



**SHADY SHORES TOWN COUNCIL
SPECIAL CALLED SESSION
SEPTEMBER 20, 2021; 7:00 PM
101 S.SHADY SHORES ROAD
SHADY SHORES, TX 76208**

TO VIEW THE MEETING LIVE
<https://shadyshorestx.civicclerk.com/>

CALL TO ORDER

ROLL CALL

Establish a quorum.

CITIZEN COMMENTS

REGULAR AGENDA ITEMS

1. Public Hearing- Conduct a public hearing relative to the 2021 Proposed Tax Rate
 - a) Open Public Hearing
 - b) Public Comment
 - c) Close Public Hearing
2. FY 2021/2022 Budget- Consider and act on approval and Ordinance adopting the 2021/2022 Fiscal Year Budget.
3. Tax Rate- Consider and act on approval of an Ordinance adopting the 2021 Property Tax Rate to fund the FY 2021/2022 budget.
4. Short Term Rental Ordinance- Consider and act on approval of an Ordinance Regulating the Operation of Short Term Rentals in the Town of Shady Shores adopting a Hotel Motel Sales Tax.

EXECUTIVE SESSION:

Pursuant to the provisions of Chapter 551, Texas Government Code, Vernon's Texas Codes Annotated, The Town Council may hold a closed meeting.

FUTURE AGENDA ITEMS AND STAFF DIRECTION

ADJOURN

The Town Council reserves the right to adjourn into closed session at any time during the course of this meeting to discuss any of the matters listed on this agenda, as authorized by Texas Government Code Section 551.071 (Consultation with Attorney), 551.072 (Deliberation about Real Property), 551.073 (Deliberation about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), and 551.087 (Economic Development).

I, Cindy Aughinbaugh, Mayor of the Town of Shady Shores do hereby certify that the above notice of the Regular Town Council Meeting was posted on the bulletin board at the Community Center, 101 S. Shady Shores Road, Shady Shores, Texas on _____ Day of _____ 2021, at _____ .M.

Cindy Aughinbaugh, Mayor



AGENDA MEMORANDUM

DATE: September 8, 2021
TO: Town Council
FROM: Wendy Withers, Town Administrator
SUBJECT: Keep Shady Shores

BACKGROUND/INFORMATION:

Shady Shores Town Council is proposing a tax rate of .321452 which is comprised of a M&O rate of .305024 and I&S (debt service) rate of .016428. This is slightly lower than last year's rate of .321958.

The following chart provides a summary of property tax values and tax rates for budget years 2015 – 2021 along with the property tax impact on an average value home. As indicated on the chart, with the tax rate for the 2021 budget year of \$.321452, the owner of an average value home will pay a property tax of \$ 1,152 an increase of \$34 per year or \$ 2.83 per month

Fiscal Year	Taxable Value Increase		Average Home Value	M&O	Average Property Tax Rate
2015	\$ 256,155,059	4%	\$255,030	.314625	\$ 802
2016	\$ 274,677,404	6%	\$271,005	.314625	\$ 852
2017	\$293,657,030	13%	\$366,648	.314625	\$ 964
2018	\$307,206,051	7%	\$310,497	.314625	\$ 977
2019	\$322,041,387	4.6%	\$324,977	.321958	\$1,046
2020	\$345,008,976	3.1%	\$347,410	.321958	\$1,110
				.305024	
2021	\$381,383,780	9.5%	\$358,493	.016428	\$1,152
				.321452	

FINANCIAL IMPLICATIONS:

The proposed tax rate will fund the proposed 2022 FY Budget which is at total of \$2,018,757 including a debt service. This years budget does not propose to use reserve funds or unencumbered fund balance.

M&O Funds raised by this tax rate =\$ 1,163,342

I&S Funds raised by this tax rate = \$ 62,653

RECOMMENDATION/ACTION DESIRED:

No action recommended at this time.

ATTACHMENTS/SUPPORTING DOCUMENTATION:

None

REVIEWED BY:



AGENDA MEMORANDUM

DATE: September 20, 2021
TO: Town Council
FROM: Wendy withers, Town Administrator
SUBJECT: **FY 2021/2022 Budget- Consider and act on approval and Ordinance adopting the 2021/2022 Fiscal Year Budget.**

BACKGROUND/INFORMATION:

Consider and act on approval of the 2021/2022 Fiscal Year Budget. The proposed budget is balanced with \$2,018,197 in income and \$2,018,197 in expenses. This budget will raise more revenue from property taxes than last year by \$106,521 which is a 9.52% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$14,160,62. The overall budgeted income and expenditures for this budget year is a decrease of 5.7% from last year's budget. This is due largely in part to the issuance of certificates of obligation which will pay for planned capital improvements which were previously funded from unencumbered fund balance.

FINANCIAL IMPLICATIONS:

RECOMMENDATION/ACTION DESIRED:

Approve the budget as presented

ATTACHMENTS/SUPPORTING DOCUMENTATION:

1. Ord_Budget 21-22
2. FY 2022 Budget Final
3. Final Budget 09.20.2021

REVIEWED BY:

ORDINANCE NO.
(Adopting FY 2022-2022 Budget)

AN ORDINANCE OF THE TOWN OF SHADY SHORES, DENTON COUNTY, TEXAS APPROVING AND ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2021, AND ENDING SEPTEMBER 30, 2022; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH SAID BUDGET; APPROPRIATING AND SETTING ASIDE THE NECESSARY FUNDS OUT OF THE GENERAL AND OTHER REVENUES FOR SAID FISCAL YEAR FOR THE MAINTENANCE AND OPERATION OF THE VARIOUS DEPARTMENTS AND FOR VARIOUS ACTIVITIES AND IMPROVEMENTS OF THE TOWN; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, as required by law, the Mayor has prepared and submitted to the Town Council a proposed budget reflecting financial policies for the year and forecasting revenues and expenditures for conducting the affairs of the Town and providing a complete financial plan for the fiscal year beginning October 1, 2021, and ending September 30, 2022; and

WHEREAS, the Town Council has received the Mayor's proposed budget, a copy of which and all supporting schedules have been filed with the Town Secretary of the Town of Shady Shores, Texas; and

WHEREAS, the Town Council has conducted the necessary public hearings as required by law;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF SHADY SHORES, TEXAS AS FOLLOWS:

SECTION 1. The proposed budget of the revenue and expenditures necessary for conducting the affairs of the Town of Shady Shores, Texas, said budget being in the amount of \$2,018,197, providing a complete financial plan for the fiscal year beginning October 1, 2021, and ending September 30, 2022, as submitted to the Town Council by the Mayor, attached hereto as Exhibit "A", be and the same is hereby adopted and approved as the budget of the Town of Shady Shores, Texas for the fiscal year beginning October 1, 2021, and ending September 30, 2022.

SECTION 2. The sum of \$ 2,018,197 is hereby appropriated for the payment of the expenditures established in the approved budget for the fiscal year beginning October 1, 2021 and ending September 30, 2022.

SECTION 3. The expenditures during the fiscal year beginning October 1, 2021, and ending September 30, 2022 shall be made in accordance with the budget approved by this ordinance unless otherwise authorized by a duly enacted ordinance of the Town of Shady Shores, Texas.

SECTION 4. All budget amendments and transfers of appropriations budgeted from one account or activity to another within any individual activity for the fiscal year 2020-2021 are hereby ratified, and the budget Ordinance for fiscal year 2020-2021, heretofore enacted by the Town Council, be and the same is hereby, amended to the extent of such transfers and amendments for all purposes.

SECTION 5. Specific authority is given to the Mayor, with the approval of a majority of the Town Council, to make the following adjustments:

- A. The transfer of appropriations budgeted from one account classification to another account classification within the same department.
- B. The transfer of appropriations from one department or activity to another department or activity within the same fund.

State law regulating budget amendments must also be followed for any budget amendments.

SECTION 6. All notices and public hearings required by law have been duly completed.

SECTION 7. All provisions of the Ordinances of the Town of Shady Shores, Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed, and all other

provisions of the Ordinances of the Town of Shady Shores, Texas not in conflict with the provisions of this Ordinance shall remain in full force and effect.

SECTION 8. Should any word, sentence, paragraph, subdivision, clause, phrase or section of this Ordinance be adjudged or held to be unconstitutional, illegal, or invalid, the same shall not affect the validity of this Ordinance as a whole, or any part or provision thereof other than the part so decided to be invalid, illegal or unconstitutional.

SECTION 9. This Ordinance shall take effect from and after its passage as the law in such cases provides.

DULY PASSED by the Town Council of the Town of Shady Shores, Texas, on the _____ day of September, 2021, with Councilmembers voting as follows:

In favor: _____

Opposed: _____

APPROVED:

Cindy Aughinbaugh, Mayor

ATTESTED:

Wendy Withers, Town Secretary

APPROVED AS TO FORM:

James E. Shepherd, Town Attorney

TOWN OF SHADY SHORES



FY 2021/2022 Budget



Due to the passage of S.B. No. 656, Section 102.007 of the Texas Local Government Code was amended to require that the following information be included as the cover page for a budget document:

This budget will raise more revenue from property taxes than \$106,521 last year by which is a 9.52% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$ 14,160,632.

