

MINUTES

of the

WILLIAMSON COUNTY COMMISSIONERS' COURT MEETING

May 11, 2004

THE STATE OF TEXAS)(

COUNTY OF WILLIAMSON)(

BE IT REMEMBERED that at 9:37 A.M. on May 11, 2004, a REGULAR SESSION of the Commissioners' Court of Williamson County, Texas, was held with the following being present, to-wit:

JOHN C. DOERFLER, County Judge
LISA L. BIRKMAN, Commissioner, Precinct 1
GREGORY W. BOATRIGHT, Commissioner, Precinct 2
DAVID HAYS, Commissioner, Precinct 3
FRANKIE LIMMER, Commissioner, Precinct 4
EUGENE D. TAYLOR, County Attorney
NANCY E. RISTER, County Clerk

AGENDA ITEM 1

Hear any interested person and consider forming the next agenda or adding items to today's agenda.

Lucille Turner addressed the Court to urge an adoption of the powers given the County under "Proposition 13" [more appropriately known as: Article 8, Section 1-b Sub-section (h) of the November 2003 Texas Constitution].

County Tax Assessor / Collector Deborah Hunt addressed the Court, and she read into the minutes a letter from Ronald W. "Toby" Tobleman of Rudd and Wisdom, Inc., Consulting Actuaries regarding the impact of the adoption of a tax increase freeze.

< Attachment >

Rudd and Wisdom, Inc.

CONSULTING ACTUARIES

Mitchell L. Bilbe, F.S.A.
Philip S. Dial, F.S.A.
Charles V. Faerber, F.S.A., A.C.A.S.
Mark R. Fenlaw, F.S.A.
Carl L. Frammolino, F.S.A.
Joe C. Lopez, A.S.A.
Robert M. May, F.S.A.
J. Christopher McCaul, F.S.A.

9500 Arboretum Blvd., Suite 200
Austin, Texas 78759
Post Office Box 204209
Austin, Texas 78720-4209
Phone: (512) 346-1590
Fax: (512) 345-7437
E-mail: rw@ruddwisdom.com

Edward A. Mire, F.S.A.
Rebecca B. Morris, A.S.A.
Amanda L. Murphy, F.S.A.
Michael J. Muth, F.S.A.
Julie L. Normand, F.S.A.
Robyn C. Richards, A.S.A.
Ronald W. Tobleman, F.S.A.
David G. Wilkes, F.S.A.

May 10, 2004

PRIVILEGED AND CONFIDENTIAL

Ms. Deborah M. Hunt, CTA
Tax Assessor/Collector
Williamson County Courthouse
710 South Main Street, Suite 102
Georgetown, Texas 78625

Re: Tax Policy Report Follow-Up

Dear Ms. Hunt:

In responding to various requests for clarification to my May 4, 2004 report, I have identified two areas of potential misunderstanding. At the risk of being redundant, I want to provide written clarifications to these two issues for your files and for the Commissioner's Court.

First, I am afraid that Exhibits A4, B4, and C4 were confusing as I may have tried to put too much information in each exhibit. What I was trying to show was the potential difference in taxes paid on comparable residential property where the difference is attributable to pre and post age 65 status. Therefore, I have enclosed new Exhibits 1 and 2 which hopefully better illustrate this concept under Assumption Set A. Exhibit 1 illustrates the potential differences in taxes paid under current County tax policy between property that is not eligible for the current \$25,000 valuation exemption and property that is eligible for the \$25,000 exemption. Exhibit 2 illustrates the potential difference in taxes paid under proposed Proposition 13 County tax policy between property that is not eligible for the tax freeze and property that is eligible for the tax freeze. Therefore, Exhibits 1 and 2 tell us that this potential difference in taxes paid on comparable property would increase from about \$3,500 under current tax policy to about \$17,600 under Proposition 13 tax policy.

Second, it appears the advantages of increased exemptions in Cases 2, 3, and 4 were not made clear. I have enclosed Exhibit 3 which illustrates the potential differences in taxes paid on the average homesite without and with the exemption if the County increases the current \$25,000 exemption to \$50,000. Notice the cumulative taxes projected over the next 10 years with the higher exemption are about the same as those that would be paid over the next 10 years under Proposition 13 [Compare Exhibit 3 column 3 to Exhibit 2 column 3 for years 2004 through 2013].

Ms. Deborah M. Hunt, CTA

Page 2

May 10, 2004

Therefore, if the County wishes to provide reduced residential taxes to its senior population in amounts comparable to those projected to be provided by Proposition 13, then I suggest the use of periodically increased property exemptions can produce about the same results. More importantly, however, the use of increased exemptions can also avoid the increased complexity and uncertainty that is inherently associated with Proposition 13 projections.

Thank you for this opportunity to clarify my report. Please contact me if you have any questions.

Sincerely,



Ronald W. Tobleman, F.S.A., CFP®, ChFC

RWT:dsw

Enclosures

J:\wpfiles\williamsonco\2004\Exhibits-0510.doc

EXHIBIT 1**CURRENT TAX POLICY¹****COMPARATIVE TAXES PAID ON AVERAGE HOMESITE PROPERTY
WITHOUT AND WITH CURRENT (\$25,000) EXEMPTION**

