



**MEETING MINUTES OF THE SPECIAL MEETING
HIGHLAND VILLAGE CITY COUNCIL
HIGHLAND VILLAGE MUNICIPAL COMPLEX
1000 HIGHLAND VILLAGE ROAD
TUESDAY, SEPTEMBER 18, 2023**

OPEN SESSION

1. Call Meeting to Order

The meeting was called to order by Mayor Pro Tem Kixmiller at 8:35 a.m.

Roll Call

Present:	Jon Kixmiller	Mayor Pro Tem
	Brian Fiorenza	Deputy Mayor Pro Tem
	Kevin Cox	Councilmember
	Robert A. Fiester	Councilmember
	Rhonda Hurst	Councilmember
Absent:	Daniel Jaworski	Mayor
	Shawn Nelson	Councilmember
Staff Members:	Paul Stevens	City Manager
	Ken Heerman	Assistant City Manager
	Angela Miller	City Secretary
	Heather Miller	Assistant Finance Director
	Laurie Mullens	Marketing & Communications Director

ACTION AGENDA

2. Consider Ordinance 2023-1307 approving and adopting the Fiscal Year 2023-2024 Annual Budget (2nd and final read)

APPROVED 2ND READ (5 – 0)

With no clarification requested or questions, Mayor Pro Tem Kixmiller reminded Council this would require a record vote.

Motion by Councilmember Fiester, seconded by Councilmember Cox, to approve Agenda Item 2. City Secretary Angela Miller took a roll call vote on the motion:

Mayor Pro Tem Kixmiller – Aye

Deputy Mayor Pro Tem Fiorenza – Aye

Councilmember Fiester - Aye

Councilmember Cox – Aye

Councilmember Hurst - Aye

Motion carried 5-0.

3. Consider Ordinance 2023-1308 levying the Ad Valorem Taxes for the Year 2023 at a Rate of \$0.501394 per \$100 Assessed Valuation on all Taxable Property within the

Corporate Limits of the City of Highland Village as of January 1, 2023 (2nd and final read)

APPROVED 2ND READ (5 – 0)

Assistant City Manager Mr. Heerman reported the Texas Tax Code requires a tax rate be adopted by official action following passage of a budget. Mr. Heerman clarified that the tax rate is a decrease from last year's rate, but it is considered an increase as it's more than the No-New-Revenue Tax Rate. The tax rate is effectively a 3.4 percent increase from last year and that, as the proposed tax rate exceeds the no-new-revenue tax rate, at least 60 percent of the governing body must vote in favor of the ordinance by a record vote.

Deputy Mayor Pro Tem Fiorenza asked for clarification on how the No-New-Revenue Tax rate is derived. Mr. Heerman clarified that it would be the total tax revenue collected last year divided by the new evaluations. Deputy Mayor Pro Tem Fiorenza asked if using the taxes collected last year and dividing it by the new evaluations results in a lower No-New-Revenue Rate. This was confirmed by Mr. Heerman who further explained that in general, the revenue cap is 3.5% on the M&O (Maintenance and Operations) rate and the variable is the City's debt service rate, which can change based on the current year debt obligations, and would be a separate calculation. Combining the No-New-Revenue M&O rate and the debt service rate equals the voter-approved rate.

Deputy Mayor Pro Tem Fiorenza asked Mr. Heerman to confirm that previously the City has charged residents just over 54 cents per \$100 assessed property value but that this year there will be a decrease to just over 50 cents per \$100 because of the latest tax calculations, which are also based on the State's 3.5% imposed revenue cap. This was confirmed by Mr. Heerman who further explained there is a new growth component that is not affected by the revenue cap.

Motion by Deputy Mayor Pro Tem Fiorenza, seconded by Councilmember Hurst, that the property tax rate be increased by the adoption of a tax rate of \$.501394, which is effectively a 3.4 percent increase in the tax rate and, therefore, further move that Ordinance 2023-1307 be approved on the second and final read. City Secretary Angela Miller took a roll call vote on the motion:

***Mayor Pro Tem Kixmiller – Aye
Deputy Mayor Pro Tem Fiorenza – Aye
Councilmember Fiester - Aye
Councilmember Hurst – Aye
Councilmember Cox - Aye***

Motion carried 5-0.

4. Consider Resolution 2023-3086 ratifying the Property Tax Revenue Increase reflected in the Fiscal Year 2023-2024 Budget

APPROVED (5 – 0)

Mr. Heerman reported while the property tax rate actually decreased from last year, overall tax dollars are increased, this year collecting \$15,983,904 compared to \$15,257,276 last year. This increase is reflective of a 14.3 percent increase in valuation, inclusive of new valuation of \$42,228,171 added to the tax base, partially offset by a tax rate decrease from \$.546825 to \$.501394.

Deputy Mayor Pro Tem Fiorenza asked if there were no changes to the tax roll and the City received additional monies from value increases in properties, would a resolution still be required to ratify the increase. This was confirmed by Mr. Heerman.

Motion by Deputy Mayor Pro Tem Fiorenza, seconded by Councilmember Fiester, to approve Resolution 2023-3086 ratifying the property tax increase reflected in the Fiscal Year 2023-2024 budget. Motion carried 5-0.

5. Adjournment

Mayor Pro Tem Kixmiller adjourned the meeting at 8:45 a.m.

Daniel Jaworski, Mayor

ATTEST:

Angela Miller, City Secretary