The record vote of the Shady Shores Town Council Members on the adoption of the 2021 Budget:

<u>Councilmember</u>	<u>Position</u>	<u>Vote</u>
Cindy Aughinbaugh	Mayor	
Tom Newell	Mayor Pro Tem	
Matthew Haines	Councilmember Place 1	
Mike Nowels	Councilmember Place 2	
Bill Emsoff	Councilmember Place 4	
Charles Grimes	Councilmember Place 5	

<u>Tax Rates</u>	<u>2022 Budget</u>
Last Year's Rate	.321958
No-New-Revenue Rate	.304486
Voter-Approval Rate	.336680
Di Minimis Rate	.452550
2021 Tax Rate	.305024
2021 Debt Service	.016428
2021 Total Tax Rate	.321452

SHADY SHORES TOWN COUNCIL

Shady Shores Town Council Members



**Cindy Aughinbaugh
Mayor**



**Tom Newell
Mayor Pro Tem**



**Matthew Haines
Town Council Place 1**



**Mike Nowels
Town Council Place 2**



**Bill Emsoff
Town Council Place 4**



**Charles Grimes
Town Council Place 5**

2022 Budget Message

August 2021

To the Mayor Cindy Aughinbaugh, Councilmembers and Shady Shores Residents:

It is my pleasure to submit the Town of Shady Shores annual budget for the fiscal year October 1, 2021 – September 30, 2022. The following narrative is designed to give the reader a summary of relevant information regarding the budgeting process and fiscal environment.

The annual budget serves as a guide for the Town's to provide services, facilities, and amenities to its residents. This budget document is intended to give a comprehensive view of funding for the day-to-day operations, capital improvements, and reserve funds for the Town of Shady Shores. Expenditures are organized by departments to give the public a clear understanding of how resources are allocated.

The Town of Shady Shores views its planning and operational activities in a strategic manner. Accordingly, the 2022 Budget was prepared with the goal of achieving certain key objectives. Those objectives include:

- Developing a budget and financial plan that meets the short-term and long-term needs of the Town
- Continuing to provide high quality, cost effective services
- Providing funds for enhancements to services as needed and appropriate
- Maintaining and replacing infrastructure as needed
- Creating financial flexibility for changing conditions and opportunities

According to the 2020 Fiscal Year audit, the Town of Shady Shores is in excellent financial condition. Conservative fiscal management has allowed the Town to achieve a significant reserve fund and provide flexibility on budgetary issues. Shady Shores continues to balance revenues and expenditures; and seek ways to provide goods and services in an economical manner to our residents.

2021 ACCOMPLISHMENTS

- Continued work on repairs for S. Shady Shores Road
- Annexation of 13.54 Acres
- Municipal Clerk's Office Achievement of Excellence Award
- Increased local cooperation with local municipalities
- Broadband Committee and Connected Nation Review (Lake Cities)

BUDGET DEVELOPMENT PROCESS

The Town has an important responsibility to its citizens and taxpayers to carefully account for public funds, to manage the Town finances wisely, and to plan for the adequate funding of services desired by the public. To facilitate this responsibility, the Budget Committee begins planning many months prior to the adoption of the budget, through discussion, evaluation, and analysis. The final 2022 budget reflects the Town Council's willingness to follow previously defined financial policies, while preserving the Town's sound financial position. Key Budget items include:

- Maintaining a high level of fire prevention and protection, emergency response services, and emergency medical services through the Lake Cities Fire Department.
- Providing for a high level of proactive law enforcement visibility and effectiveness through the Corinth Police Department.
- Maintaining appropriate levels of support services, infrastructure, technology, and other resources to carry out the functions of the Town.
- Accommodating quality residential growth in the community
- Supporting cooperation among the Lake Cities community to secure best pricing and practices
- Providing a competitive compensation package for the purpose of recruiting and retaining a professional workforce
- Maintaining appropriate levels of operating and capital replacement reserves

Shady Shores practices a conservative strategy when projecting revenues and expenditures. Revenue and expenditure patterns are reviewed often so that adjustments to spending levels can be implemented in a timely manner if necessary.

2022 Budget Highlights

- Property tax revenues are budgeted at \$1,255,997 for 2022, which is a \$130,786 increase from the 2021 forecasted amount.
- Sales and use tax revenues are projected to be \$200,000 for 2022, which is a 55% increase from the amount budgeted for 2021.
- The Town of Shady Shores issued \$ 2,100,000 in Certificates of Obligation to fund the following Capital Improvement Projects:

Shahan Addition Road & Drainage Improvements	\$817,650
Shady Lane at 6th Street Drainage Improvements	\$198,000
Fritz Lane Asphalt Roadway Repair	\$158,935
Shahan Lane Drainage Improvements	\$97,000
Cogburn Court Pavement Repair	\$149,000
E. 6th Street Paving Improvements	\$34,000
Lakeshore Rd - N End of FEMA Repair north to Oberman Lane	\$121,000
Oberman Lane Paving & Drainage Improvements	\$460,000
Eason Road Paving Improvements	\$51,000

- The Town's Reserve Accounts remain in sound condition with the following balances projected at the end of FY 2021:

OPERATING RESERVES	\$ 300,000
ROAD AND BRIDGE EMERGENCY REPAIR	\$ 476,238
CAPITAL REPAIRS	\$ 100,000
UNENCUMBERED FUNDS	\$1,236,579
TOTAL RESERVES	\$2,112,817

REVENUES

Total revenues in the 2022 budget equal \$2,018,757.54, a (5.7%) decrease from 2021 forecasted revenues of 2,097,949 . The decrease is largely due to the fact that the Town issued 2,100,000 in Certificates of Obligation allowing us to complete road repairs without drawing from our reserve balance.

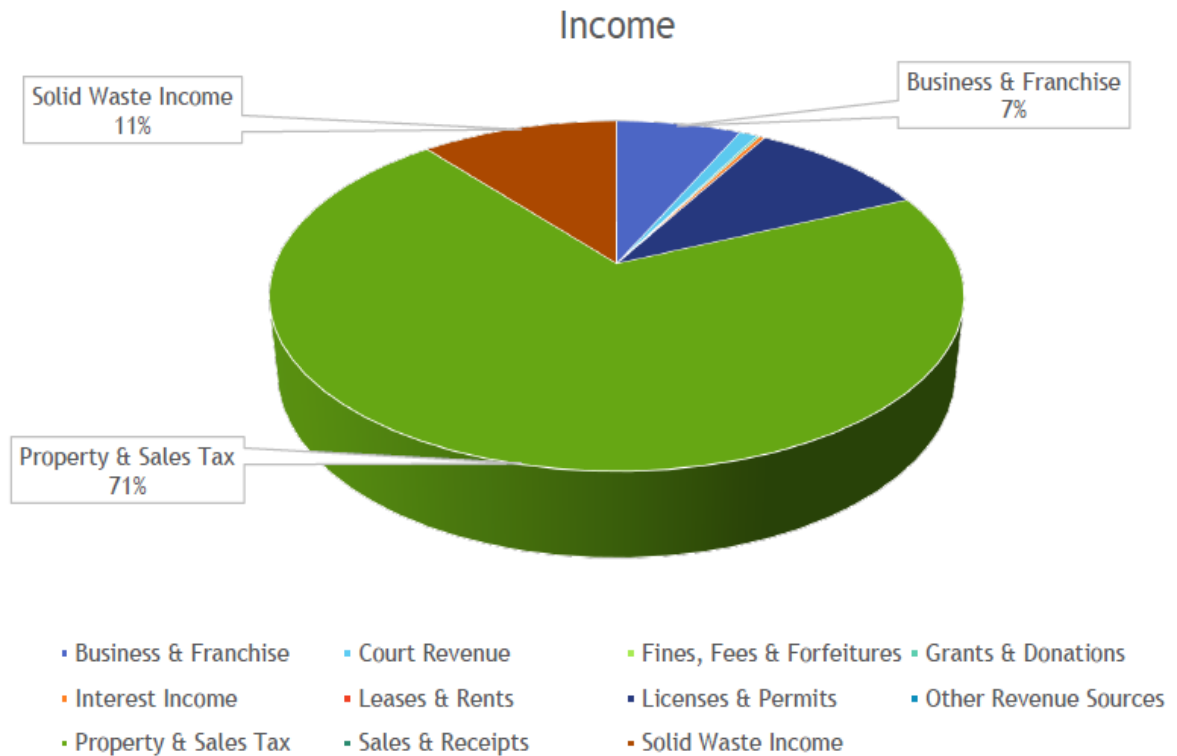


Figure 1. Income

Property Tax Revenues

The budget is based on a taxable property value base of \$381,393,790, an increase of \$33,721,486 from last year's tax base of \$347,672,304. The increase in property value is coming from \$14,160,632 in new residential properties added to the tax roll since the prior year.

Town of Shady Shores	
Taxable Property Value 2020	\$347,672,304
New Properties	\$14,160,632
Revaluation of Existing Properties	\$381,393,790
Net Increase in Taxable Property Value	\$ 33,721,486
New Property Growth %	3.71%
Revaluation %	9.6%

The following chart provides a summary of property tax values and tax rates for budget years 2015 – 2021 along with the property tax impact on an average value home. As indicated on the chart, with the tax rate for the 2021 budget year of \$.321452, the owner of an average value home will pay a property tax of \$ 1,152 an increase of \$34 per year or \$ 2.83 per month.

