

**STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH**

On this the 7th day of May 2020 the City Council of the City of Corinth, Texas met in Workshop Session at the Corinth City Hall at 5:45 P.M., located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Members Present:

Mayor Heidemann
Sam Burke, Mayor Pro Tem
Scott Garber, Council Member
Tina Henderson, Council Member
Lowell Johnson, Council Member
Kelly Pickens, Council Member

Staff Members Present

Bob Hart, City Manager
Kim Pence, City Secretary
Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director
Patricia Adams, Messer, Fort & McDonald
Jerry Garner, Police Chief
Michael Ross, Fire Chief
Cody Collier, Public Works Director
Helen-Eve Beadle, Planning and Development Director
Jason Alexander, Corinth Economic Development Corporation Director
George Marshall, City Engineer
Shea Rodgers, Technology Services Communications Manager
Brett Cast, Engineering Services Coordinator
Lana Wylie, Sr. Administrative Assistant

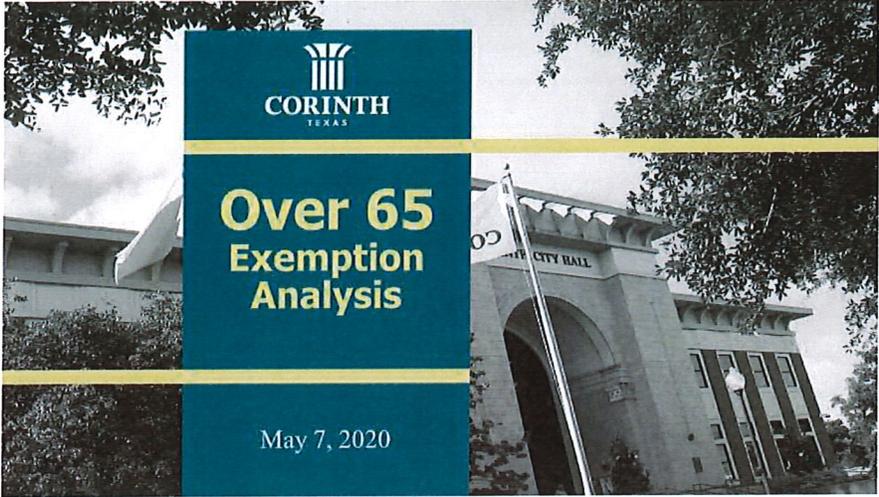
CALL TO ORDER:

Mayor Heidemann called the meeting to order at 5:45 p.m.

WORKSHOP BUSINESS AGENDA:

1. Receive a report, hold a discussion and give staff direction on over 65 tax exemption options.

Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director – Presented the over 65 exemption analysis.



