NOTICE OF A SPECIAL MEETING
THE BRENHAM CITY COUNCIL
MONDAY SEPTEMBER 17, 2018 AT 8:30 A.M.
SECOND FLOOR CITY HALL
COUNCIL CHAMBERS
200 W. VULCAN
BRENHAM, TEXAS

1. **Call Meeting to Order**

2. **Invocation and Pledges to the US and Texas Flags – Mayor Pro Tem Ebel**

3. **Citizens Comments**

PUBLIC HEARING

4. **Proposed Budget for Fiscal Year Beginning October 1, 2018 and Ending September 30, 2019**

   This budget will raise more total property taxes than last year's budget by an estimated $268,777 (4.15%), and of that amount, $84,022 is tax revenue to be raised from estimated new property added to the tax roll this year. **Pages 1-9**

REGULAR AGENDA

5. **Discuss and Possibly Act Upon Ratification of the Property Tax Increase Reflected in the Proposed Budget for Fiscal Year Beginning October 1, 2018 and Ending September 30, 2019, which Raises More Revenue from Property Taxes than the Previous Year's Budget** **Pages 10-11**

6. **Discuss and Possibly Act Upon an Ordinance on Its First Reading Adopting the Budget for Fiscal Year Beginning October 1, 2018 and Ending September 30, 2019** **Pages 12-16**

7. Discuss and Possibly Act Upon an Ordinance on Its First Reading Levying Taxes for the Tax Year 2018 for the City of Brenham at $0.5170 per $100 Valuation

Pages 17-20

8. Administrative/Elected Officials Report

Administrative/Elected Officials Reports: Reports from City Officials or City staff regarding items of community interest, including expression of thanks, congratulations or condolences; information regarding holiday schedules; honorary or salutary recognitions of public officials, public employees or other citizens; reminders about upcoming events organized or sponsored by the City; information regarding social, ceremonial, or community events organized or sponsored by a non-City entity that is scheduled to be attended by City officials or employees; and announcements involving imminent threats to the public health and safety of people in the City that have arisen after the posting of the agenda.

Adjourn

Executive Sessions: The City Council for the City of Brenham reserves the right to convene into executive session at any time during the course of this meeting to discuss any of the matters listed, as authorized by Texas Government Code, Chapter 551, including but not limited to §551.071 – Consultation with Attorney, §551.072 – Real Property, §551.073 – Prospective Gifts, §551.074 - Personnel Matters, §551.076 – Security Devices, §551.086 - Utility Competitive Matters, and §551.087 – Economic Development Negotiations.

CERTIFICATION

I certify that a copy of the September 17, 2018 agenda of items to be considered by the City of Brenham City Council was posted to the City Hall bulletin board at 200 W. Vulcan, Brenham, Texas on September 13, 2018 at **1:10 PM**.

Kacey A. Weiss, TRMC
Deputy City Secretary

Disability Access Statement: This meeting is wheelchair accessible. The accessible entrance is located at the Vulcan Street entrance to the City Administration Building. Accessible parking spaces are located adjoining the entrance. Auxiliary aids and services are available upon request (interpreters for the deaf must be requested twenty-four (24) hours before the meeting) by calling (979) 337-7567 for assistance.

I certify that the attached notice and agenda of items to be considered by the City Council was removed by me from the City Hall bulletin board on the _____ day of _____, 2018 at _____ AM PM.

_____ _____

Signature Title

AGENDA ITEM 4

DATE OF MEETING: September 17, 2018 **DEPT. OF ORIGIN:** Finance	**DATE SUBMITTED:** September 11, 2018 **SUBMITTED BY:** Carolyn D. Miller

MEETING TYPE:	**CLASSIFICATION:**	**ORDINANCE:**
☐ **REGULAR**	☒ **PUBLIC HEARING**	☐ **1ST READING**
☒ **SPECIAL**	☐ **CONSENT**	☐ **2ND READING**
☐ **EXECUTIVE SESSION**	☐ **REGULAR**	☐ **RESOLUTION**
	☐ **WORK SESSION**	

AGENDA ITEM DESCRIPTION: Proposed Budget for Fiscal Year Beginning October 1, 2018 and Ending September 30, 2019

SUMMARY STATEMENT: The FY19 Proposed Budget for the City of Brenham includes appropriations of operating resources for 30 separate funds and authorizes $69.9 million in expenditures. For more detailed information on the FY19 Proposed Budget, see attached Budget Message.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Fiscal Year 2018-2019 Budget Message; and (2) FY19 Combined Fund Summary

FUNDING SOURCE (Where Applicable):

RECOMMENDED ACTION: Receive citizen comments regarding proposed FY2018-19 Budget

APPROVALS: James Fisher

City of BRENHAM

September 11, 2018

Honorable Mayor Milton Tate, Jr. and City Council Members:

RE: Fiscal Year 2018-2019 Proposed Budget

In accordance with the Texas Local Government Code and the Charter of the City of Brenham, we are pleased to submit the proposed annual budget for the fiscal year beginning October 1, 2018 and ending September 30, 2019. The City utilizes a fund accounting system. A budget is prepared for 30 funds in the system.

The budget represents a one-year financial commitment of resources needed to implement multi-year strategic initiatives. It is a financial element of a much bigger strategic plan. The City is growing. With growth comes many challenges and some of those challenges may necessitate change. The City's Strategic Plan requires updating for addressing these new challenges. A Council/Staff retreat is scheduled in October.