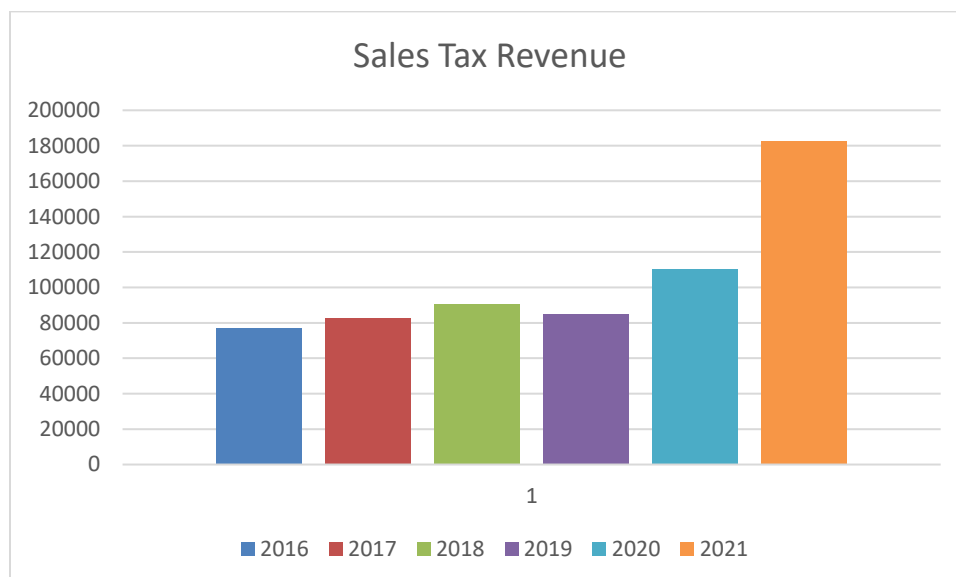
Summary of Property Tax Values and Tax Rates

Fiscal Year	Taxable Value %	Increase	Average Home Value	M&O Rate	Average Property Tax
FY 2015	\$256,155,059	4%	\$255,030	0.314625	\$ 802
FY 2016	\$274,677,404	6%	\$271,005	0.314625	\$ 852
FY 2017	\$293,657,030	13%	\$306,648	0.314625	\$ 964
FY 2018	\$307,206,051	7%	\$310,497	0.314625	\$ 977
FY 2019	\$322,041,387	4.6%	\$324,997	0.321958	\$1,046
FY 2020	\$345,008,976	3.1%	\$347,410	0.321958	\$1,118
FY 2021	\$381,393,790	9.5%	\$358,493	0.321452	\$1,152

Sales and Use Tax Revenues

Sales and use tax revenues are generated by a 1% base sales and use tax. Although the Town of Shady Shores does not have any store-front or commercial businesses, sales tax is generated through online sales, home businesses and services. The Chart below reflects the amount of sales tax collected over the last 5 years. A significant increase during the last Fiscal year can be attributed to the Stay-At-Home order during the Pandemic which resulted in an increase in online sales.

Sales Tax Revenue 2016-2021



Other Revenues

Revenues also consist of program fees generated by building permits, court fines, building rental and other revenue.

EXPENDITURES

Total consolidated expenditures of \$2,018,757 represent a (8.5%) decrease from 2021 budgeted expenses of \$ 2,097,949.

PERSONNEL & SALARIES

Staffing levels for 2022 are proposed at 2 full time equivalent (FTE) employees, and 3 part time employees. The Chart below reflects gross wages for all employees including benefits and payroll taxes. The proposed increase shows the maximum allocated for staff pay increases and COLA adjustments.

General Employees	2021	2022	\$ Increase	% Increase
Current Employees	231,300	234,462.00	3,162	1.34%
Salary Adjustments Request		\$ 20,000	20,000	0%
Total		\$ 254,462	\$ 23,162	9.10%

CONTRACTED SERVICES

Contracted Services	2021	2022
Building Inspector	40,000	40,000
Elections	6,000	14,000
Codification	4,000	4,000
Library	29,046	29,046
Ad Valorem Tax Collection	7,500	5,000
	105,546.00	111,556.00

COMMUNITY PROGRAMS AND DONATIONS

Community Programs & Donations	2021	2022
Promotional	\$6,000	\$6,000
KSSB	\$5,000	\$10,000
Community Events Span	\$2,000	\$2,000
	19,500.00	24,500.00

FEES, FINES, TAXES

	2021	2022
Fees, Fines & Taxes	12,000.00	12,000.00

INSURANCE EXPENSE

	2021	2022
Insurance Expense	6,000.00	6,000.00

LEGAL & PROFESSIONAL FEES

	2021	2022
Legal & Professional Fees	172,800.00	137,800.

OFFICE AND SUPPLIES

	2021	2022
Office & Supplies	3,600.00	4,100.00

OTHER EXPENSES

	2021	2022
Other Expenses	29,055.00	51,570.52

POSTAGE & LEGAL ADVERTISING

	2021	2022
Postage- Legal Advertising	5,000.00	5,000.00

PROFESSIONAL EXPENSESES

	2021	2022
Professional Expenses	1,700.00	2,200.00

PUBLIC SAFETY

Public Safety	2020	2021
Software	\$ 1,000	\$1,000
Animal Control	\$ 17,000	\$17,510
Code Compliance	\$ 15,000	\$15,000
Fire Dept.	\$320,796	\$ 488,586
Police Patrol Services	\$259,852	\$268,957
OT Patrol Services	\$2,000	\$2,000
Child Safety Programs		
	\$581,648	\$758,543

ROAD REPAIRS AND MAINTENANCE

Road Repairs and Maint.	2020	2021
Signs	\$3,000	\$3,000
Regional	\$2,500	
Storm		\$2,500
Water		
Roads/Streets	\$550,000	\$ 249,242
Public Works	\$45,000	\$45,000
	628,000.00	327,242.00

SOLID WASTE

Solid Waste	2020	2022
Solid Waste Contract	200,000.00	200,000.00
	200,000.00	200,000.00

TECHNOLOGY

	2020	2022
Technology	62,200.00	62,200.00

UTILITIES

	2020	2022
Utilities	19,600.00	26,300.00

DEBT PROFILE

On August 19, 2021, the Shady Shores Town Council approved the issuance of \$ 2,100,000 in Certificates of Obligation (CO). American National Bank of Texas was the winning bidder offering a 1.23% interest rate. The COs are amortized over a period of ten (10) years but

Town of Shady Shores Annual Budget | FY 2022

there is no penalty for prepayment.

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2022	200,000	1.230%	22,447.50	222,447.50
09/30/2023	200,000	1.230%	22,140.00	222,140.00
09/30/2024	205,000	1.230%	19,649.25	224,649.25
09/30/2025	205,000	1.230%	17,127.75	222,127.75
09/30/2026	210,000	1.230%	14,575.50	224,575.50
09/30/2027	210,000	1.230%	11,992.50	221,992.50
09/30/2028	215,000	1.230%	9,378.75	224,378.75
09/30/2029	215,000	1.230%	6,734.25	221,734.25
09/30/2030	220,000	1.230%	4,059.00	224,059.00
09/30/2031	220,000	1.230%	1,353.00	221,353.00
	2,100,000		129,457.50	2,229,457.50

The Budget Committee, Town Council and staff have worked diligently to develop a budget that reflects a continued commitment to responsible financial management and high-quality, cost-effective service delivery.

Respectfully,

Wendy Withers

BUDGET GUIDE

The Town of Shady Shores 2022 Budget was produced using guidelines developed by the Government Finance Officers Association (GFOA) and is intended to provide proficiency in the following four areas:

1. ***Policy Document*** – The budget should serve as a policy document for the Board of Directors and management to convey how the organization will operate.
2. ***Financial Plan*** – The budget should serve as a financial plan describing all sources and uses of funding, including summaries of revenues and expenditures for multiple years, and changes in fund balances.
3. ***Operations Guide*** – The budget should serve as an operations guide to the departments by identifying the resources to be provided and the objectives to be met.
4. ***Communications Device*** – The budget should serve as a communications device to convey essential information to the diverse groups who use the budget information – the public, elected and appointed officials, bond rating agencies, and investors.

To facilitate effective communication of this budget document to its readers, the information has been organized into the following sections:

Budget Message

This section includes the Budget Message transmittal letter, which is designed to summarize financial information and significant impacts, major initiatives and key decisions considered in the development of the budget.

Introduction

In addition to this guide, this section includes a description of the budget process, a budget calendar, and an organization chart.

Budget Overview

This section is intended to provide the reader with a general understanding of the operating budget on a consolidated basis. A summary of 2021 figures accompanied by charts, graphs, and narrative analysis is included. Summaries of fund transfers and ending fund balances are also included.

General Fund

This section provides a statement of revenues, expenditures, and changes in fund balance for the General Fund, The Town of Shady Shores operating account. This section includes information from the 2021 budget and the 2020 Budget.

2022 Budget Process

The following overview describes the 2022 Budget process.

Budget Preparation

During the first quarter of the year, staff members reviewed the current budget and previous years budgets to prepare this budget. Beginning in March, staff conducted meetings with employees involved in budget preparation, at which time applicable budget materials and instructions were distributed. The budget calendar was communicated, with deadlines for submission of personnel requests, capital projects, operating expenditures. Legal requirements, contractual obligations, board policies and funding decisions, the Town strategic plan, provided guidelines for budget preparation. Additionally, comments and directives communicated at the Town Council Budget Work sessions held in June and July as well as the public hearings were reviewed and included.

The Salaries and Benefits Budget was developed using salary surveys from similar towns and a review of job performance, years of service as well as cost of living increases.

Property tax revenue projections are based on the certified taxable property values provided by the Denton County Tax Assessor in late July.

