

HAYS HAPPENINGS

August/September 2014 Volume 2

The purpose of this newsletter is to let the citizens of our community become better informed about what's happening. Your comments & messages are welcome.

Council Meeting – August 4th

- **Eric Johns will organize a barbecue social at city hall in Oct. or Nov.**
- **Knight and Partners was selected as city attorney.**
- **The council engaged in a long discussion about the sales tax issue related to the Walter Southwest developer agreement. Normally, cities impose a 1% sales taxes rate within its city limit. State law caps sales tax at 8.25% in Texas, of which the state government receives 6.25%. Local governments can secure the remaining 2% on a first come, first serve basis. Within the City of Hays, the 2% is divided as follows; Hays County ½%; The City 1%; and the Hays County Emergency Service District #8 ½%. When the Walter Southwest agreement was executed, everyone assumed that the City of Hays would be able to extend its 1% sales tax rate to the commercial development when annexed by the City. However, the Hays County ESD #8 won an election in 2013 that allows them to collect 1.5% of the sales taxes in its unincorporated area. The ESD #8 provides fire suppression and EMS service to a 75 square mile area of northeast Hays County, including the cities of Buda and Hays. The result of the election victory by ESD #8 is that the City of Hays cannot extend the 1% sales tax to areas annexed. Mayor Davis told the council that the city engineer, Bill Walters and the Mayor met with the ESD #8 fire chief and County Commissioner Jones about the needs and obligations of the City in the developer agreement. The ESD #8 officials requested that the City present a proposal for the ESD #8's board to consider. The council authorized Mayor Davis, Don Raushuber (our city engineer) and Jeff Ullmann (city attorney) to prepare a proposal for the council to consider and possible approve. The City of Buda and ESD #8 executed an agreement that allows Buda to collect a 1% sales tax rate within area it annexes.**
- **The council approved the preparation of a contract with Southside Community Center to assist low-income city residents with emergency needs. The contract funding may be up to \$10,000.**
- **The proposed budget was discussed by the council. Some council members questioned whether the property tax rate should be increased. The tax rate has remained level over the past several years at .001164% (a**

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little over one tenth of one percent of the appraised taxable value of our homes). The proposed tax rate is .001237%. The rate increase, if adopted by the council, would increase your property taxes between \$9 - \$15 a year depending on the value of your home. Mayor Davis told the council that he proposed the higher rate because tax collections do not cover the costs of city operations (exclusive of the water and sanitation operations). He also said that a higher property tax rate would benefit the city when (and if) valuable commercial properties are annexed.

Council Meeting – August 25th

- The meeting enjoyed a packed house with many residents questioning why the city needed to raise taxes when there is \$1.6 million in savings. There was a lively discussion of the many expenses the city incurs including a major flood prevention project. The differences between the city operation and water fund were analyzed (most of the savings is in the water fund). The budget committee recommended that the tax rate remain at .001164% instead of the proposed tax rate of .001237.
- Request for Proposals to complete a detailed drainage study will be issued in September. The Proposals will be due by October 1st.
- Amy Werst and Eric John applied for and received variances to the Animal Ordinance.

Council Meeting – September 15th

- The council passed the budget and property tax rate with little discussion.
- The council voted to ask the City Attorney to prepare the necessary legal papers to increase the basic homestead exemption from \$5,000 to 10% of the appraised value of a home and from zero to \$10,000 for over 65 and disability exemptions. These changes will take effect in 2016.
- The City will participate in the National Night Out on Prevention of Crime on October 7th.
- The council voted to hold a Public Hearing on October 6th about concerns with junked and abandoned cars and unsightly yards.