Staff present was City Manager Mike Rietz, Assistant City Manager Rita Hoyl, and City Secretary Linda Gill.

II. ANNOUNCEMENTS – None

III. REPORTS – None

IV. PUBLIC HEARING

A. PUBLIC HEARING AND COMMENT ON THE PROPOSED 2009 TAX RATE TO BE CONSIDERED BY THE CITY COUNCIL ON SEPTEMBER 9, 2008, AT 6:00 P.M. AT THE CITY OF CASTLE HILLS CITY HALL, 209 LEMONWOOD DRIVE, CASTLE HILLS, TEXAS.

Mayor Protempore Marcella Huff opened the public hearing at 6:05 p.m. City Manager Mike Rietz gave a brief Power Point presentation. He stated that the city council has proposed keeping the same tax rate as last year. The rate has declined steadily over the last eight years. He said the proposed rate of 0.425801 per \$100.00 valuation will generate approximately \$140,000.00 additional revenue due to increased property values, and that amount is the increase in the proposed budget. The average taxable value of a property in 2008 is \$185,020.00. Based on that same tax rate, the taxes generated on the average taxable home in 2008 amount to \$787.82. The average taxable value in 2009 will increase to \$199,742.00. If the city council approves the proposed tax rate, taxes on a home of taxable average value will be \$850.50 in 2009, which is an increase of \$62.50.

Ms. Huff opened the floor to citizens who wished to comment. Bill Martin of 113 Cobblestone said the only comment that he would make is that, when he was mayor, the tax rate was 54 cents. He said that property values have since gone up, but the tax rate has declined.

Joan Buerschinger of 212 Glentower asked how the proposed tax rate compared with other cities in the area such as Hill Country Village and Hollywood Park. Mr. Rietz answered that a comprehensive survey of other communities has not been done, but the city's rate is higher than in some communities and lower than in other communities. He indicated that Castle Hills was primarily looking at its own budgetary needs in setting a tax rate. He explained that tax rates do vary in communities depending on the value of property. He added that the amount of sales tax revenue a city receives has a bearing on the property tax rate, and that the level of services a city offers also plays a role.

Councilman Gregory asked if, compared to cities of similar size, Castle Hills is overstaffed or understaffed. For example, Alamo Heights is a population of about 8,000 and Castle Hills is roughly 4,000. Mr. Gregory asked if Castle Hills is proportionately staffed. Mr. Rietz said that he has not done that specific analysis, but the police department is similarly staffed to other small cities. He said the answer to that question varies from department to department.

Councilman Howell noted that the city has the S.T.E.P. program, which other cities do not have. Council member Davis mentioned that Castle Hills has garbage pick-up three times a week, whereas other cities pick up twice a week. Councilman Smiley said that Castle Hills business and residential revenue is skewed, and the city has to rely more heavily on residential real estate. He hoped that would change in the next few years.

Councilman Gregory remarked that 80% of the \$5,000,000.00 budget is salaries. He indicated that the council has tried to keep the tax rate down as property values go up, and the city is looking at a deficit of over \$300,000.00.

Bill Schluter of 112 Lemonwood Drive pointed out that the city relies on the ¼ cent sales tax from the Crime Control and Prevention District; and if the citizens don't vote for it again, the city will lose that revenue.

Bill Martin asked if the staff is checking to make sure Castle Hills businesses are not giving sales tax revenue to San Antonio. Ms. Hoyl assured him that she was getting a report every 6 months from the state comptroller to prevent that from happening.

Mayor Protempore Huff stated that the next public hearing on the tax rate would be at 6:00 p.m. on Tuesday, September 2nd.

V. ADJOURNMENT

The meeting adjourned at 6:30 p.m.

These minutes were approved on the 9th day of September 2008.

APPROVED:

Marcy Harper, Mayor

ATTEST:

Linda Gill, City Secretary