

**BLOCK HOUSE MUNICIPAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS' MEETING**

September 6, 2023

THE STATE OF TEXAS §
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COUNTY OF WILLIAMSON §

A special meeting of the Board of Directors of Block House Municipal Utility District was held on September 6, 2023, at 2600 Block House Drive South, Leander, Texas. The meeting was open to the public and notice was given as required by the Texas Open Meetings Act. A copy of the Certificate of Posting of the Notice is attached as **Exhibit "A"**.

The roll of the members of the Board of Directors was called, as follows:

Ursula Logan	-	President
David Shoemaker	-	Vice President
Robert Young	-	Secretary
Cecilia Roberts	-	Assistant Secretary
David Johnson	-	Treasurer

All of the Directors were present, thus constituting a quorum. Also present at the meeting were: Lisa Torres of Crossroads Utility Services, LLC ("Crossroads"); Taylor Kolmodin of Municipal Accounts & Consulting, L.P. ("MAC"); Tripp Hamby of Priority Landscapes ("Priority"); Lauren Smith of Public Finance Group; Alvin Lankford of Williamson Central Appraisal District ("WCAD"); Chris Stanfield, resident of the District; and Sean Abbott of Armbrust & Brown, PLLC ("A&B").

Director Logan called the meeting to order at 6:30 p.m. and welcomed those present. She announced that public comments were taken during designated portions of the meeting only and asked that anyone who wished to address the Board complete a Community Comment form.

Director Logan then stated that the Board would receive citizens' communications. There being none, Director Logan stated that the Board would next discuss the tax appraisal and introduced Mr. Lankford, who she noted served as the Chief Appraiser for WCAD. Mr. Lankford briefly reviewed property value trends, both in Williamson County and in the District. He noted that average market values had spiked during the initial COVID-19 epidemic. He briefly explained the difference between appraised and taxable value. Discussion ensued. The Board members thanked Mr. Lankford for his presentation and willingness to attend the meeting.

Director Logan then stated that the Board would discuss the 2023/2024 budget and 2023 tax rate and opened the public hearing on the District's 2023 tax rate. She asked if there was anyone present who wished to address the Board on the matter of the District's tax rate. There being none, Director Logan closed the public hearing.

Ms. Lauren Smith then stated that the District had published a proposed tax rate of \$0.6110 for the current tax year and noted that the District's assessed value had increased significantly year-over-year, including the average value of a homestead in the District. She then reviewed the rollback considerations for developed districts in the Tax Code. Ms. Smith then reviewed the 2023 Tax Rate Analysis, attached as **Exhibit "B"**, including the debt service, fire,

and operations and maintenance tax. She noted that the District did not have the flexibility to lower the proposed debt service or fire tax rates. Ms. Smith then confirmed that the “parity rate” for the Board to consider was \$0.5905 per \$100 valuation.

Ms. Kolmodin then reviewed both versions of the proposed fiscal year 2023/2024 budget, attached as **Exhibit “C”**, noting the changes that had been made since the Board’s last discussion about the budget. Discussion ensued relating to possible expenditures that could be curtailed or reduced, including reductions in the cost of delivering Board books and reducing the total number of special meetings that the Board undertakes on an annual basis. Director Roberts moved that the Board adopt a \$0.6110 tax rate, with \$0.2035 debt service, \$0.2881 operations and maintenance, and \$0.1194 fire tax components. Upon second by Director Logan, discussion ensued. Director Shoemaker then made an amended motion to adopt an overall tax rate of \$0.5905, which was seconded by Director Young. Discussion ensued and Director Shoemaker noted that he was committed to adoption of a “parity” tax rate, which would result in the same effective tax rate for District residents. After failing to establish consensus, Director Shoemaker withdrew his motion, which left no motions open for consideration.

Director Logan then further queried the Board on the matter of the tax rate levy. Director Roberts then made a motion to adopt a tax rate of \$0.6110, which was not seconded. Director Shoemaker then made a motion to adopt a tax rate of \$0.5905, which was not seconded. Director Logan then made a motion to adopt a tax rate of \$0.6000, which was seconded by Director Young. Discussion ensued and Director Young noted that, while the budgeting had been deliberative, he would like to see more attention given to fiscal and budget considerations throughout the calendar year. Director Johnson agreed and suggested that the Board undertake a mid-year budget workshop. He also noted that he wanted to provide tax relief to District residents. Director Roberts noted that each member of the Board had contributed to the consideration of the proposed budget and that she was in favor of levying the tax rate of \$0.6110, which would balance the proposed budget. Director Shoemaker confirmed his preference for levying the parity rate of \$0.5905 per \$100 valuation. Director Logan stated that, as a homeowner, she understood the desire to keep tax rates low. She then opined that prior Boards of Directors of the District may have been able to spend in wiser fashion, noting the deferred maintenance that the current Board was considering in the proposed budget.

After further discussion, Director Shoemaker then made an amended motion to adopt a \$0.5905 tax rate, allocated with \$0.2035 debt service, \$0.2676 operations and maintenance, and \$0.1194 fire tax components, and to approve the Order Levying Taxes, attached as **Exhibit “D”**. Upon second by Director Johnson, the Board voted 3-2, with Directors Logan, Shoemaker, and Johnson voting “yes” and Directors Young and Roberts voting “no”.

Upon motion by Director Shoemaker and second by Director Johnson, the Board voted unanimously, to approve the Resolution Adopting Budget, attached as **Exhibit “E”**, incorporating the fiscal year 2023/2024 budget with an operation and maintenance tax rate of \$0.2676.

Director Logan then stated that the Board would consider approving an Amended and Restated Information Form reflecting the District’s 2023 tax rate. After discussion, upon motion by Director Roberts and second by Director Johnson, the Board voted unanimously to approve the Amended and Restated Information Form attached as **Exhibit “F”**.

Director Logan stated that the Board would next discuss the Board’s future meeting schedule and agenda items. Mr. Abbott confirmed that the next meeting of the Board of Directors would occur on September 27, 2023.

There being no further items to come before the Board, upon motion by Director Roberts and second by Director Johnson, the Board voted unanimously to adjourn the meeting.

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[SIGNATURE PAGE TO SEPTEMBER 6, 2023 MINUTES]



Robert Young, Secretary
Board of Directors

Date: 10-25-23