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 Bunslemeyer, 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 Bunslemeyer, Finance, Administration, Communications & Marketing Director – Presented the over 65 exemption analysis.
Over 65 Exemption Analysis

May 7, 2020

Overview

Senior Exemption
Senior Tax Freeze
Financial Impact
Comparison to Denton County Taxing Entities

Senior Exemption
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

<table>
<thead>
<tr>
<th>Tax Exemption Accounts</th>
<th>Total Exemption Value</th>
<th>Total Tax Revenue Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,398</td>
<td>$26,994,905</td>
<td>$147,122</td>
</tr>
</tbody>
</table>

Since 2010 accounts increased by an average of 6.72 per year or 9.25%
Since 2010 exempted value increased by an average of $1,267.285 per year or 8.85%

Senior Exemption

<table>
<thead>
<tr>
<th>Taxing Entity</th>
<th>Senior Exemption</th>
<th>2019 Tax Rate</th>
<th>Property Tax Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Corinth</td>
<td>$20,000</td>
<td>$0.54500</td>
<td>$109.00</td>
</tr>
<tr>
<td>Denton County</td>
<td>$55,000</td>
<td>$0.22528</td>
<td>$123.90</td>
</tr>
<tr>
<td>Lake Dallas ISD</td>
<td>$10,000</td>
<td>$1.56830</td>
<td>$156.83</td>
</tr>
</tbody>
</table>

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

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.

* 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

Senior Tax Freeze

The taxes on the home cannot exceed the ceiling as long as the senior owns and lives in the home.
Over 65 Account Analysis
The Citywide 2019 Average Market Value is $293,490

<table>
<thead>
<tr>
<th>Taxing Values</th>
<th>Total Accounts</th>
<th>2019 Market Value</th>
<th>Average Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-100,000</td>
<td>11</td>
<td>$15,503</td>
<td>$46,863</td>
</tr>
<tr>
<td>100,001-200,000</td>
<td>113</td>
<td>$19,509,678</td>
<td>$172,652</td>
</tr>
<tr>
<td>200,001-300,000</td>
<td>678</td>
<td>$170,589,656</td>
<td>$251,607</td>
</tr>
<tr>
<td>300,001-400,000</td>
<td>455</td>
<td>$154,816,075</td>
<td>$340,255</td>
</tr>
<tr>
<td>400,001-500,000</td>
<td>106</td>
<td>$46,453,270</td>
<td>$438,238</td>
</tr>
<tr>
<td>500,001-1,000,000</td>
<td>29</td>
<td>$17,275,447</td>
<td>$595,705</td>
</tr>
<tr>
<td>1,000,001-1,999,000</td>
<td>4</td>
<td>$4,725,285</td>
<td>$1,181,321</td>
</tr>
<tr>
<td>2,000,001+</td>
<td>1</td>
<td>$2,666,254</td>
<td>$2,666,254</td>
</tr>
<tr>
<td></td>
<td>1,397</td>
<td>$416,551,168</td>
<td>$298,175</td>
</tr>
</tbody>
</table>

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.

Annual Tax Freeze Impact to Average Senior
Average Senior Taxable Value of $278,178

<table>
<thead>
<tr>
<th>Year</th>
<th>Projected Taxable Value</th>
<th>Projected Annual Taxable Value Loss</th>
<th>Annual Tax Revenue Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$286,523</td>
<td>$8,345</td>
<td>$45</td>
</tr>
<tr>
<td>2021</td>
<td>$295,119</td>
<td>$16,941</td>
<td>$292</td>
</tr>
<tr>
<td>2022</td>
<td>$303,973</td>
<td>$25,795</td>
<td>$141</td>
</tr>
<tr>
<td>2023</td>
<td>$313,092</td>
<td>$34,914</td>
<td>$190</td>
</tr>
<tr>
<td>2024</td>
<td>$322,485</td>
<td>$44,307</td>
<td>$241</td>
</tr>
<tr>
<td>2025</td>
<td>$332,159</td>
<td>$53,981</td>
<td>$294</td>
</tr>
<tr>
<td>2026</td>
<td>$342,124</td>
<td>$63,946</td>
<td>$349</td>
</tr>
<tr>
<td>2027</td>
<td>$352,388</td>
<td>$74,210</td>
<td>$404</td>
</tr>
<tr>
<td>2028</td>
<td>$362,919</td>
<td>$84,781</td>
<td>$462</td>
</tr>
<tr>
<td>2029</td>
<td>$373,848</td>
<td>$95,670</td>
<td>$521</td>
</tr>
</tbody>
</table>

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
Ten Year Tax Freeze Impact to City Revenue

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

- 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

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
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 Bunselmayr, 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 Bunselmayr, 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 Bunselmayr, 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 Bunselmayr, 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 Bunselmayr, 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- $126k-$143k; Year 3- $196k-$218k

Recap
Impact of SB2 Unknown

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 UPDATE
WWW.CITYOFCORINTH.COM/CORONAVIRUS

CORINTH
TEXAS
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.

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 12:01 am on 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 operate, provided physical distancing and other health orders are followed.
  - No more than 10 customers in the store at one time.
  - Comfortable seating is available.
  - Accepts preorders for employees and customers.

OUTDOOR SPORTS
- No more than 10 participants at any time on outdoor sports.
  - Golf courses, social distancing rules between groups allowed.
  - Tennis courts, similar guidelines for use.

PLACES OF WORSHIP
- Limits to 25% occupancy

RECREATION
- Gyms and exercise facilities will be able to reopen with 25% capacity.

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

What this means:

- Green: Normal Operations
- Yellow: Limited Confirmed COVID-19 cases
- Orange: Broad Confirmed COVID-19 cases
- Red: Widespread Confirmed COVID-19 cases

What to do:

- Green: No restrictions on gatherings
- Yellow: Restrictions on gatherings
- Orange: Restrictions on gatherings
- Red: Restrictions on gatherings

Coronavirus (COVID-19)

- Reduced capacity for businesses
- Face masks required for all employees and customers
- Social distancing required
- Cleanliness and hygiene protocols

*Recognizing that this is a fluid situation, components and recommendations included above may be updated to reflect current conditions.

* We encourage residents and business owners to visit the CDC website for up-to-date recommendations at www.cdc.gov/covid19
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