

**MINUTES
of the
KEENE CITY COUNCIL**

THURSDAY, JUNE 18, 2020

PRESENT: Mayor Gary Heinrich, James Belz, Lisa Parrish, Robert Cooper, Rob Foster, and Mayor Pro-Tem Gwen Beeson.

ABSENT: David Bass

CALL TO ORDER: Mayor Heinrich called the regular council meeting to order at 6:00 p.m.

Invocation, Pledge of Allegiance & Texas Flag – Councilmember Foster

Mayor Heinrich asked for the City Manager, Michael Boese, to speak to the City Council and the Citizens of Keene to explain the special taxing unit at 8 percent.

Mr. Boese stated there was public social media discussion regarding the resolution presented to the council. He stated that the resolution is to direct Johnson County Tax Office to calculate the voter-approval tax-rate for 2020 in the manner provided for a special taxing unit at eight percent. He stated that the wording may be a bit confusing, the city is not requesting an eight percent increase to the property taxes.

Mr. Boese explained the Texas Legislature decision in Senate Bill No. 2 which stated that effective January, 2020, cities are capped at 3.5 percent property tax.

Mr. Boese stated that with COVID-19 and the sales tax taking the hit as it did, the city saw a decrease of about \$57,000 in tax revenue over the previous year. He advised that this resolution would allow the city council to go above the Senate Bill No. 2 cap of 3.5 percent, if there is a case of a major economic impact over the next three months, before the council sets the tax rate on September 17th.

Mr. Boese reiterated that this in no way effects or is setting the property tax rate today. He stated that there will be public hearings about the property tax with ample opportunity for the citizens to know what is proposed as their property tax and for council to consider what those tax measures will be.

Mr. Boese advised that this resolution simply allows council some flexibility in order to respond to extraordinary circumstances if those things were to happen in the next three months.

1. Public Comments:

Phillip Jackson – Mr. Jackson wanted to apologize for some remarks he had made toward the mayor in the previous meeting two weeks ago.

Dwayne Barnes – Mr. Barnes spoke against the resolution 2020-373 agenda item.

Paul Gnad – Mr. Gnad wanted to update the council and the citizens that the funding has been received for the fireworks from different donors. He advised that Sunday, July 5th, 2020 at 8:00 pm there will be the Independence Parade followed by fireworks. Mr. Gnad gave a brief history on the flag program.

Juan Robledo – Mr. Robledo spoke about a leak adjustment request reimbursement petition.

2. Mayor's Comments:

None

3. Consideration of Council Minutes dated June 4th, 2020.

Councilmember Foster made a motion to approve the City Council Minutes for May 21, 2020. Councilmember Belz seconded the motion.

Motion carried 5-0-0

4. Discussion and possible action regarding a change in zoning for 216 S. College, whose legal description is Lot 20, Block 15 of the Keene Subdivision, from Single Family-2 to Two-Family.

Mr. Allen Smart from Burleson, Texas said he wanted to have this property rezoned to be able to build two duplexes on this property. There was a brief discussion from council of how long the lot has been vacant. Mr. Smart presented the plans to the council.

Councilmember Foster made a motion to approve a change in zoning for 216 S. College, whose legal description is Lot 20, Block 15 of the Keene Subdivision, from Single Family-2 to Two-Family. Councilmember Belz seconded the motion.

Motion carried 5-0-0

5. Discussion and possible action regarding FY 20-21 Budget Calendar.

Finance Director Charles Williams presented the proposed budget calendar for the FY 20-21.

Councilmember Parrish made a motion to approve the FY20-21 Budget Calendar. Councilmember Cooper seconded the motion.

Motion Carried 5-0-0

6. Discussion and possible action on regarding Resolution No. 2020-373 directing the Johnson County Tax Office to calculate the voter-approval tax-rate for the tax year 2020 in the manner provided for a special taxing unit at 8 percent as the City is located in an area declared a disaster area.

Mayor Heinrich asked City Manager Michael Boese if the city needs to state an amount to the taxing authority along with the paperwork.

Mr. Boese stated that there will be two public hearings for the tax rate. He advised that through the budget process, the city staff, will give council preliminary numbers to look at. The budget presented during the workshops will be based on the preliminary numbers provided to the council.