The following challenges were discussed with Council in May's "Drive to 2025" presentation as fodder for identifying goals and objectives, establishing City priorities, and developing the City's strategic direction or "road map" at the October 2018 City Council Retreat:

- Budget balancing – explore revenues sources or reduce expenditures
- General Fund dependency on utility funds transfer
- 2nd Fire Station – Go or No Go?
- Providing adequate funding for a street maintenance program
- Providing adequate funding for a vehicle/equipment replacement program
- Water plant capacity issues and alternative ground water sources
- FEMA uncertainty with regards to May 2016 storm recovery
- Legislative threats – Decreasing rollback cap – Mandatory 65 & over freeze on property taxes
- New revenue sources – Drainage fee, transportation fee and impact fees
- Outsource Sanitation Operations
- Community and economic development initiatives
- Growth and developers – who pays for what

The City's strategic plan update will begin after finalization of the FY19 budget. For the most part, the FY19 Budget maintains the *status quo* in terms of public safety, transportation, recreation and government services. Many items, particularly infrastructure projects identified in the capital plan remain unfunded. The alignment of the budget with the updated strategic plan will begin at the City Council

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Retreat and in the early stages of the FY20 Annual Budget. The staff anticipates that work to begin in November/December of this year.

Personnel

The biggest operating expenditure is for personnel. Total personnel for the City is budgeted at $16.9 million with the General Fund at $12.4 million and the utility funds at $4.5 million. General Fund personnel budget increased $343,959. Approximately 48% of this increase was due to an increase in medical insurance. Medical premiums increased 7%. The City absorbed all of this increase and did not raise employee premiums. Another 41% of the overall increase was in salaries due to STEP program raises and personnel changes. The FY19 General Fund budget added 4.75 full-time positions.

- Transfer of one position from Public Utilities to Finance
- Addition of two Animal Shelter positions (eliminated contract labor in budget)
- Addition of a third School Resource Officer (SRO) reimbursed by BISD (the ILA states that a third SRO will be funded by the City, but the school district is willing to reimburse for the position)
- Reallocation of 25% of Community Services Coordinator position to Tourism & Marketing Fund (covered by Hotel Occupancy Tax (HOT) funds)
- Addition of one Lieutenant position in Police
- Reclassification of a Crime Analyst position to a Lieutenant position in Police

In Economic Development, we are adding two positions (director and specialist) paid by BCDC funds.

In Tourism and Marketing, three positions are being added for Visitor's Center staff paid by HOT funds.

In Utilities, the transfer of the one position to Finance neutralized most of the impact of medical and other personnel cost increases.

Fund 101 - General Fund

The primary operating budget for City services is in the General Fund. The FY19 Proposed Budget of $18.2 million for General Fund operations is balanced. Total revenues of $14.6 million and other financing sources of $3.6 million equal total expenditures. A comparison of FY19 Budget to FY18 Budget reflects the following:

Total Resources		Total Use of Resources	
Increase in Revenues	$590,837	Increase in Personnel Costs	$343,959
Increase in Net Transfers	219,062	Increase in Other Expenditures	465,940
Increase in Total Resources	$809,899	Increase in Total Expenditures	$809,899

The major sources for General Fund revenues are sales tax, property tax, and franchise tax. Over 58% of the increase in revenues is due to growth in these revenue sources. The budget uses the following assumptions for revenue projections:

- Property valuation growth of 4.13%
- Maintains current tax rate of $0.5170 with an Operations & Maintenance (O&M) rate of $0.3200
- 4.3% growth in sales tax over RAE (revised annual estimate)
- Flat growth in franchise tax revenues due to reduction in wastewater surcharge revenue

Included in revenues is a $166,500 transfer from Brenham Community Development Corporation (BCDC) for funding $102,500 Aquatics Center maintenance and improvements; $50,000 for the update of the Main Street Master Plan; $10,000 for the Christmas Stroll; and $4,000 for Movies in the Park. BCDC contribution is $35,500 higher than FY18 budget. There is also $23,500 in grant revenues from LCRA for funding 80% of downtown street bollards cost. The expenditure is budgeted in the Street Department.

Other financing sources are primarily the transfers-in from the utility funds for shared service cost reimbursements. Utility transfers support $3.5 million or 19.3% of General Fund operations. There is a transfer-in from the Hotel/Motel Fund of $75,800 for tourism promotion of recreation programs and community events.

Of the $809,899 increase in total expenditures, $465,940 is non-personnel related. The major funded items creating this increase include:

- $90,000 for completion of the Comprehensive Plan update ($150K total – Started in FY18)
- $75,000 for repair of the outdoor leisure pool
- $68,000 increase in capital funding for streets reconstruction (higher material costs, labor and equipment)
- $64,000 in parks maintenance and improvements
- $57,000 in building maintenance
- $50,000 for Main Street Plan update (Funded by BCDC)

There are eight (8) sub-funds to the General Fund. All sub-funds have budgets. Most serve as an accounting mechanism for small public safety grants. City donations are kept in a Donations Fund to ensure that uses of proceeds are to the specifications of the donor. Other significant sub-funds include the Capital/Non-Routine Items Fund and the FEMA Disaster Relief Fund.

Fund 236 – Capital/Non-Routine Items Fund

This fund is a sub-fund of the General Fund. It is part of the General Fund's unassigned reserves. At the close of the fiscal year, most ABNR (above-budget-net-revenue) moves into this sub-fund. The reserve created then pays for most of the General Fund's capital, such as vehicle and equipment replacements, and other non-routine items in the subsequent budget year.

Much of ABNR is from expenditure budget savings due to personnel turnover and vacancies. Estimated ABNR for FY18 RAE (revised annual estimate) of $159,014 is significantly lower than prior years due to unanticipated events that re-appropriated ABNR savings for solving operational issues. This is one of the drawbacks to using ABNR for capital funding. It is not a sure thing. Funding for FY19 includes:

- $52,000 for replacement of animal control vehicle
- $52,000 for fence around Fire Department
- $50,000 for parking cover at the police station
- $43,000 for a parks mower
- $25,000 for streetscape/pedestrian zone on Commerce Street (BCDC funded)
- $14,014 for video marketing project

Fund 227 – FEMA Disaster Relief Fund

This sub-fund was setup to track the City's use of reserves for FEMA eligible projects. At the end of FY17, the City had tapped General Fund reserves $519,895. For FY18 RAE, that figure is expected to increase to

$931,162. The FY19 Proposed Budget anticipates completion of all outstanding FEMA submitted projects and reimbursement from FEMA and/or bond proceeds to replenish General Fund reserves.