Town Council Review and Approval

The Shady Shores Town Council conducted budget work sessions on May 3rd^t, June 14th, June 21st, July 12th and August 9th, 2021. A public hearing on the budget was held August 19, 2021 and a public hearing on the Tax rate was held on September 8th, 2021, As required by law, the proposed budget was filed with the Town Secretary for public inspection on July 12th, 2021. The budget can be viewed at the Shady Shores Community Center or online at shady-shores.com.

Budget Amendments

Once adopted, the budget may only be amended by Council action. Budget amendments are made by Ordinance and discussed during a regular Town Council Meeting.



Planning

- Town Council sets goals
- Town Administrator reviews last year's budgets and directed goals
- Discuss Budget input and preparation with key staff and Town Council Members

Preparation of Preliminary Budget

- A base budget is prepared consideration of legal obligations, Council plans and policies, and actions
- Budget requests are reviewed, and a draft budget is prepared.

Budget Committee Review

- The Budget Committee reviews the budget with Town Staff
- Necessary changes are incorporated into the budget
- The budget is updated and submitted to the Town Council for review and public input

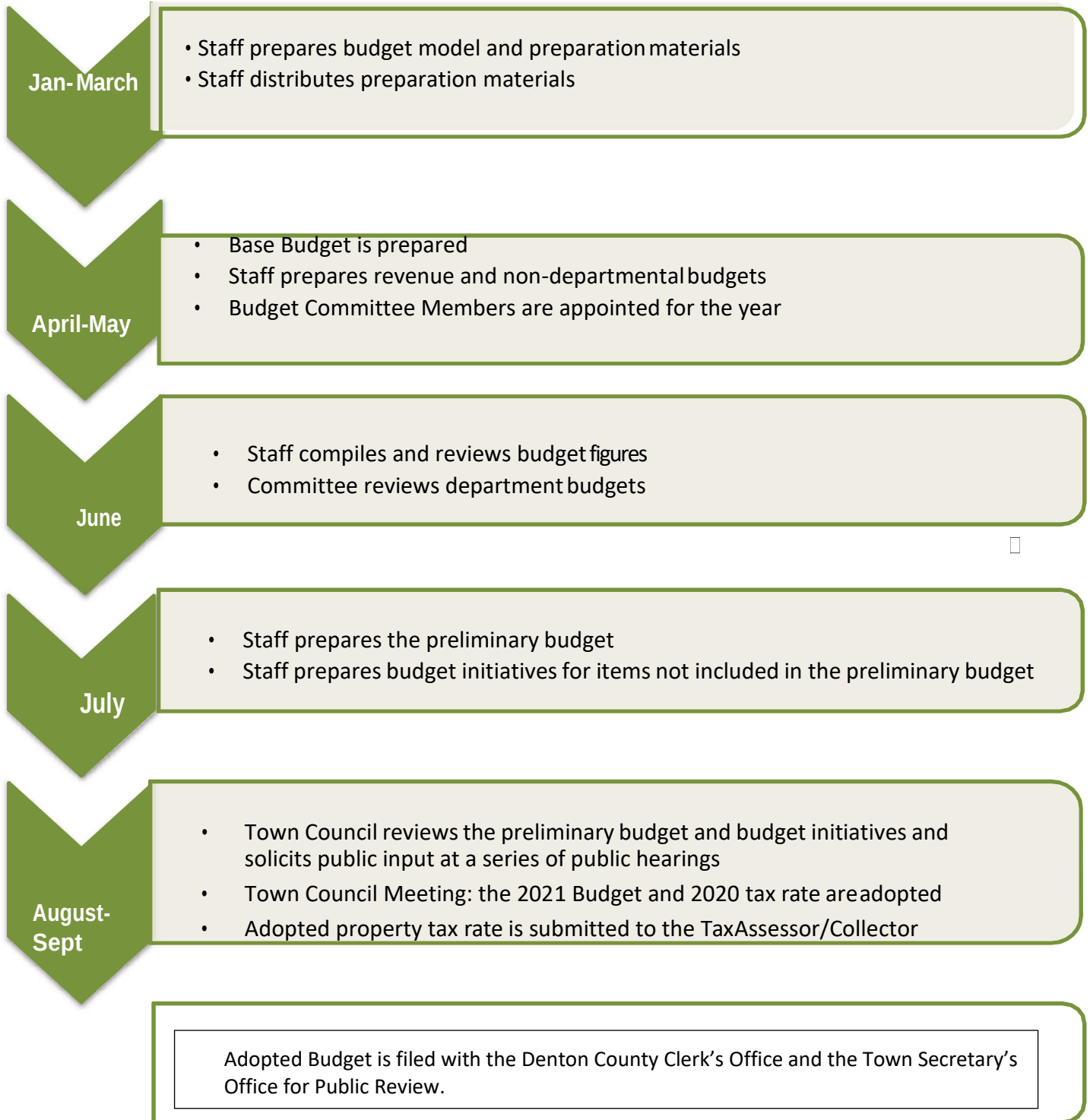
Town Council Review

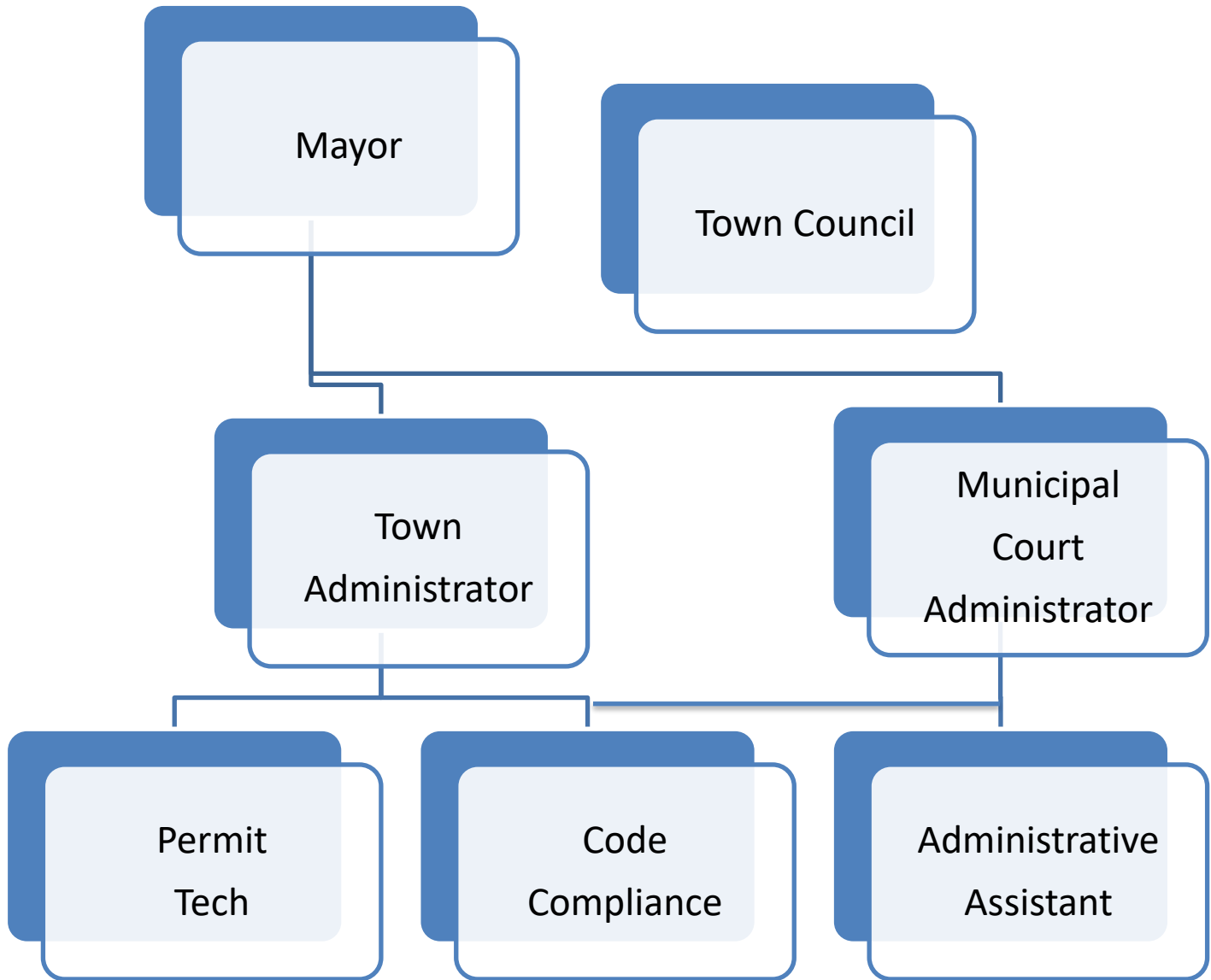
- Preliminary "base" budget is presented to the Town Council at budget workshops
- Budget initiatives that are not included in the "preliminary" budget are considered
- Changes resulting from the Board's review are made
- Public hearings are held
- A copy of the proposed budget is filed with the Town Secretary/Administrator

Adopted Budget

- Budget is adopted and property tax rate is set
- Tax collector's office mails tax bills at beginning of October
- Tax payments are due no later than January 31
- Budget becomes effective October 1, 2021

Budget Cycle





Town of Shady Shores Organizational Chart

BOARDS AND COMMISSIONS

SHADY SHORES TOWN COUNCIL- The Town Council is comprised of five members and a Mayor elected at-large. Council members are elected for two-year terms. The Mayor serves as the chief executive officer of the municipality (LGC 22.042) and serves as the presiding officer during council meetings. The Mayor does not vote except in the instance of a tie situation. The Town Council acts as the legislative branch of the council making policy decisions, voting on ordinances, confirming, and approving appointments made by the mayor.