Mr. Boese advised that the council will be able to adjust the tax rate based on the information received during the workshops and input from the public prior to being passed on September 17th. He advised that once the rate is approved by council, that information will be submitted to the Tax Office for them to submit on the appraisal roll.

Mayor Heinrich asked City Manager Boese if the plan was to raise the rate.

Mr. Boese advised that right now the city is figuring out a tax increase of about a two percent based on preliminary valuations. He advised that citizens may see a lower rate than our current tax rate, depending on how the final assessments come out.

Mr. Boese explained to the council that the city staff continues to work on cutting operating costs wherever possible as well as running a more efficient government.

Mr. Boese stated that if the council chooses not to pass the resolution, the city will continue to operate, and it doesn't change the dynamics on how the city prepares if something major happens in the next couple of months. He advised that the resolution will give the council the flexibility to determine what tax rate they want.

Councilmember Cooper made a motion to approve the Resolution No. 2020-373 directing the Johnson County Tax Office to calculate the voter-approval tax-rate for the tax year 2020 in the manner provided for a special taxing unit at 8 percent as the City is located in an area declared as a disaster area. Councilmember Foster seconded the motion.

Councilmember Parrish commented that she would like to see the city not do the eight percent. She advised that she understands the flexibility and that this is unusual circumstances for the city, but it is unusual circumstances for the citizens as well. She stated that the city should try to stay under the 3.5 percent.

Donald Daniels – Spoke opposed to the resolution 2020-373.

Debra Justice – Spoke opposed to the resolution 2020-373.

Sheila McDowell – Spoke opposed to the resolution 2020-373.

Dwayne Barnes – Spoke opposed to the resolution 2020-373.

Ray Johnson – Spoke opposed to the resolution 2020-373.

Mayor Pro-Tem Beeson stated that the council needs to ensure our citizens that the taxes will not be raised.

Councilmember Foster said that this is just a security blanket and he is not suggesting that we go to the eight percent. He advised that he looks at this resolution as a savings account in the event of a catastrophe and he does not even suggest or vote for anything over the 3.5 percent.

Councilmember Belz stated that since the city got the new City Manager, he has been watching the City Manager make cuts in spending everywhere he could. He stated that the city staff has become as lean as possible in its spending.

Mayor Heinrich stated that the council and City Manager, are working hard for the citizens to make sure that the citizens are getting a fair shake.

Motion Failed 2-3-0.

- **Cooper and Foster were in favor.**
- **Belz, Parrish and Beeson were opposed.**

7. Department Reports:

- **Police:**

Chief Bradford Hunt updated the council and citizens on the May 2020 patrol, criminal activity, and community events. He advised that due to the state opening back up, the police department is getting more active and out in the community. Chief Hunt commended Kit Kepple on the outstanding job that she is doing.

- **Fire:**

Chief Dan Warner updated the council on the Fire, EMS and Code Enforcement calls for May 2020. He stated that he submitted paperwork for a grant for the 555 fitness equipment. Chief Warner advised council of the new volunteer Yarelis Rivera-Lebron.

- **Finance:**

Finance Director Charles Williams presented the council with the financial reports up to May 2020. He discussed the sales tax and property tax comparisons between 2019-2020 and the projections for the remainder of the fiscal year.

8. Executive Session: Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, Sections 551.071 (consultation with attorney), 551.072 (real property), 551.073 (prospective gifts), 551.074 (personnel matters), 551.076 (security matters), 551.087 (economic development). Executive Session may be held, under these exceptions, at the end of the Regular Session, Workshop and/or Special Session, or at any time during the meeting that a need arises for the City Council to seek advice from the City Attorney as to the posted subject matter of this City Council Meeting.

Executive Session Began: 7:40 pm

a. Consultation with Attorney

Executive Session Reconvened: 8:16 pm

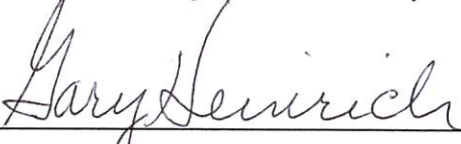
9. Reconvene into Open Session for possible action resulting from any item posted discussed in Executive Session.


No action taken from executive session.

Revisit ordinance regarding water adjustments

10. Adjourn

Council adjourned at 8:18 pm

By: 
Gary Heinrich, Mayor

Attest: 
Natanael Drambareanu
Assistant to the City Manager