One financial measure of the City's fiscal health is based on days of reserves. Current policy is 90-days of O&M (operations and maintenance) plus 5-days of R&R (replacement and renovation). At the end of FY17, the City had 125 days. Days of reserves is expected to decline in FY18 to 85 days, due to one-time use of reserves for capital and the lag in FEMA reimbursements, and rebound in FY19 to 98 days.

Fund 249 – Tourism and Marketing Fund

This fund was setup in FY16 to track tourism and marketing activities, primarily associated with The Barnhill Center at Historic Simon Theater. The FY19 Budget reflects an expansion of the City's role. The City will be transitioning tourism, advertising, and the Visitor Center staff from the Washington County Chamber of Commerce (Chamber) to the City. The Chamber was notified of the City's intention to cancel the contract at the end of September 2018, and the City has met with the Chamber executive board. A transition plan is being finalized, with Visitor Center staff becoming City employees. The advertising/promotions budgeted funds (which were previously distributed to the Chamber) will remain with the City for allocation and reporting.

Fund 250 – Brenham Community Development Corporation (BCDC)

Funding for economic development and recreation comes from 4B sales tax revenue and is allocated by BCDC. Currently, the City of Brenham is working with the Brenham Economic Development Foundation (EDF) and the BCDC to provide more oversight and accountability for economic development initiatives. To this end, the economic development function was transitioned to the City in the summer of FY18.

A new Economic Development Director and Specialist will be recruited by the City, and the department will be located on the first floor of City Hall. Once our new director is in place, the City, EDF Board and BCDC will be involved in a strategic planning session to establish goals and outline a plan for economic development in our community.

Fund 118 – Debt Service Fund

The City has reached the two-year mark following the May 2016 flooding event. The City's engineer and outside consultant, identified eleven (11) drainage projects which could be eligible for FEMA participation totaling $2,617,197. In FY18, the City raised the I&S tax rate a half-cent for the 25% match of $654,299, issuing certificates of obligation in December 2017.

Before the City could finalize project eligibility with FEMA, three (3) locations were deemed emergency repairs and Council awarded emergency construction contracts in October 2017 for Burleson at Higgins Branch; Jefferson at Higgins Branch; and Barbee at unnamed tributary of Hog Branch. At the same meeting, the City Council approved Resolution No. R-17-019 expressing the intent to issue debt up to $1.5 million to reimburse these costs in case FEMA denied our claim. FEMA has approved Barbee, but has denied the other two locations, which are on appeal. FEMA also denied the drainage improvements on Industrial Boulevard.

Recommended in the FY19 Proposed Budget is an issuance of $1.5 million in debt to cover the project costs for Burleson at Higgins Branch of $548,719; Jefferson at Higgins Branch of $553,111; and Industrial Boulevard of $382,000, leaving a small contingency amount for issuance costs. The City has capacity within the existing tax rate for this new debt and I&S rate would remain unchanged.

Utility Fund Highlights

The FY19 Budget assumes no utility rate increases. However, rates are being evaluated and increases are a possibility once strategic initiatives are decided. The utility budgets include funding for the following one-time studies and plans:

- Infrastructure Master Plan - $350,000 total - $50,000 in the Electric Fund; $100,000 in the Gas Fund; $100,000 in the Water Fund; and $100,000 in the Wastewater Fund.
- Impact Fee Study - $150,000 total - $50,000 in the Gas Fund; $50,000 in the Water Fund; and $50,000 in the Wastewater Fund.
- Design Manual Specification Updates - $55,000 total - $11,000 in the Gas Fund; $22,000 in the Water Fund; and $22,000 in the Wastewater Fund
- Water Plant Capacity and Alternative Water Supplies Evaluation - $117,000 in the Water Fund
- Water Rate Study - $30,000 in the Water Fund
- CCN Expansion - $30,000 in the Water Fund
- UV Disinfection Alternative Study - $20,000 in the Wastewater Fund
- Wastewater Plant Permit Renewal - $8,000

Utility Fund Equipment Replacement

Major equipment funded in the FY19 Proposed Budget includes a $200,000 bucket truck replacement in the Electric Fund; $59,000 for replacement of a ditch witch in the Gas Fund; and the addition of a membrane de-waterer ($50,000) in the Water Fund. In addition, $21,776 is included in the budget for another xeriscape project. City Hall xeriscape was completed in FY18. Xeriscape is part of the City's water conservation initiative.

Sanitation Fund

The City continues to struggle with maintaining a reliable and efficient solid waste operation and keeping customer rates affordable. Capital requests for FY19 were deferred until the City can determine how to get this operation on a sustainable financial path. FY19 requests include the replacement of a haul truck and trailer and a residential garbage truck. A new building of $450,000 was also unfunded.

The City will consider proposals to outsource all Sanitation operations. The process will begin in October with a goal to bring before City Council in January 2019. The City will also prepare a proposal that will reflect the true operational costs and new ideas for a more efficient customer oriented program.

Utility Fund May 2016 Storm Projects

The FY19 Proposed Budget for the Water Fund includes completion of three (3) May 2016 storm projects. FEMA and grant reimbursements cover 75% of the projects costs. The City's 25% share of the projects will be funded from reserves. Currently, construction has not begun on any of these projects.