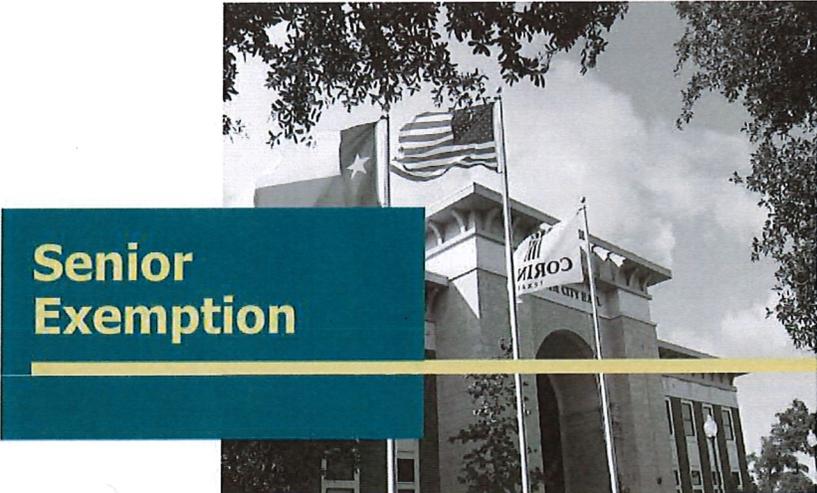
Overview

 Senior Exemption

 Senior Tax Freeze

 Financial Impact

 Comparison to Denton County Taxing Entities



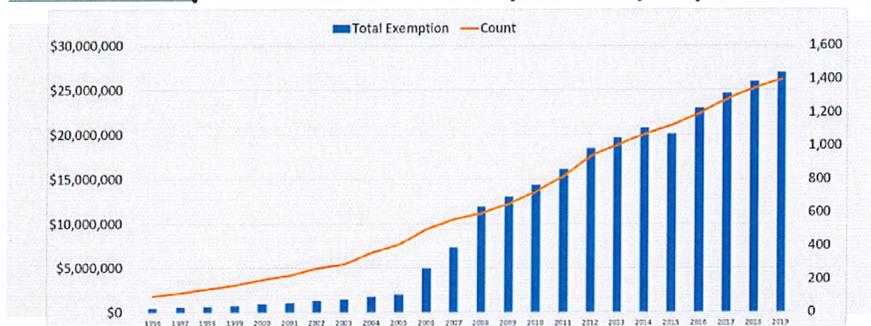
Senior Tax Exemption

The Senior Tax Exemption lowers the taxable value of the property and the amount of property taxes owed.

Homeowners can receive the exemption when they turn 65.

- Entities can increase/decrease exemption at their discretion
- In 2006, exemption increased from \$5,000 to \$10,000
- In 2007, exemption increased to \$20,000

Corinth Senior Tax Exemption Analysis



Tax Exemption Accounts

1,398

Since 2010 accounts increased by an average of 67.2 per year or 9.25%

Total Tax Exemption Value

\$26,994,905

Since 2010 exempted value increased by an average of \$1,267,282 per year or 8.85%

Total Tax Revenue Reduction

\$ 147,122

Equal to .06¢ on the Tax Rate

Senior Exemption

Taxing Entity	Senior Exemption	2019 Tax Rate	Property Tax Reduction
City of Corinth	\$20,000	\$0.54500	\$109.00
Denton County	\$55,000	\$0.22528	\$123.90
Lake Dallas ISD	\$10,000	\$1.56830	\$156.83
Total Reduction			\$389.73

*The amount shown for School District uses the LISD exemption and tax rate. If you live in DISD, exemptions and tax rates will differ (\$10,000 x \$1.47 = \$147)



Senior Tax Freeze

Senior Tax Freeze

The senior tax freeze sets a cap, or ceiling, on the amount of property taxes paid annually.

Proclamation by the Governor- July 21, 2003

"The constitutional amendment TO PERMIT counties, cities and towns, and junior college districts TO ESTABLISH an ad valorem tax freeze on residence homesteads of the disabled and of the elderly and their spouses."

- Governing body may adopt
OR
- Petition signed by at least 5% of registered voters may call an election to adopt
- Must be adopted by July 1 to impact the next tax year.

Senior Tax Freeze

The taxes on the home cannot exceed the ceiling as long as the senior owns and lives in the home.

- Adoption is **permanent & irrevocable**
- Property value is frozen
- Tax rate is frozen
- The ceiling is set in the year that the resident turns 65.
- Freeze is transferable to surviving spouse 55 or older
- If improvements are made to the home (other than normal repairs or maintenance), the tax ceiling may go higher because of the new additions
- May be transferred to another property

Over 65 Account Analysis

The Citywide 2019 Average Market Value is \$293,490

Taxing Values	Total Accounts	2019 Market Value	Average Market Value
0-100,000	11	515,503	\$46,863
100,001-200,000	113	\$19,509,678	\$172,652
200,001-300,000	678	\$170,589,656	\$251,607
300,001-400,000	455	\$154,816,075	\$340,255
400,001-500,000	106	\$46,453,270	\$438,238
500,001-1,000,000	29	\$17,275,447	\$595,705
1,000,001-1,999,000	4	\$4,725,285	\$1,181,321
2,000,001+	1	\$2,666,254	\$2,666,254
	1,397	\$416,551,168	\$298,175

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Senior Tax Freeze Example

Average Market Value	\$298,175
Less Senior Tax Exemption	\$20,000
= Taxable Value	\$278,178
Property Tax Bill	\$1,516

If a Senior Tax Freeze were adopted the Property Tax Bill for a property with a market value of \$298,175 will never exceed \$1,516.

