

## **WOODWAY CITY COUNCIL MINUTES**

June 20, 2023 – 5:30 p.m.

The Woodway City Council met in a special meeting in the Donald J. Baker Council Chambers at Woodway City Hall, 922 Estates Drive, Woodway, Texas, on Tuesday, June 20, 2023, at 5:30 p.m. The following individuals were in attendance:

Mayor:	Amine Qourzal
Mayor Pro Tem:	John Williams
Councilmembers:	David Russell, Storey Cook, Gayle Avant and David Keyston
Absent	Janell Gilman
City Manager:	Shawn Oubre
City Secretary:	Donna Barkley
City Staff:	Brenda Hernandez and Khalil El-Halabi
Contract Staff:	David Shaw, City Attorney

### **CALL MEETING TO ORDER**

Mayor Qourzal called the meeting to order at 5:30 p.m.

### **INVOCATION AND PLEDGE**

#### 1. INVOCATION

Mayor Qourzal provided the invocation.

#### 2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the United States Flag was recited in unity

### **ITEM FOR INDIVIDUAL DISCUSSION, CONSIDERATION AND/OR ACTION**

#### 3. DISCUSSION AND CONSIDER ACTION ESTABLISHING TAX EXEMPTION AMOUNTS, IF ANY, FOR GENERAL HOMESTEADS, RESIDENTS 65 YEARS OF AGE AND OLDER, AND/OR DISABLED RESIDENTS, AND ADOPTING ORDINANCE 23-06 IN CONFORMITY THEREWITH

Mayor Qourzal called for a motion to open this item for discussion. Councilmember Keyston moved to open this item for discussion and Councilmember Russell seconded.

Councilmember Avant arrived to the meeting at 5:33 p.m.

Dr. Oubre stated that we were asked to post this meeting for discussion on homestead exemptions, and the reason

## WOODWAY CITY COUNCIL MINUTES

Page 2

June 20, 2023

why it couldn't wait until the next scheduled meeting is because we have to supply the County with any changes to the current exemptions by July 1<sup>st</sup>. Currently the City gives a 65 and over or disabled \$20,000.00 exemption. In the homestead exemption discussion, it can be any percentage up to 20% and if that exemption does not calculate out to at least \$5,000.00 then it automatically goes to \$5,000.00. At this point, we don't know what the "no new revenue tax rate" will be or the "voter approval tax rate" and won't know until the end of July when the rolls become certified and issued to the City.

Mayor Qourzal opened the floor for public comments.

The following Woodway citizens were in attendance and spoke regarding taxes and homestead exemptions:

- Janine Woodward - Asked the Council to consider "no new revenue tax rate"
- Norm Hoffman – Concerned that providing a homestead exemption will increase the tax rate in order to fund the budget.
- Bruce Hamelin – Asks the Council to vote in a general homestead exemption.
- Dwain Moss – He appreciated the Council taking the time to consider a homestead exemption and the courage they showed last year.

Mayor Qourzal closed the public comments section.

Councilmember Avant stated that one of the reasons why our sales tax and property taxes are so high is that the State of Texas does not impose a state income tax. This means we have to pay for our schools through a property tax or through a sales tax.

Councilmember Russell referenced the memo that was sent from the City Manager to the Councilmembers that provided information regarding Woodway's average home values at \$443,103.00 with a breakdown of whether it was homesteaded or not, and how it can increase the tax rate. He does not support this and recommends a \$50,000.00 homestead exemption which he has figured up to be \$600,083.61 to be paid out of surplus.

Dr. Oubre provided that the math that was used was a simplification method. If you choose to do a homestead, you can't do it by a specific number, it has to be a percentage amount. The statute paraphrased is "may offer an exemption up to 20% of a home's value, and if the property calculation ends up being less than \$5,000.00 then it goes to \$5,000.00."

Councilmember Keyston commented that a percentage of 8-10% could get us to around what Councilmember Russell recommended.

