



## City of Red Oak

### Minutes - Final Called Council Meeting

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Monday, August 27, 2018

7:30 PM

Red Oak Municipal Center  
200 Lakeview Parkway

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A Called Meeting of the Red Oak City Council was held on Monday, August 27, 2018, at 7:30 p.m., in the Council Chambers of the Red Oak Municipal Center, 200 Lakeview Parkway, Red Oak, Texas, with the following members present, to wit:

**City Council (6):**

Mayor Mark L. Stanfill, DVM  
Councilmember William Drake  
Councilmember Tim Lightfoot  
Councilmember Scott Lindsey  
Mayor Pro Tem Gordon Toney  
Councilmember Ron Wilson

**CALL TO ORDER:** Mayor Stanfill called the meeting to order at 7:30 p.m., declared a quorum and announced that notices were legally posted pursuant to the Open Meetings Act.

**COUNCIL BUSINESS – REGULAR SESSION:**

1. Public Hearing: To receive public comment regarding the proposed 2018-2019 ad valorem tax rate of \$0.705480/\$100.

Mayor Stanfill read Agenda Item No. 1 into the record. He gave a brief explanation of this agenda item. City Manager Fuller then gave a detailed explanation of this agenda item.

Mayor Stanfill opened the Public Hearing at 7:40 p.m.

John Lister, 327 Susan Way, Red Oak, Texas, spoke and thanked Mayor and Council for allowing him to speak about the proposed tax rate. He stated that Red Oak residents have been presented with two bond proposals that would have resulted in tax increases, and this would count as the third request for an increase within one year's time. Mr. Lister also stated that there was a potential for a bond from ROISD which would be a fourth request for an increase on taxes. He also referenced the significant number of houses built in Red Oak this year and the large tax increase the city has already received due to those houses' evaluations from ECAD. He asked Council to consider the impact on the taxpayers as a whole and to think about the overall picture.

Penny Story, 106 S. Summit Street, Red Oak, Texas, spoke against the tax rate increase. She stated that she was present both as a resident and as a representative of the group, Constitutional Conservative Activists. She stated that Mayor and Council have wasted no time in showing their agenda of maximum taxation. Ms. Story stated that she is also at the meeting to object to corporate welfare which allows large businesses to be favored over small businesses and residential property owners for taxation. She stated that the excessive tax is damaging to real estate values. The people are seeking to stop rising property taxes by asking local officials to adopt the effective tax rate; otherwise, it's double-dipping. The city is collecting more money from the existing tax base that was here in 2017, plus its collecting new revenue from new properties added to the tax rolls. The justification for adopting the lower

effective tax rate is simple: growth should pay for itself. Local government should rely on new tax revenue from new taxpayers to pay for the services they demand as opposed to double taxing the existing residents and businesses just because their properties rise in value. Growth is not a justifiable excuse to increase the tax burden and adopting the effective tax rate won't result in a budget cut. The effective tax rate is a rate levied for annual budget operations that would collect the same total revenue from the same Texans taxed the previous year. In other words, the rate is low enough to fully offset the appraisal increases year after year, and that prevents a tax increase on the existing tax base. The rollback tax is the revenue limit set by the state; adopting it would result in an 8 percent increase in budget revenue from the same citizens taxed in the previous year. Regardless of the rate adopted, government will always receive increased revenue from properties added to the tax rolls, and taxes used to finance the operating budget are separate from the taxes levied for debt service. She concluded by saying that the citizens need to know more specifically what is being done with the money that is being collected from the citizens.

John Sirovica, 410 Butterfly Lane, Red Oak, Texas, spoke against the tax rate increase. He talked about his Medicare and property tax increases. He stated that the county has a rate that freezes if you're disabled or age 65. The City of Red Oak does not. Mr. Sirovica further stated that it seemed to him that the city doesn't want senior citizens anymore, but he likes it here.