Year	Property Without Exemption	Property With Exemption	Difference Col (2) – Col (3)
(1)	(2)	(3)	(4)
2004	\$ 689.85	\$ 577.60	\$ 112.25
2005	710.75	598.47	112.28
2006	732.43	620.09	112.34
2007	754.92	642.50	112.41
2008	778.27	665.75	112.52
2009	802.74	690.06	112.67
2010	828.17	715.31	112.86
2011	854.61	741.54	113.07
2012	882.10	768.79	113.31
2013	910.70	797.13	113.57
2014	940.91	826.99	113.92
2015	972.34	858.04	114.30
2016	1,005.03	890.33	114.70
2017	1,039.05	923.92	115.13
2018	1,074.46	958.88	115.59
2019	1,111.36	995.28	116.07
2020	1,149.82	1,033.22	116.59
2021	1,189.92	1,072.77	117.14
2022	1,231.73	1,114.00	117.73
2023	1,275.34	1,157.00	118.35
2024	1,321.39	1,202.34	119.05
2025	1,369.47	1,249.68	119.79
2026	1,419.67	1,299.11	120.56
2027	1,472.11	1,350.74	121.37
2028	1,526.88	1,404.66	122.22
2029	1,584.13	1,461.02	123.11
2030	1,643.99	1,519.95	124.04
2031	1,706.57	1,581.56	125.01
2032	1,772.00	1,645.97	126.02
2033	1,840.41	1,713.33	127.08
Total	\$ 34,591.11	\$ 31,076.04	\$ 3,515.07

¹ The above amounts are based on a home valued at \$149,165 in 2003 and tax and inflation rates based on Assumption Set A.

EXHIBIT 2**PROPOSITION 13 TAX POLICY¹****COMPARATIVE TAXES PAID ON AVERAGE HOMESITE PROPERTY
WITHOUT AND WITH FREEZE**

Year	Property Without Freeze	Property With Freeze	Difference Col (2) – Col (3)
(1)	(2)	(3)	(4)
2004	\$ 689.85	\$ 577.60	\$ 112.25
2005	711.43	577.60	133.83
2006	733.87	577.60	156.27
2007	757.05	577.60	179.46
2008	781.06	577.60	203.46
2009	806.02	577.60	228.43
2010	832.81	577.60	255.22
2011	859.65	577.60	282.05
2012	887.58	577.60	309.98
2013	916.65	577.60	339.05
2014	946.97	577.60	369.37
2015	980.82	577.60	403.23
2016	1,013.67	577.60	436.07
2017	1,047.99	577.60	470.40
2018	1,083.86	577.60	506.26
2019	1,121.34	577.60	543.75
2020	1,160.55	577.60	582.95
2021	1,201.53	577.60	623.93
2022	1,244.36	577.60	666.76
2023	1,289.12	577.60	711.52
2024	1,335.64	577.60	758.04
2025	1,387.67	577.60	810.08
2026	1,438.74	577.60	861.15
2027	1,492.36	577.60	914.76
2028	1,548.61	577.60	971.01
2029	1,607.63	577.60	1,030.03
2030	1,669.55	577.60	1,091.96
2031	1,734.48	577.60	1,156.89
2032	1,802.54	577.60	1,224.94
2033	1,873.85	577.60	1,296.26
Total	\$ 34,957.23	\$ 17,327.88	\$ 17,629.35

¹ The above amounts are based on a home valued at \$149,165 in 2003 and tax and inflation rates based on Assumption Set A.

EXHIBIT 3**INCREASED EXEMPTION (\$50,000) TAX POLICY¹****COMPARATIVE TAXES PAID ON AVERAGE HOMESITE PROPERTY
WITHOUT AND WITH EXEMPTION**

Year	Property Without Exemption	Property With Exemption	Difference Col (2) – Col (3)
(1)	(2)	(3)	(4)
2004	\$ 700.39	\$ 472.46	\$ 227.93
2005	721.47	493.52	227.95
2006	743.32	515.31	228.02
2007	765.99	537.86	228.13
2008	789.52	561.23	228.29
2009	814.37	585.76	228.61
2010	840.18	611.19	228.99
2011	866.99	637.58	229.41
2012	894.85	664.96	229.89
2013	923.80	693.39	230.41
2014	954.80	723.59	231.21
2015	986.99	754.95	232.04
2016	1,020.41	787.50	232.91
2017	1,055.13	821.31	233.82
2018	1,091.21	856.44	234.78
2019	1,128.76	892.98	235.78
2020	1,167.84	931.00	236.84
2021	1,208.55	970.59	237.96
2022	1,250.96	1,011.82	239.13
2023	1,295.14	1,054.77	240.37
2024	1,342.22	1,100.37	241.85
2025	1,391.30	1,147.91	243.39
2026	1,442.48	1,197.49	244.99
2027	1,495.86	1,249.20	246.66
2028	1,551.53	1,303.14	248.39
2029	1,609.66	1,359.47	250.19
2030	1,670.37	1,418.31	252.06
2031	1,733.77	1,479.76	254.01
2032	1,800.00	1,543.96	256.03
2033	1,869.18	1,611.05	258.13
Total	\$ 35,127.06	\$ 27,988.86	\$ 7,138.20

¹ The above amounts are based on a home valued at \$149,165 in 2003 and tax and inflation rates based on Assumption Set A.

AGENDA ITEM 2

Read and approve the minutes of the meeting of May 4, 2004.

Moved: **Commissioner Birkman**

Seconded: **Commissioner Boatright**

Motion: To approve the minutes of the meeting of May 4, 2004.

Vote: **5 – 0**

AGENDA ITEM 3

Hear County Auditor concerning invoices, bills, and Quick Check Report submitted for payment and take appropriate action including, but not limited to approval for payment provided said items are found by the County Auditor to be legal obligations of the county.

Moved: **Commissioner Boatright**

Seconded: **Commissioner Limmer**

Motion: To authorize the payment of bills totaling \$653,497.36 in computer printout from the proper line items, if found by the County Auditor to be legal expenses as appropriated in the 2003/2004 County Budget.

Vote: **5 – 0**

< Attachment >