

BUDGET WORK SESSION

AUGUST 4, 2020

The City Council of the City of Athens met in a Budget Work Session on Tuesday, August 4, 2020 10:00 a.m. in the Derek D. Daniels Conference Room of the Athens Partnership Center, 201 West Corsicana St, Athens, Texas and immediately following convened in Special Session. This meeting was open to the public; however, seating was limited to maintain social distancing.

the following members present, to-wit:

Monte Montgomery, Mayor (via video conference)
Ed McCain, Mayor Pro Tem (in person)
Councilwoman Toni Clay (via video conference)
Robert Gross (in person)
Aaron Smith (in person)

Elizabeth Borstad, City Manager
Bonnie Hambrick, City Secretary

Staff Present: Paul Crayton, Assistant Fire Chief; Mandie Quigg, Finance Director; Randy Williams, Utilities Director; Audrey Sloan, Director of Development Services; Derek Whiteley, Director of Information Technology

others present: Grant Rabon (via video conference) Deborah Deas,

constituting a quorum at which time the following proceedings were enacted, to-wit:

INVOCATION

The Invocation was given by Mayor Montgomery.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

DECLARATION OF CONFLICT OF INTEREST

No action was taken.

HEAR UPDATE ON WATER RATE STUDY

Elizabeth Borstad, City Manager, stated approximately six (6) months ago the City issued a Request for Proposal for a Comprehensive Rate Study. She stated Grant Rabon will present the information. Grant Rabon, Executive Consultant, NewGen Strategies & Solutions, presented the City of Athens Water and Wastewater cost of service and rate design study.

Throughout the presentation there was discussion and questions being answered regarding revenue requirement and proposed water rates. Mr. Rabon presented recommendations for rate increases over the five-year forecasted period.

DISCUSS FISCAL YEAR 2021 UTILITY CAPITAL IMPROVEMENT PROJECTS

Randy Williams, Utilities Director, presented the following Utility Capital Improvement Projects for 2021.

- Royal Mountain Standpipe
- AMR Replacement Program
- Park, Prairieville and Clinton water main replacement

- Underwood/Barker Water Main Improvements
- SCADA System Project
- North Pinkerton Sewer Line Replacement
- Daniels Lift Station Improvements
- Valle Vista Lift Station Abandonment
- South 19 Lift Station Improvements
- On-Site Electrical Generation

Throughout the presentation there was discussion and questions being answered.

DISCUSS POSSIBLE REMEDIES FOR FUTURE WATER SOURCES AND TREATMENT REQUIREMENTS

Elizabeth Borstad, City Manager, stated the item was previously discussed during the City Council's and Athens Municipal Water Authority's (AMWA) Joint meeting. She stated Mayor Montgomery asked staff to follow up for additional options to remedy corrosion. Mr. Williams stated AMWA must submit documentation to TCEQ for authorization to introduce a new source of water. The documentation must include analytical information to determine if the new source is corrosive, and if so, a plan would be required to mitigate the corrosiveness. He stated that TCEQ might consider the new AMWA Powder River well water to be corrosive and require steps to mitigate the impact. Mr. Williams stated corrosion control is complex and that AMWA should have their engineering consultants work with a corrosion control expert for help in submitting information to TCEQ.

Mayor Montgomery emphasized that AMWA supplies raw water and City staff treats the water.

Discussion occurred.

DISCUSS FISCAL YEAR 2021 CITY MANAGER'S PROPOSED BUDGET

Ms. Borstad stated the 2021 Property Tax Revenue Calculations were submitted to Council. She explained the following:

CURRENT TAX RATE:
0.680221/\$100 valuation
NO NEW REVENUE RATE:
0.626543/\$100
VOTER APPROVAL RATE - 3.5%:
0.648635
VOTER APPROVAL RATE - 8%:
0.665384
DE MINIMIS RATE:
0.686370

Ms. Borstad stated the proposed budget 2021 has a tax rate of 0.660221/\$100 valuation which is .02 cents lower than the current tax rate.

Ms. Borstad explained, per Council's direction, the following items were added to the budget:

- \$50,000 for Police Department Building Improvement
- Pay Increase for entry level employees

Ms. Borstad stated there is a 96.5% collection rate for property valuations included in the budget. She stated that the first reading of the Ordinances will occur on August 10, 2020 and the Public Hearing on the Budget will occur on August 17, 2020 with final readings of the Ordinances on August 24, 2020.

Discussions occurred.

The City Council recessed at 11:35 a.m.

ENTER INTO SPECIAL SESSION

The City Council returned from recess and convened in Special Session at 11:42 a.m.

DISCUSS, CONSIDER, AND TAKE ACTION, AS NECESSARY, CONCERNING THE APPROVAL OF A RESOLUTION ESTABLISHING THE DATE, TIME, AND LOCATION FOR BUDGET AND TAX RATE HEARINGS AND PLACING PROPOSED SPECIFIC TAX RATE, TAX RATE ADOPTION AND ALL RELATED MATTERS ON FUTURE CITY COUNCIL AGENDA

Mayor Pro Tem McCain made a motion that the City Council approve a Resolution establishing the date, time, and location for Budget and Tax Rate Hearings and placing proposed specific tax rate, tax rate adoption as follows:

Public Hearing on the Budget - August 17th, 2020 at 5:30 PM

Public Hearing on the Tax Rate – August 24th, 2020 at 5:30 PM

Both budget and tax rate will be adopted at the August 24th, 2020 Regular Council meeting. All hearings will take place in Derek D. Daniels Conference Room of the Athens Partnership Center located at 201 W. Corsicana Athens, Texas 75751. The motion was seconded by Councilmember Gross. The motion carried unanimously.

EXECUTIVE SESSION PURSUANT TO THE TEXAS GOVERNMENT CODE, SECTION 551.072 (DELIBERATION REGARDING REAL PROPERTY; CLOSED MEETING) TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY:

a) 405 LINDSEY LANE

The City Council convened in Executive Session at 11:45 a.m.

The City Council returned to Special Session at 12:07 p.m.

CONSIDER ACTION RESULTING FROM DELIBERATIONS IN EXECUTIVE SESSION PURSUANT TO THE TEXAS GOVERNMENT CODE, SECTION 551.072 (DELIBERATION REGARDING REAL PROPERTY; CLOSED MEETING) TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

a) 405 LINDSEY LANE

No action was taken. The City Council directed the City Manager to obtain additional information.

ADJOURN

The meeting was adjourned.

PASSED AND APPROVED THIS THE 17th DAY OF AUGUST 2020.

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Monte Montgomery, Mayor

ATTEST:

Bonnie Hambrick, City Secretary