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Annual Tax Freeze Impact to Average Senior

Average Senior Taxable Value of \$278,178

Year	Projected Taxable Value	Projected Annual Taxable Value Loss	Annual Tax Revenue Loss
2020	\$286,523	\$8,345	\$45
2021	\$295,119	\$16,941	\$92
2022	\$303,973	\$25,795	\$141
2023	\$313,092	\$34,914	\$190
2024	\$322,485	\$44,307	\$241
2025	\$332,159	\$53,981	\$294
2026	\$342,124	\$63,946	\$349
2027	\$352,388	\$74,210	\$404
2028	\$362,959	\$84,781	\$462
2029	\$373,848	\$95,670	\$521

Assumes the Following:

- 3% Property Value Increase Per Year
- Flat Tax Rate of \$.54500
- 10 Year Tax Savings of \$3,247 for the average Senior

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Ten Year Tax Freeze Impact to City Revenue

Year	Projected Taxable Value	Projected Annual Taxable Value Loss	Annual Tax Revenue Loss
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- Assuming the historical increase of 67 accounts per year and an added exempted value of \$1.2 million per year
- Year 1 Loss would be \$70,652
- 10 Year Tax Revenue Loss would be \$4.2 million

Assumes the Following:

- 3.0% Property Value Increase Per Year
- Flat Tax Rate of \$.54500
- No Growth in number of Senior Accounts. (1,381 accounts)
- 10 Year Tax Revenue Loss of \$3.8 million

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Sam Burke, Mayor Pro Tem - Is the number of accounts for seniors, that increase, is it tracked or outpaced our increase in population, in general?

Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director – I will pull that information together and get that out.

Taxing Entity Comparisons



City	Tax Rate	Tax Freeze	Senior Exemption
Flower Mound	0.43650		\$100,000
Dallas	0.77660		100,000
Argyle	0.39750		100,000
Frisco	0.44660		80,000
Highland Village	0.56302		75,000
Coppell	0.58400		75,000
Southlake	0.41000	Yes-2004	75,000
Carrollton	0.58997		60,000
Lewisville	0.44330	Yes-2004	60,000
Grapevine	0.28427		60,000
Denton	0.59045	Yes-2017	50,000
Double Oak	0.23000		50,000
Bartonville	0.19294	Yes-2004	50,000
Haslet	0.29758	Yes-2004	50,000
Roanoke	0.37512	Yes-2004	40,000
Plano	0.44820	Yes-2004	40,000
Fort Worth	0.74750	Yes-2007	40,000
Trophy Club	0.44644	Yes-2004	35,000
Sanger	0.67910		30,000
Celina	0.64500		30,000

City	Tax Rate	Tax Freeze	Senior Exemption
Lakewood Village	0.41500		\$25,000
Corinth	0.54500		20,000
Lake Dallas	0.64497		20,000
Krugerville	0.38754	Yes-2006	20,000
Oak Point	0.51000		20,000
Northlake	0.29500		15,000
Aubrey	0.54160		10,000
The Colony	0.66000		10,000
Krum	0.64749		10,000
Little Elm	0.64990	Yes-2005	10,000
Pilot Point	0.58413	Yes-2009	10,000
Hickory Creek	0.33040		10,000
Hackberry	0.24033		10,000
Copper Canyon	0.29751	Yes-2019	10,000
Shady Shores	0.32196		10,000
Westlake	0.16018	Yes-2010	10,000
Prosper	0.52000	Yes-2004	10,000
Providence Village	0.78743		10,000
Justin	0.65000	Yes-2004	5,000

Scott Garber, Council Member – The transferrable exemption, if we have a senior that moves from Southlake to Corinth and their tax rate has been frozen since 2004, that transfers to whatever home they purchase here in Corinth?

Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director – Correct

Scott Garber, Council Member – Even if they move from a taxable value that is frozen at \$150,000 and they move into a \$500,000 home here in Corinth, that same tax rate transfers.

Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director – Yes sir, it does. At the City of Denton we found people were moving into mobile homes when they turned 65 and getting the tax exemption at \$20, 30, 40 thousand and then moving into a higher value home and that was very common to keep the taxes down and it is a considerable decrease. That is a good point.

I cannot answer today is what the impact of the senior tax freeze would do under SB2. The reason is a lot of the calculations and how we are going to do our effective tax rate calculations, that was supposed to be released in March; the state comptroller's office is stating because of COVID-19, they do not know when they will be releasing the information relating to how SB2 will change our calculation of our property tax and more specifically, your roll-back tax rate. Hopefully we will have more information in the next few months.

