

City Council met for a special called City Council meeting/Budget Workshop No. 3 and 1st Public Hearing on Proposed Tax Rate on August 28, 2018 in the Council Chambers at City Hall, 907 E. Houston, with Mayor Pro-Tem Lee presiding.

MEMBERS PRESENT: Councilmember Mike Penry, Councilmember Marilyn Clay, Councilmember Fred Terrell, Councilmember Jennifer Bergman, Councilmember Danny Lee, City Manager Kelly McDonald and City Secretary Angela Smith

ABSENT: Mayor Otis Cohn, City Attorney Olson

VISITORS PRESENT: Niki Coats, Jim Carson

EMPLOYEES: Frieda Joyce, Bobby Pennington, Darrel Broussard, Jeremy Chesnutt, Scott Felts

Mayor Pro-Tem Lee called the meeting to order at 6:03 pm and stated there was a quorum and that Mayor Cohn was absent. Darrel Broussard gave the invocation and Councilmember Clay led the pledge to the Texas flag and Councilmember Terrell led the pledge to the US flag.

Public Hearing

1. First public hearing on proposed tax rate for FY 2018-2019

The public hearing was opened at 6:06 pm. There were two people who spoke during the public hearing on tax rate concerns: Niki Coats and Mike Penry (speaking as citizen).

Public hearing closed at 6:29 pm.

Discussion and Action

2. Consider appointment of representative and alternate for Houston-Galveston Area Council (HGAC) for 2019 General Assembly and approve resolution of Designation of Representative and Alternate for Houston-Galveston Area Council 2019 General Assembly

Currently Mike Penry is designate and Jennifer Bergman is alternate for HGAC.

Councilmember Terrell made a motion to reapprove Mike Penry as designate and Jennifer Bergman as alternate and approve resolution for same with a second from Councilmember Clay.

AYES: Bergman, Terrell, Clay, Lee

NAY: None

ABSTAIN: Penry

MOTION PASSED

3. Consider casting official votes for nominated candidates for Places 11-14 for a six-year term on the TML Intergovernmental Risk Pool Board of Trustees

Council was informed that we need a motion for each place and that the incumbents in the positions have done a good job.

Councilmember Bergman made a motion to cast the vote for Place 11 for Rick Shrover with a second from Councilmember Clay.

AYES: Bergman, Terrell, Clay, Lee

NAY: Penry

MOTION PASSED

Councilmember Penry made a motion to cast the vote for Place 12 for Robert Wilson with a second from Councilmember Lee.

AYES: Bergman, Terrell, Clay, Lee, Penry

NAY: --

MOTION PASSED

Councilmember Penry made a motion to cast the vote for Place 13 for Bryon Black with a second from Councilmember Clay.

AYES: Bergman, Terrell, Clay, Lee, Penry

NAY: ---

MOTION PASSED

Councilmember Bergman made a motion to cast the vote for Place 14 for David Ruthledge with a second from Councilmember Penry.

AYES: Bergman, Terrell, Clay, Lee, Penry

NAY:

MOTION PASSED

Mayor Pro-Tem Lee stated that the Executive Session agenda item would be moved up next on the agenda.

Executive Session

4. Closed Executive Session under Texas Local Government Code 551.072 to deliberate the purchase, exchange, lease or value of real property

Council left for executive session at 6:37 pm.

Open Session

5. Return to open session and take action on items from Executive Session, if needed.

Council returned to open session at 6:52 pm with no action taken.

Budget Workshop

6. Budget Workshop No. 3 for FY 18-19

Assistant City Manager/Finance Director Pennington reviewed the proposed budget and proposed tax rate. In the proposed budget filed in July the tax rate used was the .77 tax rate. Councilmember Penry clarified that current fiscal year's tax rate was .77 as well but the taxpayers have to pay more this year in taxes. Mr. Pennington explained what an effective tax rate is.

He was able to confirm that the log cabin repairs and Stencil Park repairs are able to be paid out of HOT funds and so he removed them from the General Fund supplemental item list. Mr. Pennington provided several options that show the differences with reduced property tax rates. On the Water and Sewer fund, he is proposing a \$1.00 addition to the water bill and to reduce the transfer from Water/Sewer to General Fund by \$25k. The city is average on the water rates.

Hotel Tax fund - 2017 was not as high as prior years on collections. He has listed the Chamber requests for \$7,500 for two events. Fund 900 – use for two vehicles for police and add an additional \$6k to purchase SUV not sedan. The EDC has not changed from last workshop and is a balanced budget.

Mr. Pennington asked council for their direction on the property tax rate. Each councilmember provided their comments as well as City Manager McDonald. She stated that she would like to have a consensus next week on the tax rate as we have another budget workshop with the 2nd Public Hearing for Proposed Tax Rate and then the budget is scheduled for adoption on Sept. 18th, 2018.

Adjourn

Councilmember Clay made a motion to adjourn with a second from Councilmember Bergman. Meeting adjourned at 7:58 pm.

PASSED AND APPROVED this 18th day of September 2018.

____/signed_____
Mayor Pro Tem Danny Lee

ATTEST:

____/signed_____
Angela Smith, City Secretary