Project	FY19 Budget	FY19 FEMA/HPMG 75%
Lake Gabions (63C-8)	$997,160	$825,000
Lower Lake Line (63C-9)	332,840	262,500
Water Plant Damage (63C-10)	139,110	120,000
Total	$1,469,110	$1,207,500

For the Wastewater Fund, the FY19 Proposed Budget includes completion of three (3) May 2016 storm projects. Like the water projects, construction has not begun. In addition, bond proceeds of $546,000 are available to cover the City's 25% share of Hogg Branch.

Project	FY19 Budget	FY19 FEMA/HPMG 75%
Hogg Branch (66C-12)	$1,333,638	$1,125,000
Ralston Creek LS (66C-13G)	373,026	277,500
Munz LS (66C-10)	363,400	289,707
Total	$2,070,064	$1,692,207

Utility Fund Debt

There is 27.4 miles of cast iron (CI) pipe and 50.5 miles of asbestos cement (AC) pipe in the water distribution system. For FY19, there is $1.5 million in debt issuance planned for the replacement of AC and CI water pipe. This represents 75% of the funding with the difference coming out of revenues or reserves. This plan replaces 0.9 miles of AC/CI pipe a year. It will take approximately 86 years to replace all at this rate.

Drainage Fee Utility

There are over $4.2 million in drainage projects in the Capital Plan. As subdivisions and retail centers move into Brenham, drainage issues are going to increase. A drainage fee is a viable option for making sure the City has funds to address drainage issues. Drainage fees are based on a study of impervious coverage relative to property parcels. A study generally takes about a year to conduct at an estimate cost of $60,000. One way to fund this study is to impose a small drainage fee of $3 to $7 on monthly water bills. Once the study is completed, a rate could be established for residential and commercial customers. The proceeds collected could then be used to pay-go or debt fund drainage projects. The Drainage Fee Utility and study will be discussed further in October's Council/Staff retreat.

Closing Remarks

Staff has worked diligently to prepare a budget that maintains essential services at acceptable levels. I appreciate the work of City staff that developed the budget proposals and we especially want to recognize the work of the budget management team of Debbie Gaffey, Kaci Konieczny, Stacy Hardy, Susan Nienstedt, Carolyn Miller and Lowell Ogle. Our division directors and department heads also deserve recognition for their cooperation during this process.

Respectfully submitted,

James Fisher
City Manager

CITY OF BRENHAM
COMBINED FUND SUMMARY
FY18-19 BUDGET

Exhibit A

	GENERAL FUND											COMPONENT UNIT	SPECIAL REVENUE FUNDS			
	GENERAL	POLICE DEPT GRANTS	MOTOR/ PD EQUIP	PUBLIC SAFETY	FEMA DISASTER	DONA-TIONS	FIRE DEPT GRANTS	CAPITAL/ NON-ROUTINE	TOURISM & MARKETING	DEBT	290 PASS THRU	BCDC & BCDC CAPITAL	HOTEL/ MOTEL	HOTEL/ TAX CNTY	CRIM LAW ENFORCE	COURTS TECH
BEGINNING BALANCE	$4,467,592	$0	$0	$0	($931,162)	$288,230	$0	$211,014	$212,237	$270,147	$2,787,145	$1,351,963	$221,295	$9,184	$28,892	$62,996
REVENUES																
TAXES	12,270,841	-	-	-	-	-	-	-	-	2,634,218	-	1,705,701	645,000	120,000	-	-
LICENSES AND PERMITS	152,241	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INTERGOVERNMENTAL	337,176	15,000	2,600	3,600	2,341,381	-	1,800	-	-	-	-	-	-	-	-	-
CHARGES FOR SERVICES	573,308	-	-	-	-	-	-	-	41,200	-	-	-	-	-	-	53,600
FINES AND FORFEITURES	779,963	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INVESTMENT INCOME	81,000	-	-	-	-	-	-	-	-	5,000	20,000	14,000	1,000	-	100	1,000
PAYMENT FROM COMPONENT UNIT	166,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CONTRIBUTIONS AND DONATIONS	-	-	-	-	-	95,500	-	-	-	-	-	-	-	-	-	-
MISCELLANEOUS	217,266	-	-	-	-	-	-	-	-	-	-	959	-	-	10,000	-
TOTAL REVENUES	$14,578,295	$15,000	$2,600	$3,600	$2,341,381	$95,500	$1,800	$0	$41,200	$2,639,218	$20,000	$1,720,660	$646,000	$120,000	$10,100	$54,600
EXPENDITURES																
CURRENT																
CULTURE AND RECREATION	3,449,104	-	-	-	-	5,500	-	-	611,400	-	-	-	-	120,000	-	-
GENERAL GOVERNMENT	6,198,186	-	-	-	-	7,500	-	14,014	-	-	-	-	-	-	-	33,383
HEALTH AND WELFARE	588,089	-	-	-	-	2,000	-	-	-	-	-	-	-	-	-	-
HIGHWAYS AND STREETS	1,281,645	-	-	-	1,294,158	-	-	-	-	-	-	-	-	-	-	-
PUBLIC SAFETY	6,434,073	15,000	2,600	3,600	-	16,000	1,800	-	-	-	-	-	-	-	15,000	-
ECONOMIC DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-	396,895	-	-	-	-
COST OF SALES AND SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ELECTRIC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GAS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WATER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WASTEWATER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SANITATION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GROSS REVENUE TAX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INTERNAL SERVICE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DEBT SERVICE																
INTEREST & FISCAL CHARGES	-	-	-	-	-	-	-	-	-	633,247	-	68,941	-	-	-	-
PRINCIPAL RETIREMENT	-	-	-	-	-	-	-	-	-	3,773,325	-	154,274	-	-	-	-
ISSUANCE COSTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CAPITAL OUTLAY	202,700	-	-	-	1,629,488	-	-	222,000	-	-	-	297,000	-	-	-	-
TOTAL EXPENDITURES	$18,153,797	$15,000	$2,600	$3,600	$2,923,646	$31,000	$1,800	$236,014	$611,400	$4,406,572	$0	$917,110	$0	$120,000	$15,000	$33,383
OTHER FINANCING SOURCES (USES)																
TRANSFERS IN	3,578,079	-	-	-	-	-	-	25,000	570,200	1,750,000	-	-	-	-	-	-
TRANSFERS OUT	(57,577)	-	-	-	-	-	-	-	-	-	(1,750,000)	(25,000)	(646,000)	-	-	(20,000)
PAYMENT TO COMPONENT UNIT	-	-	-	-	-	-	-	-	-	-	-	(1,013,500)	-	-	-	-
ISSUANCE OF DEBT	-	-	-	-	1,500,000	-	-	-	-	-	-	-	-	-	-	-
INSURANCE PROCEEDS	55,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	$3,575,502	$0	$0	$0	$1,500,000	$0	$0	$25,000	$570,200	$1,750,000	($1,750,000)	($1,038,500)	($646,000)	$0	$0	($20,000)
CHANGE IN FUND BALANCE	-	-	-	-	917,735	64,500	-	(211,014)	-	(17,354)	(1,730,000)	(234,950)	-	-	(4,900)	1,217
ENDING FUND BALANCE	$4,467,592	$0	$0	$0	($13,427)	$352,730	$0	$0	$212,237	$252,793	$1,057,145	$1,117,013	$221,295	$9,184	$23,992	$64,213