Scott Garber, Council Member – Does Denton County do a freeze at all or is it just the exemption?

Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director – Denton County does not, just the school district. Schools freeze as a requirement of the state statutes.

Scott Garber, Council Member – When you showed the original spreadsheet, it looked like there was a dollar amount in there which looked like more of an exemption than a freeze.

Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director – The first one was just the exemption. The school district offers the senior exemption and they also offer the tax freeze.

Sam Burke, Mayor Pro Tem – Can you go back to the slide where it shows the values of the homes in Corinth? I assume if we do this, you cannot apply the exemption to certain values of homes and not others, correct?

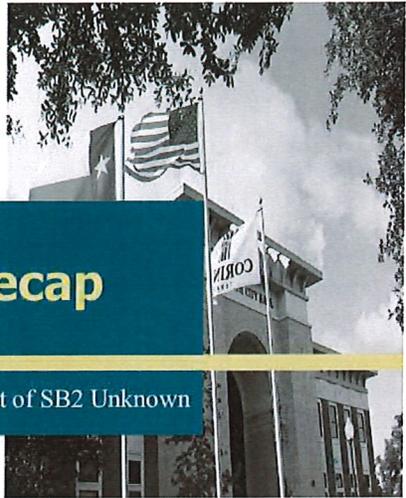
Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director – It has to be to the entire age group, you cannot discrimination to the value of the home.

SENIOR TAX EXEMPTION

- Can change at Council Discretion
- Current exemption is \$20,000
 - Tax Reduction per senior equal to \$109
- Current revenue reduction is \$147K

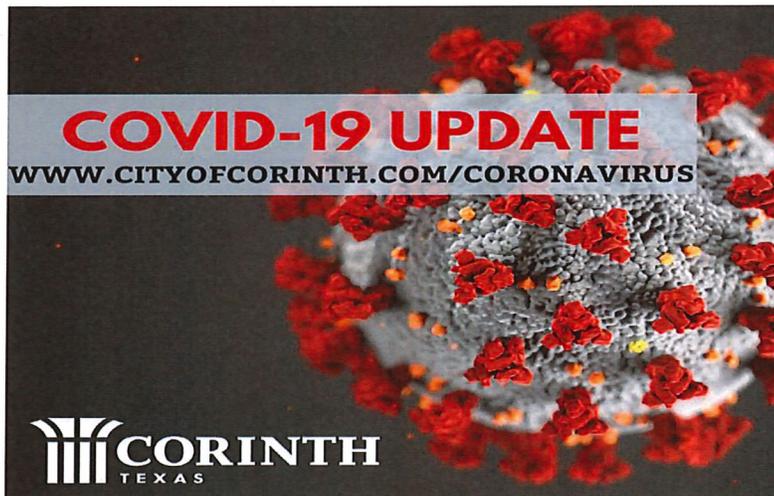
SENIOR TAX FREEZE

- **Permanent & irrevocable**
- Property value is frozen
- Tax rate is frozen
- Must adopt by July 1 to impact the next tax year.
- Annual Revenue Reduction
 - Year 1-\$63k-\$70k; Year 2- \$128k-\$143k; Year 3- \$196k-\$218k



2. Provide an update and hold a discussion on the Coronavirus (COVID-19) in regard to City operations and practices.

Bob Hart, City Manager – Presented the COVID-19 update and plan for city operations.



COVID-19 - What we know so far?

- » 34,422+ cases in Texas
- » Total Cases in Denton County 872
 - 428 active cases
 - 421 total recovered
- » 10 confirmed positives in City of Corinth.
 - 6 Recovered, 4 Active
- » Zero Corinth employees have tested positive or have symptoms of COVID-19
- » Declarations from Governor Gregg Abbott
 - Executive Order GA-18, issued on Monday, April 27 allowing businesses to reopen under Phase 1 on Friday, May 1 with minimum standard health protocols.
 - Executive Order No. GA-21, issued on Tuesday, May 5 relating to the expanded reopening of services as part of the safe, strategic plan to Open Texas.