Steve Hedtke, 1541 Stainback Road, Red Oak, Texas, spoke against the tax rate increase. He stated that this year, he has been hit with homeowners' increases and utility rates have skyrocketed. Everything is going up and is cutting into his limited budget. Mr. Hedtke stated further that he understands [the city] has things they need to do, but it is affecting everyone in Red Oak on a budget who is going to get stuck with this bill. It [tax rate increase] may not be much, but everyone is doing it. Ellis County did the same thing. All these things add up and are starting to weigh everyone down. When [taxes] goes up, it leaves less money on the other side for himself and his kids. He asked Council to think about these issues when they take a vote.

Fred Johnson, 134 Red Pine Drive, Red Oak, Texas, spoke against the tax rate increase. He stated that he purposely targeted this area for the great tax rate and great school district, transferring from Lake Travis. He could have picked any area to purchase a home in North Texas and wanted an area that would maintain tax rates so that he and his family could survive. Mr. Johnson stated that he does support the city, but is opposed to a tax [rate] increase at this point.

William Nolan, 133 Lake Trail Drive, Red Oak, Texas, spoke and asked Council if the proposed Budget for 2018-2019 is publicly available so we can see where the tax allocation will be used for. City Manager Fuller responded and said that the preliminary 2018-2019 Budget is available on the website; it hasn't been approved yet. He gave Mr. Nolan the website address. Mayor Stanfill spoke and added that Council must have the Budget approved by the end of September.

Keith Nichols, 509 Stephenson Road, Red Oak, Texas, passed on speaking.

Tim Shepherd, 102 Wooded Creek, Red Oak, Texas, spoke and stated that he has four children and there is nothing in Red Oak [for those children]. He stated that they play soccer in Waxahachie. Mr. Shepherd mentioned the surrounding cities who take pride in their city, but when it comes to Red Oak, he only sees dead grass and no signs. He stated that if the city would have shown [the residents] what they were planning on doing, it [tax rate increase] might have been a better sell. He stated that when spending our money, we [residents] should know what it is for.

Amy Hedtke, 106 Vanderbilt, Waxahachie, Texas, spoke against the tax rate increase. She still has family in Red Oak, so it still has an effect on her family. She stated that the city is wanting

to raise the tax rate to \$0.705480 per \$100. If they [city] raised it above \$0.705481, they would have to have an election and get permission. Red Oak is hiding behind \$0.000001 cent to pass this now because after the last two tax elections in Red Oak, it would not pass at the ballot box. Ms. Hedtke encouraged Council to do the right thing and at least put this before the voters in an honest, fair election. Sixty-five salaries over \$50,000.00 a year, nine of them at six figures, is not a shoestring budget. The [salaries] may be comparable to other cities, but the residents don't care about comparability; they care about their personal budgets and feeding their kids. Ms. Hedtke urged Council to not adopt this tax rate. On top of the \$9.00 per month, there's the appraisal board who will raise the rate on top of the city, on top of the school board, on top of the county and on top of other taxing entities. Taxes are already too high. Residents need tax relief.

Councilmember Wilson made the motion, seconded by Councilmember Drake, to close the Public Hearing at 8:03 p.m. The motion carried unanimously.

**Ayes (5):** Councilmember William Drake  
Councilmember Tim Lightfoot  
Councilmember Scott Lindsey  
Mayor Pro Tem Gordon Toney  
Councilmember Ron Wilson

Mayor and Council discussed the agenda item at length. Councilmember Lindsey asked City Manager Fuller about the senior citizen taxes and for him to address the issue briefly. City Manager Fuller asked Mr. Sirovica to stay after the meeting. He explained that there is a frozen tax levy for seniors and wants to get with the appraisal district to see what's going on with that. Councilmember Lightfoot said that the next public hearing will be at the regular Council meeting on September 10<sup>th</sup>.


**ADJOURNMENT:**

Councilmember Wilson made the motion, seconded by Councilmember Lindsey, to adjourn the meeting at 8:16 p.m. The motion carried unanimously.

**Ayes (5):** Councilmember William Drake  
Councilmember Tim Lightfoot  
Councilmember Scott Lindsey  
Mayor Pro Tem Gordon Toney  
Councilmember Ron Wilson

**PASSED AND APPROVED** by the Red Oak City Council at a Regular Meeting held on October 9, 2018.

Approved:

  
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Mark L. Stanfill, DVM, Mayor

Attest:

  
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Dana Argumaniz, TRMC  
City Secretary