

WORK SESSION

AUGUST 2, 2021

The City Council of the City of Athens met in a Budget Work Session on Monday, August 2, 2021, 5:30 p.m. in the Training Room of the Emergency Operations Center, 610 S. Prairieville Street, Athens, Texas and immediately following convened in Special Session to consider the following:

with the following members present to-wit:

Toni Clay, Mayor
Aaron Smith, Mayor Pro Tem
SyTanna Freeman
Mark Carroll

Elizabeth Borstad, City Manager
Bonnie Hambrick, City Secretary

Staff Present: Russell Marshall, Fire Chief; Paul Crayton, Assistant Fire Chief; John Densmore, Chief of Police; Rodney Williams, Assistant Chief of Police; Tim Perry, Public Works Director; Derek Whiteley, Director of Information Technology; Katie Birk, Tourism and Cultural Resources Coordinator; Mandie Quigg, Finance Director; Randy Williams, Utilities Director; Chris Baker, Cain Center Director; Joanie Ahlers, Economic Development Director

Others present: Michael Hannigan

With the following member absent: Robert Gross

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

CALL TO ORDER

The meeting was called to order at 5:36 p.m.

DISCUSS ATHENS ECONOMIC DEVELOPMENT CORPORATION'S
FISCAL YEAR 2022 PROPOSED BUDGET

Joanie Ahlers, Economic Development Director, presented the Athens Economic Development Corporation's Fiscal Year 2022 Proposed Budget. Ms. Ahlers explained the AEDC budget committee met in June to discuss the proposed budget for Fiscal Year 2022. She further stated the Athens Economic Board of Directors met in July and approved the proposed budget.

Councilmember Carroll asked questions relating to the "Spec building" and the budgeted cost of \$650,000. Ms. Ahlers explained the Board's plan for the building and the proposed building would be located on FM 1616. Councilmember Carroll expressed the desire in having a balanced budget and suggested financing the "Spec building."

After discussion, Elizabeth Borstad, City Manager, stated the spec building could be discussed further in a smaller meeting.

Mandie Quigg, Finance Director reviewed the following line items from AEDC's Budget:

- Daniels Project
- Winters Oil Project

Ms. Ahlers further explained that a new line item was created "Start-up Grants" with an amount of \$15,000 by reducing the Incentives budget line.

REVIEW THE CITY'S CURRENT DEBT AND PROPOSED DEBT

Ms. Borstad reviewed the following:

- General Fund Debt
- Utility Fund Debt
- Debt Service Obligations

Ms. Borstad presented two (2) scenarios received from the Bond Counsel regarding the proposed bond election for the police facility. The scenarios consisted of the differences in interest cost for a 15-year note and a 20-year note.

Discussion occurred throughout the presentation.

DISCUSS FISCAL YEAR 2022 CITY MANAGER'S PROPOSED BUDGET

Ms. Quigg presented the following items for Fiscal Year 2022 proposed budget:

- Appraised Valuation -
 - Proposed Tax Rate submitted
- | | |
|---------------------|------------------|
| No-New-Revenue Rate | \$0.623376/\$100 |
| Proposed Tax Rate | \$0.645221/\$100 |
| Voter-Approval Rate | \$0.653690/\$100 |
| De Minimis Rate | \$0.688251/\$100 |

The proposed tax rate is a reduction of total tax rate by 1.5 cents per \$100
1 Penny on the tax rate is equal to \$86,699

- Sales Tax Calculations
- General Fund Revenue
- FY 2022 Expenditures after discussing it was the consensus that city staff should consider an increase for Administrative fees for managing the City's Sanitation for Republic Services. Ms. Borstad stated the item will appear during the Fee Schedule adoption
- Texan Theater – Ms. Borstad stated a future item will appear for the City Council to consider and decide on how The Texan Venue will be operated
- FY 2022 Capital items include a position for an engineer and an additional dispatcher

Ms. Borstad presented the Step & Grade for Fire and Police Department.

Ms. Quigg finished with the following:

- FY 2022 Expenditures
- Utility Fund Revenues

Ms. Quigg presented the next steps:

August 9th – City Council

- First reading of Budget Ordinance
- First reading of Tax Rate Ordinance

August 17th – Special Session

- Public Hearing on FY 2022 Budget

August 23rd – City Council

- Public Hearing on Tax Rate
- Final reading of Budget Ordinance
- Resolution to Ratify revenue increase
- Final reading of Tax Rate Ordinance

ENTER INTO SPECIAL SESSION

The City Council entered into Special Session at 6:42 p.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

A motion was made by Mayor Clay, seconded by Councilwoman Freeman that the City Council meet in the Training Room of the Emergency Operations Center located at 610 S. Prairieville St., Athens, Texas 75751 to conduct the public hearing for the City's Budget:

Public Hearing on the Budget - August 17th, 2021, at 5:30 p.m. The motion carried unanimously.

A motion was made by Councilwoman Clay seconded by Councilmember Carroll that the City Council meet in the Derek D. Daniels Conference Room located at 201 W. Corsicana Street Athens, Texas 75751 to conduct the public hearing for the Proposed Specific Tax Rate of \$0.645221 per \$100 valuation.

Public Hearing on the Tax Rate – August 23rd, 2021, at 5:30 p.m. The motion carried unanimously.

Mayor Clay further stated both budget and tax rate will be adopted at the August 23rd, 2021, Regular Council meeting.

MAYOR AND CITY COUNCIL'S REQUEST FOR FUTURE AGENDA ITEMS

Mayor Clay requested a TxDOT Traffic study of the downtown square.

ADJOURN

The meeting adjourned at 6:47 p.m.

PASSED AND APPROVED THIS THE 9th DAY OF AUGUST 2021.

Toni Clay, Mayor

ATTEST:

Bonnie Hambrick, City Secretary