Denton County COVID-19 Confirmed Cases in Denton County			
Total Cases	872		
Active Cases	428		
Total Recovered	421		
Total Deaths	23		
Location			
Alveta	1	Sum	2
Ashtery	3	Little Dallas	14
Brenshaw	2	Meridian	105
Carrollton	89	North Elm	34
Carrollton	1	Northside	4
College Station	4	Oak Point	1
Georgetown	10	Pond Point	2
Gray Roads	2	Plano	4
Healy	17	Proctor	1
Irish	102	Proctor	7
Denton State Independent Living Center	14	Providence Village	7
Shiloh Oak	7	Rossmore	8
Forest Hillwood	16	Snyder	4
Fort Worth	11	Steady Shores	3
Greene	35	The Heights	35
Healy Creek	3	Traylor Club	10
Highland Village	11	Unincorporated	80
Irish	2		
Unincorporated Locations			
Northwest	11	Southeast	33
Northwest	2	Southwest	17
Age			
0 - 19	19		
20 - 29	127		
30 - 39	334		
40 - 49	193		
50 - 59	163		
60 - 69	143		
70 - 79	97		
80+	22		
Sex			
Male	447		
Female	425		
Initial Infection Status			
Home/Work	788		
Travel	168		
Pending Investigation	0		
Transmission Type			
Person-to-Person	125		
Local Transmission	312		
Contact with Confirmed Case	413		
Pending Investigation	0		
Unemployment	29		

COVID-19 RESPONSE PHASE 1 REOPENING

Pursuant to Executive Order GA-18, issued on Monday, April 27 and Order GA-21, issued on Tuesday, May 5 by Governor Gregg Abbott and effective at 12:01am on Friday, May 1, the following businesses may reopen under Phase 1 with minimum standard health protocols.

All Establishments Limited to 25% of Total Permitted Occupancy - Including Employees

RETAIL STORES

- Retail stores may open (subject to prohibited activities below)
- This includes Car Dealerships
- Employee screening recommended
- Sanitation protocols for employees and facility

OUTDOOR SPORTS

- No more than 4 participants at one time - no contact sports permitted
- Golf Courses - sanitize golf carts between uses - 1 individual per golf cart (unless from same household)
- Driving Ranges - clean and disinfect golf balls between use

RESTAURANTS

- Tables 6 feet apart
- No tables of more than 6 people
- Use disposable menus & no shared condiments
- Do not leave items on unoccupied tables
- Consider having employees wear cloth face coverings
- Employee screening before each shift
- Sanitation protocols for employees and facility
- If buffet is offered, employees serve food to customers

PLACES OF WORSHIP

- Keep a least 6 feet of separation between parties in any rows, except when 2 or more members of same household sit adjacent to one another with 2 empty seats on each side
- Alternate rows to be left empty
- Special arrangements for 'vulnerable' attendees

Effective Friday, May 8:

Cosmetology salons, hair salons, nail salons, tanning salons and barber shops may open with restrictions, including one customer per stylist and appropriate social distancing

Effective Monday, May 18:

Gyms and exercise facilities will be able to reopen with 25% capacity. Initial restrictions will include showers and locker rooms remaining closed.

Non-essential manufacturing may reopen to the greater of the following: five employees, or 25% of their workforce, provided that social distancing can be maintained

CITY OF CORINTH STATUS LEVELS

CORONAVIRUS (COVID-19)

**LVL
GREEN**

What this means: ✓

**Normal Operations
No outbreak concerns**

- No restrictions on gatherings
- Normal operations for all city facilities

What to do: ✓

**LVL
YELLOW**

**Limited Confirmed
COVID-19 cases**
(Partial number of secondary closures impacting attendance)

- City facilities open while limiting person-to-person exposure.
- Where feasible, we encourage members of the public to conduct business with city staff online and through phone calls and emails rather than in person.
- Community rentals of city facilities suspended.
- Large public meetings, gatherings, and events will be suspended or canceled based on CDC guidelines and Governmental Declarations.
- All city sports facilities will remain open for the public and local sports leagues. The sports leagues may make their own determinations on continuing games and practices.

**LVL
ORANGE**

**Broad Confirmed
COVID-19 cases**
(Broad number of secondary closures)

- City facilities open with modified staffing schedules.
- Service levels will be transitioned to online, phone calls, and emails. In person services will be limited.
- Small public meetings, gatherings, and events will be suspended or canceled based on CDC guidelines and Governmental Declarations.
- All public places of business are encouraged to adhere to recommendations made by the CDC as well as Governmental Declarations limiting person-to-person exposure.
- All city sports facilities will be closed for use by the public and local sports leagues.