CITY OF BRENHAM
COMBINED FUND SUMMARY
FY18-19 BUDGET

Exhibit A (Cont.)

	CAPITAL PROJECT FUNDS						ENTERPRISE FUNDS					INTERNAL SERVICE FUNDS		
	AIRPORT CAPITAL	CAPITAL LEASES	2017 CAP PROJ	2014 CAP PROJ	PARKS CAP IMPROV	STREET DRAINAGE	ELECTRIC	GAS	WATER	WASTE-WATER	SANI-TATION	CENTRAL FLEET	WORKERS' COMP	TOTAL
BEGINNING BALANCE	$6,993	$0	$1,374,831	$0	$31,531	$719,853	$7,526,622	$1,348,604	$1,552,371	$873,264	$416,370	$113,495	$143,358	$23,086,824
REVENUES														
TAXES	-	-	-	-	-	-	-	-	-	-	-	-	-	17,375,760
LICENSES AND PERMITS	-	-	-	-	-	-	-	-	-	-	-	-	-	152,241
INTERGOVERNMENTAL	581,580	-	-	-	-	-	-	-	1,207,500	1,692,207	-	-	-	6,182,844
CHARGES FOR SERVICES	-	-	-	-	-	-	23,244,610	3,230,843	4,383,323	3,712,170	3,526,813	140,000	194,156	38,100,023
FINES AND FORFEITURES	-	-	-	-	-	-	-	-	-	-	-	-	-	779,963
INVESTMENT INCOME	50	-	10,000	-	-	2,500	153,741	8,400	8,000	16,400	8,200	-	1,000	330,391
PAYMENT FROM COMPONENT UNIT	-	-	-	-	847,000	-	-	-	-	-	-	-	-	1,013,500
CONTRIBUTIONS AND DONATIONS	-	-	-	-	5,000	-	-	-	-	-	-	-	-	100,500
MISCELLANEOUS	-	-	-	-	14,000	-	29,288	7,000	6,000	8,000	2	-	-	292,515
TOTAL REVENUES	$581,630	$0	$10,000	$0	$866,000	$2,500	$23,427,639	$3,246,243	$5,604,823	$5,428,777	$3,535,015	$140,000	$195,156	$65,327,737
EXPENDITURES														
CURRENT														
CULTURE AND RECREATION	-	-	-	-	200,500	-	-	-	-	-	-	-	-	4,386,504
GENERAL GOVERNMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	6,253,088
HEALTH AND WELFARE	-	-	-	-	-	-	-	-	-	-	-	-	-	590,089
HIGHWAYS AND STREETS	225,000	-	-	-	-	-	-	-	-	-	-	-	-	2,800,803
PUBLIC SAFETY	-	-	-	-	-	-	-	-	-	-	-	-	-	6,488,073
ECONOMIC DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	396,895
COST OF SALES AND SERVICES	-	-	-	-	-	-	16,666,449	1,694,878	319,900	-	-	-	-	18,681,227
ELECTRIC	-	-	-	-	-	-	3,025,845	-	-	-	-	-	-	3,025,845
GAS	-	-	-	-	-	-	-	744,717	-	-	-	-	-	744,717
WATER	-	-	-	-	-	-	-	-	2,147,034	-	-	-	-	2,147,034
WASTEWATER	-	-	-	-	-	-	-	-	-	1,782,500	-	-	-	1,782,500
SANITATION	-	-	-	-	-	-	-	-	-	-	2,781,665	-	-	2,781,665
GROSS REVENUE TAX	-	-	-	-	-	-	1,616,023	224,926	297,966	247,952	60,764	-	-	2,447,631
INTERNAL SERVICE	-	-	-	-	-	-	-	-	-	-	-	21,060	164,142	185,202
DEBT SERVICE														
INTEREST & FISCAL CHARGES	-	-	-	-	-	-	67,328	-	266,025	149,772	12,379	3,966	-	1,201,658
PRINCIPAL RETIREMENT	-	-	-	-	-	-	72,194	-	681,754	1,281,638	82,777	26,523	-	6,072,485
ISSUANCE COSTS	-	-	-	-	-	-	-	-	14,000	-	-	-	-	14,000
CAPITAL OUTLAY	421,200	-	547,255	-	674,000	673,803	972,000	182,300	1,773,009	2,101,225	-	178,700	-	9,874,680
TOTAL EXPENDITURES	$646,200	$0	$547,255	$0	$874,500	$673,803	$22,419,839	$2,846,821	$5,499,688	$5,563,087	$2,937,585	$230,249	$164,142	$69,874,091
OTHER FINANCING SOURCES (USES)														
TRANSFERS IN	57,577	-	-	-	-	-	604,065	-	-	-	-	-	-	6,584,921
TRANSFERS OUT	-	-	-	-	-	-	(1,993,573)	(601,252)	(652,948)	(392,970)	(445,601)	-	-	(6,584,921)
PAYMENT TO COMPONENT UNIT	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,013,500)
ISSUANCE OF DEBT	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500,000
INSURANCE PROCEEDS	-	-	-	-	-	-	-	-	-	-	-	-	-	55,000
TOTAL OTHER FINANCING SOURCES (USES)	$57,577	$0	$0	$0	$0	$0	($1,389,508)	($601,252)	($652,948)	($392,970)	($445,601)	$0	$0	$541,500
CHANGE IN FUND BALANCE	(6,993)	-	(537,255)	-	(8,500)	(671,303)	(381,708)	(201,830)	(547,813)	(527,280)	151,829	(90,249)	31,014	(4,004,854)
ENDING FUND BALANCE	$0	$0	$837,576	$0	$23,031	$48,550	$7,144,914	$1,146,774	$1,004,558	$345,984	$568,199	$23,246	$174,372	$19,081,970