PLANNING AND ZONING COMMISSION-

The Planning and Zoning Commission administers land development procedures in the Town of Shady Shores. The primary function of the Planning and Zoning Commission is to make recommendations to the Town Council relative to the approval of plats, replats, construction plans, zoning issues and subdivision approvals.

ZONING BOARD OF ADJUSTMENTS- The Shady Shores Town Council acts as the Zoning Board of Adjustments (ZBA). The ZBA hears appeals and requests for variances to the Zoning Ordinance. The decision of the ZBA is final.

BUILDING AND STANDARDS COMMISSION- The Building and Standards Committee meets on an as needed basis and hears cases that are in violation of the Town's Dangerous Structures Ordinance.

INVESTMENT COMMITTEE -The Town of Shady Shores Investment Committee is responsible for the oversight of the town's investments. The Investment Committee meets on a quarterly basis. All funds are invested in accordance with Local Government Code Requirements and the Town of Shady Shores Investment Policy. The investment policy is reviewed every two years and each member of the committee is required to complete approved training while serving on the committee.

COMMUNITY EVENTS COMMITTEE – The Community Events committee plans and recommends activities that promote community involvement with residents of the town, the surrounding communities and various town departments.

KEEP SHADY SHORES BEAUTIFUL – The Keep Shady Shores Beautiful Committee recommends programs that address beautification, litter prevention, recycling in the community and conducts the required activities to remain an active affiliate in “good standing” of the Keep Texas Beautiful Organization, as outlined in the affiliate agreement.

Program Descriptions

Personnel & Salaries

- Staff Salary
- Benefits

Municipal Court

- Handles Citations and Ordinance Violations

Public Safety

- Police, Fire, Animal Control, Code Compliance

Engineering

- Drainage, Subdivision Management, Platting, Roads and Repairs

Public Works

- Repairs, potholes, minor drainage issues, sign replacement etc.,

Outreach

- Keep Shady Shores Beautiful, Community Events, Promotional Events, Community Engagement

Development Services

- Permits and Development of Property

Town of Shady Shores

Budget Report

2021 - 2022 Fiscal Year Budget

100 - General Fund	2021 Current	2021 YTD	2022 Requested	% Change
Revenue Summary				
Business & Franchise	124,000.00	134,776.45	140,000.00	11.43%
Court Revenue	20,000.00	28,967.90	20,000.00	0.00%
Fines, Fees & Forfeitures	50.00	0.00	50.00	0.00%
Grants & Donations	4,000.00	3,496.62	3,500.00	-14.29%
Interest Income	14,000.00	5,948.34	6,000.00	-133.33%
Leases & Rents	150.00	75.00	150.00	0.00%
Licenses & Permits	51,000.00	235,504.08	201,000.00	74.63%
Not categorized	449,283.00	0.00	0.00	-100.00%
Other Revenue Sources	200.00	961.41	200.00	0.00%
Property & Sales Tax	1,214,266.00	1,274,345.99	1,425,997.00	14.85%
Sales & Receipts	500.00	786.00	500.00	0.00%
Solid Waste Income	220,500.00	205,890.47	220,800.00	0.14%
Revenue Totals	2,097,949.00	1,890,752.26	2,018,197.00	-3.95%
Expense Summary				
Community Programs & Donations	19,500.00	16,285.33	24,500.00	20.41%
Contracted Services	105,546.00	109,480.55	111,556.00	5.39%
Fees, Fines & Taxes	12,000.00	168,470.61	12,000.00	0.00%
Grant Expense	0.00	0.00	0.00	0.00%
Insurance Expense	6,000.00	4,935.09	6,000.00	0.00%
Legal & Professional Fees	172,800.00	302,877.43	137,800.00	-25.40%
Not categorized	20,000.00	0.00	20,000.00	0.00%
Office & Supplies	3,600.00	7,818.22	4,100.00	12.20%
Other Expenses	29,055.00	896.00	51,570.52	43.66%
Personnel/Payroll	231,300.00	211,847.67	234,462.00	1.35%
Postage- Legal Advertising	5,000.00	4,679.00	5,000.00	0.00%
Professional Expenses	1,700.00	2,286.47	2,200.00	22.73%

Public Safety	581,648.00	553,866.08	758,543.00	23.32%
Repairs & Maintenance	628,000.00	125,733.08	361,965.48	-73.50%
Solid Waste	200,000.00	183,459.74	200,000.00	0.00%
Technology	62,200.00	61,843.19	62,200.00	0.00%
Utilities	19,600.00	23,707.53	26,300.00	25.48%
Expense Totals	2,097,949.00	1,778,185.99	2,018,197.00	-3.95%
Net Income	0	112,566.268	0	

Town of Shady Shores

Budget Report

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Net Income	0	112,566.268	0	



AGENDA MEMORANDUM

DATE: September 20, 2021
TO: Town Council
FROM: Wendy withers, Town Administrator
SUBJECT: Tax Rate- Consider and act on approval of an Ordinance adopting the 2021 Property Tax Rate to fund the FY 2021/2022 budget.

BACKGROUND/INFORMATION:

Consider and act on approval of the 2021 Ad Valorem Tax Rate.

FINANCIAL IMPLICATIONS:

RECOMMENDATION/ACTION DESIRED:

The following language should be used for the motion:

"I move that the property tax rate be increased by the adoption of a tax rate of .321452, which is effectively a .16% percent decrease in the tax rate

ATTACHMENTS/SUPPORTING DOCUMENTATION:

1. Ord_2020-21 TaxRatefinalSS
2. Shady Shores Publication Newspaper_Revised 09.20.2021

REVIEWED BY:

ORDINANCE NO. _____
(Adopting a Tax Rate for 2021)

AN ORDINANCE OF THE TOWN OF SHADY SHORES, DENTON COUNTY, TEXAS LEVYING THE AD VALOREM TAXES FOR THE YEAR 2021 (Fiscal Year 2021-2022) AT A TOTAL RATE OF \$0.321452 PER ONE HUNDRED DOLLARS (\$100) ASSESSED VALUATION ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE TOWN OF SHADY SHORES AS OF JANUARY 1, 2021, TO PROVIDE REVENUE FOR THE PAYMENT OF CURRENT EXPENSES; PROVIDING A SINKING FUND FOR THE RETIREMENT OF THE BONDED OBLIGATION OF THE TOWN; PROVIDING FOR DUE AND DELINQUENT DATES TOGETHER WITH PENALTIES AND INTEREST; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Shady Shores, Texas is a Type A general law Town created and operating pursuant to the enabling legislation of the state of Texas; and

WHEREAS, the Town Council of the Town of Shady Shores hereby finds that the tax for the fiscal year beginning October 1, 2021 and ending September 30, 2022, hereinafter levied for current expenses of the Town and the general improvements of the Town and its property must be levied to provide the revenue requirement of the budget for the ensuing year; and

WHEREAS, the Town Council has approved, by separate ordinance, the budget for the fiscal year beginning October 1, 2021 and ending September 30, 2022; and

WHEREAS, the Town Council has complied with all statutory and constitutional requirements concerning the levying and assessing of ad valorem taxes;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF SHADY SHORES, DENTON COUNTY, TEXAS AS FOLLOWS:

SECTION 1. All of the above premises are found to be true and correct and are incorporated into the body of this ordinance as if copied in their entirety.

SECTION 2. There be and is hereby levied for the year 2021 on all taxable property, real, personal and mixed, situated within the corporate limits of the Town of Shady Shores, and not exempt by the Constitution of the State and valid State laws, a tax of **\$0.321452** on each One Hundred Dollars (\$100) assessed valuation of taxable property, and shall be apportioned and distributed as follows:

- (a) For the purpose of defraying the current expenditures of the municipal government of the Town of Shady Shores, a tax of **\$ 0.305024** on each One Hundred Dollars (\$100) assessed value on all taxable property.
- (b) For the purpose of creating a sinking fund to pay the interest and principal maturities of all outstanding debt of the Town of Shady Shores, not otherwise provided for, a tax of **\$0.016428** on each One Hundred Dollars (\$100).
- (c) **THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.**

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 5.57% PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$16.97.

SECTION 3. All ad valorem taxes shall become due and payable on October 1, 2021, and all ad valorem taxes for the year shall become delinquent if not paid prior to February 1, 2022. There shall be no discount for payment of taxes prior to February 1, 2022. A delinquent tax shall incur all penalty and interest authorized by law, including the Texas Tax Code, Section 33.

SECTION 4. Taxes are payable at the Denton County Tax Office. The Town shall have available all the rights and remedies provided by law for the enforcement of the collection of taxes levied under this ordinance.

SECTION 5. The tax roll as presented to the Town Council, together with any supplements thereto, be and the same are hereby approved.

SECTION 6. All ordinances of the Town of Shady Shores in conflict with the provisions of this Ordinance be, and the same are hereby, repealed and all other provisions of the ordinances of the Town of Shady Shores not in conflict with the provisions of this Ordinance shall remain in full force and effect.

SECTION 7. Should any sentence, paragraph, subdivision, clause, phrase or section of this Ordinance be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this Ordinance as a whole or any part or provision thereof other than the part thereof decided to be unconstitutional, illegal or invalid.