**LVL
RED**

**Widespread Confirmed
COVID-19 cases**

- City facilities closed except for essential personnel.
- Members of the public are to conduct business with city staff online, through phone calls and emails.
- All public places of business are required to adhere to recommendations made by the CDC as well as Governmental Declarations to eliminate person-to-person exposure.
- City council and board meetings will be limited and will be conducted via teleconference consistent with the open meetings act.

VERSION 1.1

*Recognizing that this is a fluid situation, components and recommendations included above may be updated to reflect current conditions.
*We encourage residents and businesses to visit the CDC website for updated recommendations at www.cdc.gov/covid19

CORINTH READINESS RESPONSE PLAN



Bob Hart, City Manager – This is the last item on the business agenda, it is an ordinance that addresses this which is why we are discussing it with you now.

Sam Burke, Mayor Pro Tem – When we are talking about small public meetings, events, gatherings suspended. Is that something we are doing as a city or are we requiring that of everyone who is operating in the city?

Bob Hart, City Manager – This is the city operations component. The governor still has restrictions on Phase 2 and 3. He doesn't get to a full opening until June 12th. We are in line but we will have some limitations on city operations but the governor's operations applies to the public.

Sam Burke, Mayor Pro Tem – How does this apply to hotels with event centers?

Bob Hart, City Manager – The CDC still has a limitation of 10 or less.

Scott Garber, Council Member – The playground and basketball courts, can they be opened next week or does it fall in line with state recommendations?

Bob Hart, City Manager – Our plan was to open on the 22nd, they will open on the 18th. If we open Monday, it will track with the governor.

Patricia Adams, Messer, Fort & McDonald – It is at the discretion of the city.

Bob Hart, City Manager – We can open on Monday, the 18th. I would like to meet in person on May 28th, for the budget planning. We will have social distancing in place.

Lowell Johnson, Council Member – I will not be able to attend on May 28th in person, I can zoom in.

3. Hold a discussion and provide staff direction relative to the creation of a Corinth Economic Development Foundation (CEDF).

Bob Hart, City Manager – We have discussed with NCTC, their 13 acres to the east of the current campus building, working with them to develop the property. Due to the state law restrictions, community colleges are restricted about who they can work with and how the process can work. They can, however, work with an economic development foundation, that can do economic development work, work with the city and Corinth

Economic Development Corporation. We presented this to the Corinth Economic Development Corporation on Monday, they were positive. It would be the same process as other economic development projects.

Mayor Heidemann – Is there a consensus from the council to move forward?

Councilmembers Garber, Henderson, Johnson and Pickens, Mayor Pro-Tem Burke all agreed to move forward.

4. Discuss Regular Meeting Items on Regular Session Agenda, including the consideration of closed session items as set forth in the Closed Session agenda items below.

There was no discussion on regular session agenda items.

Mayor Heidemann convened into Executive Session at 6:27 p.m.

CLOSED SESSION

The City Council will convene in such executive or (closed session) to consider any matters regarding any of the above agenda items as well as the following matters pursuant to Chapter 551 of the Texas Government Code.

Section 551.071. (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; and/or (2) a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act.

Section 551.072. To deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Council met in Closed Session from 6:27 P.M. until 6:44 P.M.

a. Right-of-way consisting of .198 acres located at 6801 S I-35E and 3404 Dobbs Road along Dobbs Road within the H. Garrison Survey, Abstract No. 507, within the City of Corinth, Denton County, Texas.

b. Right-of-way consisting of 1.56 acres located at 6881 South I-35E and along Dobbs Road within the H. Garrison Survey, Abstract No. 507, within the City of Corinth, Denton County, Texas.

Section 551.074. To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

Section 551.087. To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

a. Project Agora

b. Project Daylight

RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON CLOSED SESSION ITEMS.

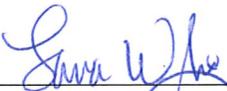
ADJOURN:

Mayor Heidemann adjourned the work session at 6:44 p.m.

AYES:

Meeting adjourned.

Approved by Council on the 2 day of July 2020.



Lana Wylie, Interim City Secretary
City of Corinth, Texas