AGENDA ITEM 5

DATE OF MEETING: September 17, 2018 **DEPT. OF ORIGIN:** Finance	**DATE SUBMITTED:** September 11, 2018 **SUBMITTED BY:** Carolyn D. Miller

MEETING TYPE:	CLASSIFICATION:	ORDINANCE:
☐ REGULAR	☐ PUBLIC HEARING	☐ 1ST READING
☒ SPECIAL	☐ CONSENT	☐ 2ND READING
☐ EXECUTIVE SESSION	☒ REGULAR	☐ RESOLUTION
	☐ WORK SESSION	

AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon Ratification of the Property Tax Increase Reflected in the Proposed Budget for Fiscal Year Beginning October 1, 2018 and Ending September 30, 2019, which Raises More Revenue from Property Taxes than the Previous Year's Budget

SUMMARY STATEMENT: See attached memo from Assistant City Manager-Chief Financial Officer on this item.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Memo from ACM-CFO

FUNDING SOURCE (Where Applicable):

RECOMMENDED ACTION: Ratify the Property Tax Increase with the following motion:

I move to ratify the property tax increase reflected in the proposed budget for the fiscal year beginning October 1, 2018 and ending September 30, 2019, which raises more revenue from property taxes than the previous year's budget.

APPROVALS: James Fisher

MEMORANDUM

To: Mayor, Council and City Manager

From: Carolyn D. Miller
Assistant City Manager-Chief Financial Officer

Subject: Ratification of Property Tax Increase
Required for the Proposed FY2018-19 Budget

Date: September 11, 2018

In compliance with the Local Government Code, if a municipal budget raises more property taxes than in the previous year's budget, City Council must formally ratify a property tax increase. The FY2018-19 budget will raise more total property taxes than last year's budget by $268,777 (4.15%), and of that amount $84,022 is tax revenue to be raised from new property added to the tax roll this year. A vote must be taken to ratify the property tax increase reflected in the budget. ***This vote is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate***.

The following motion should be made:

I move to ratify the property tax increase reflected in the proposed budget for the fiscal year beginning October 1, 2018 and ending September 30, 2019, which raises more revenue from property taxes than the previous year's budget.

AGENDA ITEM 6

DATE OF MEETING: September 17, 2018 **DEPT. OF ORIGIN:** Finance	**DATE SUBMITTED:** September 11, 2018 **SUBMITTED BY:** Carolyn D. Miller

MEETING TYPE:	CLASSIFICATION:	ORDINANCE:
☐ REGULAR	☐ PUBLIC HEARING	☒ 1ST READING
☒ SPECIAL	☐ CONSENT	☐ 2ND READING
☐ EXECUTIVE SESSION	☒ REGULAR	☐ RESOLUTION
	☐ WORK SESSION	

AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon an Ordinance on Its First Reading Adopting the Budget for Fiscal Year Beginning October 1, 2018 and Ending September 30, 2019

SUMMARY STATEMENT: See attached memo from Assistant City Manager-Chief Financial Officer on this item.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: : (1) Memo from ACM-CFO; (2) Ordinance; and (3) Combined Fund Summary (Exhibit A)

FUNDING SOURCE (Where Applicable):

RECOMMENDED ACTION: RECORD VOTE

Approve Ordinance on its First Reading Adopting the Budget for Fiscal Year beginning October 1, 2018 and Ending September 30, 2019.

APPROVALS: James Fisher

MEMORANDUM

To: Mayor, Council and City Manager

From: Carolyn D. Miller
Assistant City Manager-Chief Financial Officer

Subject: FY2018-19 Budget Adoption Ordinance

Date: September 11, 2018

The proposed FY2018-19 budget has been developed in compliance with the property tax code, local government code, and City Charter. The proposed budget includes appropriations of operating resources for 30 separate funds and authorizes $69.9 million in expenditures. The proposed budget is on the City's website and on file with the City Secretary.

The Budget Ordinance is attached along with the Combined Fund Summary. This item is for the first reading of the Ordinance to adopt the proposed FY18-19 budget.

Local Government Code requires the city council's vote to adopt a budget be a record vote.