SECTION 8. This ordinance shall take effect immediately from and after its passage, as the law in such cases provides.

DULY PASSED by the Town Council of the Town of Shady Shores, Texas, on the _____ day of September, 2021, with Councilmembers voting as follows:

In favor: _____

Opposed: _____

APPROVED:

Cindy Aughinbaugh, Mayor

CORRECTLY ENROLLED:

Wendy Withers, Town Secretary

APPROVED AS TO FORM:

James E. Shepherd, Town Attorney

NOTICE OF PUBLIC HEARING ON TAX INCREASE

A tax rate of \$0.321452 per \$100 valuation has been proposed by the governing body of TOWN OF SHADY SHORES.

PROPOSED TAX RATE	\$0.321452 per \$100
NO-NEW-REVENUE TAX RATE	\$0.304486 per \$100
VOTER-APPROVAL TAX RATE	\$0.336680 per \$100

The no-new-revenue tax rate is the tax rate for the 2021 tax year that will raise the same amount of property tax revenue for TOWN OF SHADY SHORES from the same properties in both the 2020 tax year and the 2021 tax year.

The voter-approval rate is the highest tax rate that TOWN OF SHADY SHORES may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is greater than the no-new-revenue tax rate. This means that TOWN OF SHADY SHORES is proposing to increase property taxes for the 2021 tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON September 20, 2021 AT 7:00PM AT 101 S Shady Shores Road Shady Shores, TX 76208.

The proposed tax rate is not greater than the voter-approval tax rate. As a result, TOWN OF SHADY SHORES is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the Shady Shores Town Council of TOWN OF SHADY SHORES at their offices or by attending the public hearing mentioned above.

YOUR TAXES OWED UNDER ANY OF THE RATES MENTIONED ABOVE CAN BE
CALCULATED AS FOLLOWS:

Property tax amount= (tax rate) x (taxable value of your property)/100

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by TOWN OF SHADY SHORES last year to the taxes proposed to be imposed on the average residence homestead by TOWN OF SHADY SHORES this year.

	2020	2021	Change
Total tax rate (per \$100 of value)	\$0.321958	\$0.321452	decrease of \$-0.000506, or -0.16%
Average homestead taxable value	\$339,620	\$358,493	increase of \$18,873, or 5.56%
Tax on average homestead	\$1,093.43	\$1,152.38	increase of \$58.95, or 5.39%
Total tax levy on all properties	\$1,119,477	\$1,225,998	increase of \$106,521, or 9.52%

For assistance with tax calculations, please contact the tax assessor for TOWN OF SHADY SHORES at tnt@dentoncounty.gov, or visit tax.dentoncounty.gov for more information.



AGENDA MEMORANDUM

DATE: September 20, 2021
TO: Town Council
FROM: Wendy withers, Town Administrator
SUBJECT: **Short Term Rental Ordinance- Consider and act on approval of an Ordinance Regulating the Operation of Short Term Rentals in the Town of Shady Shores adopting a Hotel Motel Sales Tax.**

BACKGROUND/INFORMATION:

Council reviewed the proposed Ordinance at the September 13, 2021 Regular Town Council Meeting. The proposed Ordinance outlines rules and regulations for the operation of short-term rental properties in the Town of Shady Shores, establishing a registration program.

FINANCIAL IMPLICATIONS:

The proposed Ordinance requires a yearly registration fee of \$1500 per short-term rental.
Increased staff time to administer the registration program

RECOMMENDATION/ACTION DESIRED:

approve the Ordinance as presented.

ATTACHMENTS/SUPPORTING DOCUMENTATION:

1. Draft1.1 Short-term_Rental__Ordinance 9.13.21

REVIEWED BY:

Ordinance No. _____

An ordinance creating the “Short-term Rental” Chapter of the Municipal Code of the Town of Shady Shores, Texas, providing regulations for residential property rented for time periods of less than a month; providing for the imposition and collection of Local Hotel Occupancy Tax; providing for a fine of up to \$2,000.00 for each violation; providing this ordinance be cumulative; and providing for severability, governmental immunity, injunctions, publication, and an effective date.

WHEREAS, the increase in the number of persons or entities desiring to rent their residential properties has led to the proliferation of transient and vacation rental uses within neighborhoods previously planned, approved and constructed for use as single-family residences; and

WHEREAS, the use of single-family residences by individuals for short periods of time may negatively impact the residential character of many neighborhoods by reducing communication and accountability between permanent residents by partially substituting permanent residents with transient visitors; and

WHEREAS, the regulation of the use and operation of such “short-term rental” property is intended to prevent the further erosion of pre-existing and stable single-family neighborhoods, and further advance the Town Council’s objective of championing great neighborhoods; and

WHEREAS, the rise of substitute land uses for residential property contributes to the shortage of affordable housing, both ownership and long-term rental; and

WHEREAS, the enforcement of land use regulations in residential property poses unique enforcement difficulties and merits a stand-alone ordinance to provide clear rules for such rentals; and

WHEREAS, the Town Council reviewed and studied a variety of possible regulations for short-term rentals, and determined that said temporary use should be restricted to single-family zoning use districts of the Town of Shady Shores; and

WHEREAS, the Town Council finds the imposition and collection of Hotel Tax on short term rentals as authorized by state law is in the best interest of the Town, and will assist with tourism within the Town; and

WHEREAS, the requirement of an annual short-term rental permit that could be suspended or revoked in the event of repeated nuisance violations related to noise, trash, parking, etc. or violations of this ordinance; and

WHEREAS, Town Council finds that regulating the short-term rental of residential property is necessary for the health, safety and welfare of the general public, the promotion of consistent land uses and development, and the protection of landowners and residents of the Town of Shady Shores;

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF SHADY SHORES, TEXAS:

1.

That the “**Short-term Rental**” Chapter of the Code of the Town of Shady Shores, Texas, 1987, is hereby established as Chapter 15 and shall read as follows:

ARTICLE I GENERAL PROVISIONS

Section 1.01 Title

This Chapter of the Code of the Town of Shady Shores is hereby designated and shall be known and referred to as the “Short-term Rental” Chapter of the Town Code of Ordinances.

Section 1.02 Purpose

The purpose of this Chapter is to safeguard the life, health, safety, welfare, and property of the occupants of residential dwelling units, the neighbors of said occupants, and the public, through the regulation of short-term rental residential property. The intent of this Chapter is to preserve the neighborhood character of residential subdivisions within the Town of Shady Shores and to minimize adverse impacts to the housing supply caused by the conversion of residential units to tourist or transient use.

Section 1.03 Applicability

The provisions of this Chapter shall apply to all existing and future residential properties, both primary and accessory structures, and any portions thereof.

ARTICLE II DEFINITIONS

Section 2.01 Definitions

Administrator means the employee designated by the Town Manager to enforce and administer this Chapter, including that employee’s designees.

Advertise means the act of drawing the public’s attention to a short-term rental in order to

(2)

promote the availability of the residence for use as a short-term rental. Said advertising may be found in any medium, including but not limited to, newspaper, magazine, brochure, website, or mobile application.

Bedroom means the living area(s) of the dwelling unit that is designed and furnished for sleeping and which has proper egress as required by the International Residential Code.

Booking Service means any reservation and/or payment service provided by a person or entity that facilitates a short-term rental transaction between an Owner and a prospective Occupant, and for which the person or entity collects or receives, directly or indirectly through an agent or intermediary, a fee in connection with the reservation and/or payment services provided for the short-term rental transaction.

Hosting Platform means a person or entity that participates in the short-term rental business by providing, and collecting or receiving a fee for, Booking Services through which an Owner may offer premises for an occupant on a short-term basis. Hosting Platforms usually, though not necessarily, provide Booking Services through an online platform that allows an Owner to advertise the premises through a website provided by the Hosting Platform and the Hosting Platform conducts a transaction by which potential occupants arrange their use and their payment, whether the would-be occupant pays rent directly to the Owner or to the Hosting Platform.

Occupant means any individual person living, sleeping or possessing a building, or portion thereof. A person is not required to be paying rent, providing in-kind services, or named in any lease, contract or other legal document to be considered an occupant.

Owner means any person, agent, operator, firm, trust, corporation, partnership, or any other legal entity who has a legal or equitable interest in the property; or who is recorded in the official records of the county as holding title to the property; or who otherwise has control of the property, including the guardian of the estate of any such person, and the executor of the estate of such person if ordered to take possession of real property by a court.

Premises means property, a lot, plot or parcel of land, including any structures or portions of structures thereon.

Short-term rental (STR) means a residential premise, or portion thereof, used for lodging accommodations to occupants for a period of less than thirty (30) consecutive days. The definition of short-term rental does include a Bed and Breakfast as defined as a residential unit which requires the owners or operators to be in residence at the same time as those renting the residence. Neither STR or Bed and Breakfast properties are allowed to have operate multifamily or multiple rental units on one tract of land. Motels are not allowed by the terms of this ordinance.

ARTICLE III GENERAL REGULATIONS

Section 3.01 Unpermitted short-term rentals prohibited

- A. It shall be unlawful for any owner or person to rent, lease, advertise, or otherwise permit or allow any residential premises to be operated or used as an unpermitted Short-term Rental.

This ordinance is not passed with the intent or purpose of allowing short term rentals in areas where valid deed restrictions prohibit them.

- B. It shall be an affirmative defense to a violation of this Section that the occupant is a party to the sale of the premises and was occupying the premises pursuant to a written post-closing occupancy agreement.

