

**CITY OF IVANHOE**  
**TAX RATE HEARING #2**  
**SUMMARY MINUTES**

September 10, 2019  
6:30 PM

Meeting was called to order by Mayor Bennett at 6:31 PM. Quorum established with all Council present except Councilman Herrington. There were 23 individuals present in the audience. Ms. Patsy Morris voiced the invocation followed by the Pledge of Allegiance led by Mayor Bennett. These are summary minutes and the audio recording will serve as the minutes.

**Agenda Item #1 – FY-2020 Tax Rate Public Hearing #2**

Mayor Bennett noted that as a Public Hearing any questions or comments from the audience regarding the proposed tax rate is welcome. She provided a review of the taxable values with a comparison between 2018 and 2019 with just over \$61 million property value in Ivanhoe in 2018 and just over \$67 million in 2019. During the budget workshop the Council developed agreement around a 4% increase above the effective tax rate, which is still below the 2019 tax rate.

A question from the audience was presented: Why does the city not provide a tax exemption for the elderly and disabled. Mayor Bennett noted that a majority of the property owners in the city are elderly and the city would be shooting itself in the foot giving a tax exemption which would then mean the city would have to raise the tax rate to make up for the decreased revenue.

A comment from the audience regarding having a disabled son and her taxes doubled when she moved to Ivanhoe. She was not informed of the tax rate and she is very unhappy since there is no exemption.

Another individual presented his notice of estimated taxes to the Mayor for review and said when he bought property in Ivanhoe it was not incorporated as a city. He expressed that he thinks his property should be “grandfathered” with no city tax.

Mayor Bennett explained that incorporating as a city was the only way the community was going to survive. In her discussions with the city engineer regarding properly maintaining 46 miles of streets in the city it was pointed out that a budget of 1 to 1 ½ million dollars is needed. The city has a budget of just a bit over \$500,000. She clarified that the hearing was not to discuss tax exemptions, even though a majority of the Council Members would qualify for an elderly exemption, there would be no tax exemptions for elderly or disabled.

Councilman Priddy observed that the Council is considering a 4% rate increase above the effective tax rate after not having a tax rate increase in 2019.

Mayor Bennett then continued with the review of items in the budget which has led to the proposed tax rate increase. Included in her review was the Interest & Sinking fund tax rate which is outside of the Maintenance & Operations tax rate.

Question from the audience: Normally a spreadsheet shows a balanced budget; why does the Ivanhoe budget show more expense than income? Mayor Bennett explained that the city expects to have a fund balance carry-over from FY-2019 and plans to use the carry-over for work on the Tristan Dam that did not get done in FY-2019.

Question from the audience: Once voted on by the Council are the tax rates locked in? Councilman Morris responded that the Council will vote on the FY-2020 budget and the tax rate to cover the budget near the end of the month.

Question from the audience regarding a refrigerator. Mayor Bennett cautioned that the matter was not for the Public Hearing and asked the audience member to talk to her or another Council member after the hearing.

Mayor Bennett explained that the largest increases in the FY-2020 budget are for street maintenance and additional hours for the Marshal's Dept. for patrols.

There were audience comments about security patrols. The Mayor asked that the individuals talk to her after the hearing.

Ms. Patsy Morris commented from the audience that the Council meets every 2<sup>nd</sup> Thursday and anyone who has a grievance is provided an opportunity to present their concern to the Council. Councilman Priddy noted that the Council will not be able to respond during the meeting but will certainly follow up on the concern.

Mr. Mark Peterson asked for an explanation of the increase in property values from one year to the next. Mayor Bennett responded that the Tyler County Appraisal District, which is responsible for appraising property values not just for Ivanhoe, but all the taxing entities in the county including the school districts must be within 90 to 95% of market value as determined by the State Comptroller. Re-appraisals are supposed to occur at least every 3 years. Ivanhoe has not been re-appraised in 13 years, and that has caused the major increase in property values.

Ms. Patsy Morris observed that there has been a lot of pressure on the Appraisal District by the school districts because they are penalized on state funding if the values do not fall within the state requirements.

Mayor Bennett commented that knowing how underfunded the city is and the high tax rate, if she were looking for a home, she would not move to Ivanhoe.

There were multiple comments off the subject which led the Mayor to ask if there were any more questions or comments relating to the tax rate.

Hearing none, the Mayor moved to the next agenda item.

### **Agenda Item #2 – Adjourn**

Councilman Priddy made the motion to adjourn with a second by Councilman Warren, and the meeting was concluded at 7:11 PM.

Respectfully submitted,

C. D. Woodrome, City Secretary