COUNCIL MUST TAKE A RECORD VOTE ON THIS ITEM

ORDINANCE NO. _____

AN ORDINANCE ADOPTING A BUDGET FOR THE CITY OF BRENHAM, TEXAS FOR THE FISCAL YEAR 2018-19; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Brenham, Texas, has prepared a budget for the fiscal year October 1, 2018 through September 30, 2019 and has filed same with the City Secretary and has held public hearings on same, all after due notice as required by statute.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BRENHAM, TEXAS:

SECTION I.

That the City Council of the City of Brenham, Texas does hereby adopt the Budget for the City of Brenham, Texas, for the fiscal year October 1, 2018 through September 30, 2019 as shown in the attached Exhibit "A", which is incorporated herein as though copied herein verbatim.

SECTION II.

That authority is hereby given to the City Manager to approve transfers of portions of any item of appropriation within the same department and transfers from one department to another department within the same fund.

SECTION III.

This Ordinance shall become effective as provided by the Charter of the City of Brenham, Texas.

PASSED AND APPROVED on its first reading this the 17th day of September, 2018.

PASSED AND ADOPTED on its second reading this the 20th day of September, 2018.

_____
Milton Y. Tate, Jr., Mayor

ATTEST:

_____
Jeana Bellinger, City Secretary

_____
Cary Bovey, City Attorney

CITY OF BRENHAM
COMBINED FUND SUMMARY
FY18-19 BUDGET

Exhibit A

	GENERAL FUND											COMPONENT UNIT	SPECIAL REVENUE FUNDS			
	GENERAL	POLICE DEPT GRANTS	MOTOR/ PD EQUIP	PUBLIC SAFETY	FEMA DISASTER	DONA-TIONS	FIRE DEPT GRANTS	CAPITAL/ NON-ROUTINE	TOURISM & MARKETING	DEBT	290 PASS THRU	BCDC & BCDC CAPITAL	HOTEL/ MOTEL	HOTEL/ TAX CNTY	CRIM LAW ENFORCE	COURTS TECH
BEGINNING BALANCE	$4,467,592	$0	$0	$0	($931,162)	$288,230	$0	$211,014	$212,237	$270,147	$2,787,145	$1,351,963	$221,295	$9,184	$28,892	$62,996
REVENUES																
TAXES	12,270,841	-	-	-	-	-	-	-	-	2,634,218	-	1,705,701	645,000	120,000	-	-
LICENSES AND PERMITS	152,241	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INTERGOVERNMENTAL	337,176	15,000	2,600	3,600	2,341,381	-	1,800	-	-	-	-	-	-	-	-	-
CHARGES FOR SERVICES	573,308	-	-	-	-	-	-	-	41,200	-	-	-	-	-	-	53,600
FINES AND FORFEITURES	779,963	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INVESTMENT INCOME	81,000	-	-	-	-	-	-	-	-	5,000	20,000	14,000	1,000	-	100	1,000
PAYMENT FROM COMPONENT UNIT	166,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CONTRIBUTIONS AND DONATIONS	-	-	-	-	-	95,500	-	-	-	-	-	-	-	-	-	-
MISCELLANEOUS	217,266	-	-	-	-	-	-	-	-	-	-	959	-	-	10,000	-
TOTAL REVENUES	$14,578,295	$15,000	$2,600	$3,600	$2,341,381	$95,500	$1,800	$0	$41,200	$2,639,218	$20,000	$1,720,660	$646,000	$120,000	$10,100	$54,600
EXPENDITURES																
CURRENT																
CULTURE AND RECREATION	3,449,104	-	-	-	-	5,500	-	-	611,400	-	-	-	-	120,000	-	-
GENERAL GOVERNMENT	6,198,186	-	-	-	-	7,500	-	14,014	-	-	-	-	-	-	-	33,383
HEALTH AND WELFARE	588,089	-	-	-	-	2,000	-	-	-	-	-	-	-	-	-	-
HIGHWAYS AND STREETS	1,281,645	-	-	-	1,294,158	-	-	-	-	-	-	-	-	-	-	-
PUBLIC SAFETY	6,434,073	15,000	2,600	3,600	-	16,000	1,800	-	-	-	-	-	-	-	15,000	-
ECONOMIC DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-	396,895	-	-	-	-
COST OF SALES AND SERVICES`	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ELECTRIC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GAS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WATER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WASTEWATER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SANITATION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GROSS REVENUE TAX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INTERNAL SERVICE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DEBT SERVICE																
INTEREST & FISCAL CHARGES	-	-	-	-	-	-	-	-	-	633,247	-	68,941	-	-	-	-
PRINCIPAL RETIREMENT	-	-	-	-	-	-	-	-	-	3,773,325	-	154,274	-	-	-	-
ISSUANCE COSTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CAPITAL OUTLAY	202,700	-	-	-	1,629,488	-	-	222,000	-	-	-	297,000	-	-	-	-
TOTAL EXPENDITURES	$18,153,797	$15,000	$2,600	$3,600	$2,923,646	$31,000	$1,800	$236,014	$611,400	$4,406,572	$0	$917,110	$0	$120,000	$15,000	$33,383
OTHER FINANCING SOURCES (USES)																
TRANSFERS IN	3,578,079	-	-	-	-	-	-	25,000	570,200	1,750,000	-	-	-	-	-	-
TRANSFERS OUT	(57,577)	-	-	-	-	-	-	-	-	-	(1,750,000)	(25,000)	(646,000)	-	-	(20,000)
PAYMENT TO COMPONENT UNIT	-	-	-	-	-	-	-	-	-	-	-	(1,013,500)	-	-	-	-
ISSUANCE OF DEBT	-	-	-	-	1,500,000	-	-	-	-	-	-	-	-	-	-	-
INSURANCE PROCEEDS	55,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	$3,575,502	$0	$0	$0	$1,500,000	$0	$0	$25,000	$570,200	$1,750,000	($1,750,000)	($1,038,500)	($646,000)	$0	$0	($20,000)
CHANGE IN FUND BALANCE	-	-	-	-	917,735	64,500	-	(211,014)	-	(17,354)	(1,730,000)	(234,950)	-	-	(4,900)	1,217
ENDING FUND BALANCE	$4,467,592	$0	$0	$0	($13,427)	$352,730	$0	$0	$212,237	$252,793	$1,057,145	$1,117,013	$221,295	$9,184	$23,992	$64,213

CITY OF BRENHAM
COMBINED FUND SUMMARY
FY18-19 BUDGET

Exhibit A (Cont.)