Section 3.02 Requirements for hosting platforms

- A. All Hosting Platforms shall provide the following information in a notice to any owner listing a Short-term Rental located within the Town of Shady Shores through the Hosting Platform's service. The notice shall be provided prior to the owner listing the premises and shall include the following information: THE "SHORT-TERM RENTAL" CHAPTER OF THE SHADY SHORES TOWN CODE PROHIBITS THE SHORT-TERM RENTAL OF RESIDENTIAL PREMISES WITHIN THE TOWN OF SHADY SHORES WITHOUT AN ACTIVE SHORT-TERM RENTAL PERMIT.
- B. Notwithstanding any other provision of this Chapter, nothing shall relieve any owner, person, occupant, or Hosting Platform of the obligations imposed by the applicable provisions of state law and the Shady Shores Town Code, including but not limited to, those obligations imposed by the Tax Code. Further, nothing in this Chapter shall be construed to limit any remedies available under the applicable provisions of state law and the Shady Shores Town Code.

Section 3.03 Short-term rental permit required

An owner who desires to use its premises as a short-term rental must have a valid, active short-term rental permit from the Town prior to using, allowing the use of, or advertising the use of said premises as a short-term rental. Upon application to the Town, a short-term rental permit shall be approved by Administrator, or designee, if the application satisfies all the conditions of this Chapter, , and the applicable ordinances of the Shady Shores Town Code. The Administrator may place reasonable conditions on a short-term rental permit to ensure compliance with the provisions of this Chapter.

The annual fee for a short-term rental permit shall be \$1500.00 per year, to defray the administrative expenses, inspections, and personnel costs of the STR program. The fee may be amended at any time by separate ordinance.

Section 3.04 Expiration of permit; renewals

A short-term rental permit shall expire on the last day of the month one year after the date of issuance. No short-term rental permit may be renewed without a completed renewal application submitted by the owner and payment of the renewal fee. If the renewal application satisfies all the conditions of this Chapter and all other applicable Town Code provisions, an application for the renewal of a short-term rental permit shall be approved

by the Administrator, or designee. The Administrator may place reasonable conditions on a short-term rental renewal permit to ensure compliance with the provisions of this Chapter. A residential unit to be used as a short-term rental must meet all applicable building codes of the Town of Shady Shores, and all applicable provisions of Texas state law to the requirements for health safety and welfare of the residents for hotels and motels.

Section 3.05 Requirements of application.

- A. Except as provided in this Section, every complete application for a short-term rental permit shall include the following information with such detail and in a form approved by the Administrator:
 - 1. The name, address, contact information and authenticated signature for the owner of the premises;
 - 2. The name, address and contact information of the operator, agent if any, and designated local responsible party as required in Section 3.06;
 - 3. The Town registration number for Hotel Occupancy Tax;
 - 4. A plot plan of the premises identifying the location of parking spaces to be used in conjunction with the short-term rental;
 - 5. A dimensioned floor plan of the proposed short-term rental identifying bedrooms, other living spaces and emergency evacuation routes;
 - 6. Proof of insurance as required in Section 3.07;
 - 7. The name and contact information for the property owner's association, if any, of which the premises is covered by the dedicatory instruments;
 - 8. A copy of the proposed host rules for the short-term rental; and
 - 9. Such certifications deemed necessary and proper to ensure compliance with this Chapter.
- B. An application for a short-term renewal permit may be filed beginning thirty (30) days prior to expiration of a current permit. Every complete application for a short-term rental renewal permit shall include updates, if any, to the information contained in the original permit application or any subsequent renewals. The permit holder shall sign a statement affirming that there is either no change to such information, or that any updated information is accurate and complete. The Administrator may require such certifications deemed necessary and proper to ensure continuing compliance with this Chapter.
- C. An application for a short-term rental renewal permit submitted after the expiration of the most immediate permit for the premises shall be treated as an application for a new permit as described in subsection A of this Section.
- D. If a complete application for a short-term renewal permit is submitted less than thirty (30) days prior to expiration of the current permit, the Administrator in his or her sole discretion may grant a one-time extension of the current permit not to exceed ten (10) days.

Section 3.06 Designation of local responsible party required

An owner must designate the name and contact information of a local responsible

party who can be contacted regarding immediate concerns and complaints from the public. Said individual must be available to be reached in person or by phone at all times while occupants are on the premises of a short-term rental. If called, a local responsible party must be able to and shall be present at the premises within one (1) hour of call from Administrator, or his designee. A local responsible party must be authorized to make decisions regarding the premises and its occupants. A local responsible party may be required to, and shall not refuse to, accept service of citation for any violations on the premises. Acceptance of service shall not act to release owner of any liability under this chapter.

Section 3.07 Proof of insurance required

It shall be unlawful for the owner of premises operating as a short-term rental to operate without host protection or other liability insurance commensurate with the operations of the short-term rental that provides coverage of up to \$1 million per occurrence. A certificate of insurance must be on file with the Administrator. Proof of insurance shall be required at the time of application and notice of cancelation of insurance must be made to the Administrator within 30 days.

Section 3.08 Inspection required and required safety features

No permit or renewal permit shall be approved for a short-term rental until the Town has inspected the premises and found the premises to be in compliance with minimum health and safety requirements for use and occupancy. If a premises fails to pass an inspection, a reinspection fee may be charged for each subsequent inspection in accordance with the fee established by resolution.

All provisions of Texas State law regarding health safety and welfare requirements in rental homes shall apply to short term rentals in the Town. In addition, the security devices required by Sections 92.153 and Smoke alarms and Fire Extinguishers of Section 92.251 of the Texas Property Code shall be installed, and functioning, in all short-term rental property. In addition, cooking stoves will have automatic fire suppression systems, such as the “Stovetop Firestop” or similar system. (<https://stovetopfirestop.com>)

Section 3.09 Permit fees

Fees established by resolution of the Town Council will be charged to reimburse the Town for all costs associated with the administration of this chapter. The permit fee for a Short-Term Rental is \$1500.00 per year, plus any additional fees required.

Section 3.10 Hotel occupancy taxes; Request for occupancy history

It shall be unlawful for an owner of premises used for a short-term rental to fail to pay hotel occupancy taxes required under State law and the Taxation Chapter of the Shady Shores Town Code. Upon request of the Administrator or the Finance Department of the Town of Shady Shores, the owner of a premises used as a short-term rental shall remit, within 30 days, an accounting of all occupants who rented the premises and the hotel occupancy taxes paid therefor. It shall be unlawful for a person to fail to provide said

information requested in a timely manner.

This ordinance authorizes the imposition of Local Hotel Occupancy Taxes as authorized by Title 3. Subtitle D. Chapter 351 of the Texas Tax Code. Such taxes are applicable to Short Term Rentals by state law. The Mayor and City Administrator are authorized to take all action needed to impose and collect the tax in Shady Shores. The initial tax rate shall be seven (7) per cent.

Section 3.11 Short-term rental permit nontransferable

A short-term rental permit is non-transferable and shall not be assigned nor transferred to another person or entity. Any attempt to transfer a permit or attempt to use another person's permit is grounds for revocation of said permit.

Section 3.12 Restrictions on number of occupants

- A. It shall be unlawful for an owner or person to rent, allow, provide, or advertise for more than two (2) persons per bedroom, plus two (2) additional persons, when using the premises as a short-term rental.
- B. Regardless of the number of bedrooms at the premises, it shall be unlawful:
 - 1. For more than twelve (12) persons (including children), to occupy a short-term rental residence and lot at any one time: or
 - 2. For the owner or operator to allow, suffer or permit the number of occupants living, sleeping within or possessing a short-term rental to exceed the maximum occupancy shown on the short-term rental permit or renewal permit.
- C. A visual inspection of more than twelve (12) persons by a Town employee at the premises is prima facie evidence of and shall be probable cause to issue a citation for a violation of this section.

Section 3.13 Parking restrictions

The maximum amount of motor vehicles allowed at a short-term rental shall be limited to the number of available off-street parking spaces. It shall be unlawful for an owner or person to permit, allow or advise occupants to park more vehicles on the premises than the available off-street parking spaces, or to suffer or permit parking of vehicles on an unapproved surface. It shall be unlawful for an occupant of a short-term rental to park a motor vehicle on a residential street near a short-term rental. It shall be unlawful for an occupant of a short-term rental, or an owner thereof to allow an occupant, to park or occupy a motor home, recreational vehicle, boat, commercial vehicle, or otherwise prohibited motor vehicle on the premises of a short-term rental or on a residential street near a short-term rental. Approved parking surfaces are asphalt and concrete, which require a permit for installation. No parking is allowed in the side yard or rear yard of the property. Parking in the front yard is as otherwise required by ordinance. Not more than twenty per cent of the front yard may be paved for parking for lots more than one fourth acre. (see sec. 3.15)

Section 3.14 Minimum stay required.

It shall be unlawful for an owner to rent or lease a short-term rental for a period of less than 24 hours.

Section 3.15 Physical conversion of premises prohibited

- A. It shall be unlawful for an owner or person to convert a garage to living space, remodel, renovate, enlarge, or otherwise modify premises to add additional bedrooms for use as a Short-term Rental, or otherwise.
- B. It shall be unlawful for an owner or person to pave or otherwise cover pervious soil to create additional on-premises parking without prior approval from the Town of Shady Shores.
- C. Approved surfaces for parking for a short-term rental are asphalt and concrete, placed in compliance with city ordinance and constructed only upon the issuance and compliance with a Town building permit. Parking on grass, dirt, or gravel is not permitted, nor is parking behind the front building line of the residence.