The City Attorney stated that the City's exemption for 65 and older or disabled was a set amount. However, when it comes to school districts or the counties it is the same thing. When it comes to homesteads you assess those as a percentage of an appraised value. If you did a 1 % homestead exemption, everyone is entitled a floor of \$5,000.00 depending on the value of their house.

Mayor Qourzal asked Ms. Hernandez about what percentage would be allowable that would not inflate the taxes?

Ms. Hernandez responded that until the certified rolls come out on July 25<sup>th</sup>, we won't know what that impact is or what a standard value is. When it comes to the no new revenue rate, it's going to increase that to get to the same

## WOODWAY CITY COUNCIL MINUTES

Page 3

June 20, 2023

revenue as last year.

Councilmember Keyston says that there seems to be an abundance in the surplus to take care of the \$50,000.00 homestead exemption without raising the tax rate.

Mayor Qourzal stated that with the surplus in the budget, in order to sustain any kind of homestead exemption percentage that we give, he imagines the surplus will get depleted year after year to sustain that kind of discount. He would like to do it the best way without raising taxes and keeping the surplus.

Ms. Hernandez stated the Local Government Code says we can't operate inside a surplus, it can only be one-time expenses. The surplus is there for a rainy day, when something big does occur like the winter storm in February of 2021 and we got a six-figure electric bill, which was a one-time extenuating circumstance situation.

Councilmember Russell would like to see the citizens get a decent homestead exemption. Mayor Qourzal would like to give homestead exemption too as long it does not cost more tax wise.

Councilmember Avant stated that we are shifting the tax burden a bit and doesn't think he can agree with this body with an appropriate addition of an exemption.

Councilmember Cook struggles because it just seems like semantics as to where you take it from whether it is the tax rate or the exemptions.

Mayor Pro Tem Williams commented that there have been some very valid points made up to this point. He was surprised that Woodway did not have a homestead when he moved here. But, looking at it a little closer, he understands why and understands some of the things that have gone into how the budget is built and what that budget is used for the City of Woodway. There is a proposed budget of 13 million dollars, and the question is how do we fund that? We have to use taxation as our mechanism.

Dr. Oubre stated that the only way to offset a homestead exemption is by spending less. That is for a discussion on a different day.

Questions were answered and there was a lengthy discussion.

Mayor Qourzal suggested that instead of making a decision on a homestead exemption this year, why not tackle the budget head on in our workshops so that we can guarantee we don't raise the tax rate? He thinks it would be safer to save citizens money at the budget level instead of the homestead level.

Mayor Qourzal opened the floor for public comments again.

The following Woodway citizens were in attendance and spoke regarding taxes and homestead exemptions:

- Phillip Reeder – What impact of the increasing McLennan County Appraisal District appraisals have on the revenue for Woodway with regards to this tax rate or any other considered increased or decreased tax rate?
- Bruce Hamelin – Can there be a motion for a homestead exemption and leave it open or do a minimum of \$5,000.00 for everyone?

## WOODWAY CITY COUNCIL MINUTES

Page 4

June 20, 2023

Councilmember Cook stated that she does not feel comfortable making a rush decision on an actual percentage with all the information we do not have.

Mayor Pro Tem Williams agreed that he did not want to make a rush decision.

- Dwain Moss, Woodway citizen – If you don't approve anything tonight, that doesn't keep you from lowering the tax rate for the rest of this year. He also thinks we need to make the public aware of action taken.

Councilmember Russell stated that he is okay with putting this off for a year and is always for holding down taxes.

Councilmember Avant agrees.

Councilmember Keyston believes there is enough in the reserves in the budget where if not 10% we could do a 5% and still decrease the tax rate.

Councilmember Russell moved to keep the current exemptions the same as they are and no general homestead exemption. Mayor Qourzal seconded, and the motion passed unanimously by the Councilmembers present.

### **CLOSING ITEM**

#### 4. CONSIDER ACTION ON ADJOURNMENT

Councilmember Russell moved to adjourn the meeting. Councilmember Avant seconded the motion, and the motion passed unanimously. The meeting adjourned at 6:48 p.m.

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Donna Barkley, City Secretary

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Amine Qourzal, Mayor