

City Council
June 24, 2024

A special meeting of the Mayor and City Council of the City of Waxahachie, Texas was held at the Waxahachie Civic Center, 2000 Civic Center Lane, Meeting Rooms A and B, Waxahachie, Texas, on Monday, June 24, 2024 at 8:30 a.m.

Council Members Present: Billie Wallace, Mayor, Council Member Place 4
Chris Wright, Mayor Pro Tem, Council Member Place 3
Patrick Souter, Council Member Place 2
Travis Smith, Council Member Place 5

Council Member Absent: Tres Atkins, Council Member Place 1

Others Present: Michael Scott, City Manager
Amber Villarreal, City Secretary

1. Call to Order

Mayor Billie Wallace called the meeting to order.

2. Invocation

3. Pledge of Allegiance and Texas Pledge of Allegiance

Mayor Wallace gave the invocation. Mayor Pro Tem Chris Wright led the Pledge of Allegiance and the Texas Pledge of Allegiance.

4. Public Comments

None.

5. Discuss and consider proposed Ordinance approving a general homestead exemption at a specified percentage of the appraised value of the residence homestead and with a minimum exemption of \$5,000 for the tax year beginning January 1, 2024

Senior Director of Finance Chad Tustison presented the Item. Last year, the City Council approved a general homestead exemption of 1%, or a minimum of \$5,000 for the tax year beginning January 1, 2023. During the City Council Budget Workshop held on June 18, 2024, the City Council expressed an interest in increasing the general homestead exemption to provide additional tax relief. The adoption of a general homestead exemption or any change to the current exemption percentage amount must be approved by City Council before July 1 in order to be effective for the current tax year.

Mayor Pro Tem Chris Wright stated Council Member Tres Atkins was not in attendance at the meeting due to a planned trip, before he was elected to City Council. He noted Council Member Atkins expressed to him his support of a 5% residence homestead. Mr. Wright expressed his support of a 2% or 2.5% exemption, which would allow for an incremental increase.

Council Member Patrick Souter echoed Mr. Wright's comments, noting he supports tax relief for property owners while being fiscally conservative. He expressed his support for a 2.5%-3% exemption.

Council Member Travis Smith reviewed exemptions in comparable cities and noted he has considered residual expenses, like personnel, when evaluating the impact of the exemption. He expressed his support for an incremental increase to a 5% exemption due to upcoming new development and industrial tax base.

Mayor Wallace expressed her support for tax relief for homeowners. She requested to revisit exemptions annually during the budget process and voiced her support for a 5% exemption at this time.

Action:

Patrick Souter moved to adopt a 2.5% general homestead exemption from ad valorem taxes with a minimum exemption of \$5,000 for the tax year beginning January 1, 2024. Motion was seconded by Chris Wright and failed 2-2, with Billie Wallace and Travis Smith voting in opposition.

Action:

Patrick Souter moved to adopt a 3.5% general homestead exemption from ad valorem taxes with a minimum exemption of \$5,000 for the tax year beginning January 1, 2024. Motion was seconded by Chris Wright and failed 2-2, with Billie Wallace and Travis Smith voting in opposition.

Council Members continued discussion on the importance of providing tax relief to homeowners and the impact to budget and debt capacity. Council Members discussed a potential tax rate reduction.

Action:

Billie Wallace moved to adopt a 4% general homestead exemption from ad valorem taxes with a minimum exemption of \$5,000 for the tax year beginning January 1, 2024. Motion was seconded by Travis Smith and failed 2-2, with Chris Wright and Patrick Souter voting in opposition.

Council Member Souter confirmed staff recommended a 3% exemption.

Action:

Patrick Souter moved to adopt a 3.5% general homestead exemption from ad valorem taxes with a minimum exemption of \$5,000 for the tax year beginning January 1, 2024. Motion was seconded by Chris Wright and failed 2-2, with Billie Wallace and Travis Smith voting in opposition.

Mayor Pro Tem Wright reiterated his max support for a homestead exemption is 3.5% and requested another budget work session to allow for additional feedback from City Council to direct staff.

It was the general consensus of City Council to schedule another budget work session.

ORDINANCE NO. 3520

AN ORDINANCE AMENDING THE CITY OF WAXAHACHIE, TEXAS, CODE OF ORDINANCES, CHAPTER 30 TAXATION, TO INCLUDE A GENERAL RESIDENCE HOMESTEAD EXEMPTION FOR THE TAX YEAR BEGINNING JANUARY 1, 2024 IN THE AMOUNT EQUAL TO 3.5% OF THE APPRAISED VALUE OF THE RESIDENCE

HOMESTEAD WITH A MINIMUM EXEMPTION OF \$5,000; AND FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW

Action:

Travis Smith moved to adopt a 3.5% general homestead exemption from ad valorem taxes with a minimum exemption of \$5,000 for the tax year beginning January 1, 2024. Motion was seconded by Patrick Souter and carried unanimously (4-0).

6. Comments by Mayor, City Council, City Attorney and City Manager

Council Member Travis Smith asked staff to address the trailer/truck parking at Lake Waxahachie.

Council Member Patrick Souter expressed his appreciation to City Council and the consensus to provide long-term relief to residents. He voiced his support for an additional budget work session.

Mayor Pro Tem Chris Wright thanked City Council for the open discussion and listening to all views. He voiced his support for an additional budget work session.

City Manager Michael Scott thanked City Council for their attendance and discussion at the June 18th Work Session. It was the general consensus to schedule a budget work session on July 15th.

Mayor Billie Wallace thanked Senior Finance Director Chad Tustison for his work on the budget and thanked City Council for working together to discuss tax relief for residents.

7. Adjourn

There being no further business, the meeting adjourned at 9:59 a.m.

Respectfully submitted,

Amber Villarreal
City Secretary