Section 3.16 Sound equipment restrictions

It shall be unlawful for an owner or occupant of a short-term rental to use or allow the use of amplified sound equipment that produces sound audible beyond the property line of the premises between the hours of 11:00 p.m. and 6:00 a.m.

Section 3.17 On-premises curfew requirements

It shall be unlawful for an owner or person to allow the congregation of occupants outside at the premises between the hours of 11:00 p.m. and 9:00 a.m.

Section 3.18 Trash pickup requirements

It shall be unlawful for an owner or occupant to place, or allow to be placed, trash on the premises before 7:00 PM the evening prior to scheduled pickup or on a day not scheduled for pickup by the Town or its authorized solid waste transportation vendor.

Section 3.19 Notice to occupants of short-term rentals

An owner or person operating a short-term rental shall provide a notice of instructions (also known as “host rules”) to occupants staying at the premises in a form developed by the Administrator. The notice shall instruct the occupants as to all applicable Town regulations pertaining to short-term rentals. These include, but are not limited to, occupancy restrictions, limits on parking, trash pickup, prohibitions on special events, limits on amplified sound, and curfew times.

Section 3.20 Permit to be displayed.

A copy of the approved short-term rental permit shall be posted at a conspicuous location inside the front entrance(s) to the short-term rental.

Section 3.21 Use of assigned permit number required

It shall be unlawful for an owner or person to advertise a short-term rental in any medium, including but not limited to newspaper, magazine, brochure, website, or mobile application without including the current permit number assigned by the Administrator.

Section 3.22 Use of unauthorized permit number prohibited

It shall be unlawful for an owner or person to use, advertise or promote or allow the use, advertisement or promotion of a short-term rental using a permit number not assigned to the owner or person, or to a different address, or to a different dwelling unit.

ARTICLE IV

ADMINISTRATIVE PROCEDURES

Section 4.01 Revocation of permit

- A. Grounds. Any permit issued hereunder may be revoked by the Administrator if the permit holder has:
- (1) received more than two citations for violations of this chapter or any other provision of this Code of Ordinances within the preceding 12-month time period; or
 - (2) failed or refused to comply with an express condition of the permit and remains in non-compliance ten (10) days after being notified in writing of such non-compliance; or
 - (3) knowingly made a false statement in the application; or
 - (4) otherwise become disqualified for the issuance of a permit under the terms of this Chapter.
- B. Notice. Notice of the revocation shall be given to the permit holder in writing, with the reasons for the revocation specified in the notice, served either by personal service or by certified United States mail to their last known address. Therevocation shall become effective the day following personal service or if mailed, three (3) days from the date of mailing.
- C. Appeal; hearing. The permit holder shall have ten (10) days from the date of such revocation in which to file notice with the Administrator of their appeal from the order revoking said permit. The Administrator shall provide for a hearing on the appeal in accordance with the provisions of this Article.
- D. One-Year Waiting Period. In the event an owner's short-term rental permit is

revoked by the Administrator, no second or additional permit shall be issued for a short-term rental on the premises for one year of the date such permit was revoked.

Section 4.02 Administrative appeals of denial or revocation of permit

- A. Upon denial or revocation of a permit, the Administrator, or her designee, shall notify the applicant or permit holder, in writing, of the reason for which the permit is subject to denial or revocation. To contest the denial or revocation of a permit, the applicant or permit holder shall file a written request for a hearing with the Administrator within fifteen (15) days following service of such notice. If no written request for hearing is filed within fifteen (15) days, the denial or revocation is sustained.
- B. The appeal shall be conducted as an administrative hearing before the Municipal Judge, or his designee, within thirty (30) days of the date on which the notice of appeal was filed with the Administrator.
- C. The hearings provided for in this Section shall be conducted by the Municipal Judge, or his designee, at a time and place designated by the Municipal Judge, or his designee. Based upon the recorded evidence of such hearing, the Municipal Judge, or his designee, shall sustain, modify or rescind any notice or order considered at the hearing. A written report of the hearing decision shall be furnished to the applicant or permit holder requesting the hearing.
- D. After such hearing, an applicant or permit holder whose permit was denied or revoked by the Municipal Judge, or his designee, may appeal to the Zoning Board of Adjustment ("ZBA") as an appeal of a Town Official in a civil permit issue.
- E. An appeal shall not stay the denial or suspension of the permit unless otherwise directed by the Municipal Judge, or his designee.

Section 4.03 Appeals of Administrator decision

- A. All appeals to the Town Appeal Officer must be made in writing and received no less than ten (10) days after any final decision made by the Municipal Judge, or his designee, in accordance with above.
- B. The ZBA shall schedule the appeal hearing within twenty (20) days from receipt of the appellant or permit holder's appeal request.
- C. If by super majority vote the ZBA finds by preponderance of the evidence that the denial or revocation of the permit was necessary to protect the health, safety, or welfare of the general public, the ZBA shall affirm the denial or revocation of appellant's application or permit.
- D. The ZBA may consider any or all of the following factors when reaching a decision on the merits of the appeal:

1. The number of violations, convictions, or liability findings.
 2. The number of previous permit revocations;
 3. The number of repeat violations at the same location.
 4. The degree to which previous violations endangered the public health, safety or welfare; and
 5. Any pending action or investigation by another agency.
 6. The number of other violations of this Chapter, and/or state law, occurring on the property related to residential or short-term rental use.
- E. After the hearing, the ZBA shall issue a written order. The order shall be provided to the appellant by personal service or by certified mail, return receipt requested.
- F. The ZBA may affirm or reverse the denial or revocation of the permit. If affirmed, the order issued must state that the appellant is not eligible to receive a new permit for a short-term rental on the premises sooner than one year after the date of the order. If reversed, the permit shall be reinstated immediately, in the case of a revocation, or the permit shall be issued within three (3) business days, in the case of a denial.
- G. The determination of the ZBA shall be final on the date the order issued.
- H. An appeal to the ZBA does not stay the effect of a denial or revocation or the use of any enforcement measure unless specifically ordered by the Administrator or the Town Appeal Officer.

ARTICLE V ENFORCEMENT

Section 5.01 Discontinuance

- A. The owner of a short-term rental use that was not registered with the Town of Shady Shores for hotel occupancy tax prior to November 1, 2021, and who is unable to obtain a permit for said use or fails or refuses to obtain a permit for the use following the effective date of this Chapter, shall discontinue the short-term rental use no later than December 31, 2021.
- B. If the permit for a short-term rental use is not obtained by November 1, 2021, the owner shall discontinue the use no later than December 31, 2021.

Section 5.02 Penalties

- A. A person who violates any provision of this Chapter by performing an act prohibited or by failing to perform an act required is guilty of a misdemeanor. Each day on which a violation exists or continues to exist shall be a separate offense.
- B. If the definition of an offense under this Chapter does not prescribe a culpable mental state, then a culpable mental state is not required. Such offense shall be punishable by a fine not to exceed Five Hundred Dollars and No Cents (\$500.00). Although not required, if a culpable mental state is in fact alleged in the charge of the offense and the offense governs fire safety, zoning, or public health and sanitation, including dumping of refuse, such offense shall be punishable by a fine not to exceed Two Thousand Dollars and No Cents (\$2,000.00).
- C. If the definition of an offense under this Chapter prescribes a culpable mental state and the offense governs fire safety, zoning, or public health and sanitation, including dumping of refuse, then a culpable mental state is required, and the offense shall be punishable by a fine not to exceed Two Thousand Dollars and No Cents (\$2,000.00).

2.

Any person, firm, corporation, agent or employee thereof who violates any of the provisions of this ordinance shall be guilty of a misdemeanor and upon conviction thereof shall be fined an amount not to exceed Two Thousand Dollars and No Cents (\$2,000.00) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

3.

This ordinance shall be and is hereby declared to be cumulative of all other ordinances of the Town of Shady Shores; and this ordinance shall not operate to repeal or affect any of such other ordinances except the existing Short Term rental ordinance is repealed the effective date of this ordinance except as applicable to existing short term rental violations, which may be prosecuted; and insofar as the provisions of other existing ordinances thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

4.

If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

5.

All the regulations provided in this ordinance are hereby declared to be governmental and for the health, safety, and welfare of the general public. Any member of the Town Council or any Town official or employee charged with the enforcement of this ordinance, acting for the Town of Shady Shores in the discharge of his/her duties, shall not thereby render himself/herself personally liable; and he/she is hereby relieved from all personal liability for any damage that might accrue to persons or property as a result of any act required or permitted in the discharge of his/her said duties.

6.

Any violation of this ordinance can be enjoined by a suit filed in the name of the Town of Shady Shores in a court of competent jurisdiction, and this remedy shall be in addition to any penal provision in this ordinance or in the Code of the Town of Shady Shores.

7.

The caption and penalty clause of this ordinance shall be published in a newspaper of general circulation in the Town of Shady Shores, Texas, in compliance with the state law. Further, this ordinance may be published in pamphlet form and shall be admissible in such form in any court, as provided by law.

8.

This ordinance shall become effective on October 1, 2021.

PRESENTED, passed and approved on the 13th day of September 2021, by a vote of five ayes and no nays at a regular meeting of the Town Council of the Town of Shady Shores, Texas.

Cindy Aughinbaugh, Mayor

ATTEST:

APPROVED AS TO FORM:

Wendy Withers, Town Secretary

James E. Shepherd, Town Attorney