	CAPITAL PROJECT FUNDS						ENTERPRISE FUNDS					INTERNAL SERVICE FUNDS		
	AIRPORT CAPITAL	CAPITAL LEASES	2017 CAP PROJ	2014 CAP PROJ	PARKS CAP IMPROV	STREET DRAINAGE	ELECTRIC	GAS	WATER	WASTE-WATER	SANI-TATION	CENTRAL FLEET	WORKERS' COMP	TOTAL
BEGINNING BALANCE	$6,993	$0	$1,374,831	$0	$31,591	$719,853	$7,526,622	$1,348,604	$1,552,371	$873,264	$416,370	$113,495	$143,358	$23,086,824
REVENUES														
TAXES	-	-	-	-	-	-	-	-	-	-	-	-	-	17,375,760
LICENSES AND PERMITS	-	-	-	-	-	-	-	-	-	-	-	-	-	152,241
INTERGOVERNMENTAL	581,580	-	-	-	-	-	-	-	1,207,500	1,692,207	-	-	-	6,182,844
CHARGES FOR SERVICES	-	-	-	-	-	-	23,244,610	3,230,843	4,383,323	3,712,170	3,526,813	140,000	194,156	39,100,023
FINES AND FORFEITURES	-	-	-	-	-	-	-	-	-	-	-	-	-	779,963
INVESTMENT INCOME	50	-	10,000	-	-	2,500	153,741	8,400	8,000	16,400	8,200	-	1,000	330,391
PAYMENT FROM COMPONENT UNIT	-	-	-	-	847,000	-	-	-	-	-	-	-	-	1,013,500
CONTRIBUTIONS AND DONATIONS	-	-	-	-	5,000	-	-	-	-	-	-	-	-	100,500
MISCELLANEOUS	-	-	-	-	14,000	-	29,288	7,000	6,000	8,000	2	-	-	292,515
TOTAL REVENUES	$581,630	$0	$10,000	$0	$866,000	$2,500	$23,427,639	$3,246,243	$5,604,823	$5,428,777	$3,535,015	$140,000	$195,156	$65,327,737
EXPENDITURES														
CURRENT														
CULTURE AND RECREATION	-	-	-	-	200,500	-	-	-	-	-	-	-	-	4,386,504
GENERAL GOVERNMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	6,253,083
HEALTH AND WELFARE	-	-	-	-	-	-	-	-	-	-	-	-	-	590,089
HIGHWAYS AND STREETS	225,000	-	-	-	-	-	-	-	-	-	-	-	-	2,800,803
PUBLIC SAFETY	-	-	-	-	-	-	-	-	-	-	-	-	-	6,488,073
ECONOMIC DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	396,895
COST OF SALES AND SERVICES	-	-	-	-	-	-	16,666,449	1,694,878	319,900	-	-	-	-	18,681,227
ELECTRIC	-	-	-	-	-	-	3,025,845	-	-	-	-	-	-	3,025,845
GAS	-	-	-	-	-	-	-	744,717	-	-	-	-	-	744,717
WATER	-	-	-	-	-	-	-	-	2,147,034	-	-	-	-	2,147,034
WASTEWATER	-	-	-	-	-	-	-	-	-	1,782,500	-	-	-	1,782,500
SANITATION	-	-	-	-	-	-	-	-	-	-	2,781,665	-	-	2,781,665
GROSS REVENUE TAX	-	-	-	-	-	-	1,616,023	224,926	297,966	247,952	60,764	-	-	2,447,631
INTERNAL SERVICE	-	-	-	-	-	-	-	-	-	-	-	21,060	164,142	185,202
DEBT SERVICE														
INTEREST & FISCAL CHARGES	-	-	-	-	-	-	67,328	-	266,025	149,772	12,379	3,966	-	1,201,658
PRINCIPAL RETIREMENT	-	-	-	-	-	-	72,194	-	681,754	1,281,638	82,777	26,523	-	6,072,485
ISSUANCE COSTS	-	-	-	-	-	-	-	-	14,000	-	-	-	-	14,000
CAPITAL OUTLAY	421,200	-	547,255	-	674,000	673,803	972,000	182,300	1,773,009	2,101,225	-	178,700	-	9,874,680
TOTAL EXPENDITURES	$646,200	$0	$547,255	$0	$874,500	$673,803	$22,419,839	$2,846,821	$5,499,688	$5,563,087	$2,937,585	$230,249	$164,142	$69,874,091
OTHER FINANCING SOURCES (USES)														
TRANSFERS IN	57,577	-	-	-	-	-	604,065	-	-	-	-	-	-	6,584,921
TRANSFERS OUT	-	-	-	-	-	-	(1,993,573)	(601,252)	(652,948)	(392,970)	(445,601)	-	-	(6,584,921)
PAYMENT TO COMPONENT UNIT	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,013,500)
ISSUANCE OF DEBT	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500,000
INSURANCE PROCEEDS	-	-	-	-	-	-	-	-	-	-	-	-	-	55,000
TOTAL OTHER FINANCING SOURCES (USES)	$57,577	$0	$0	$0	$0	$0	($1,389,508)	($601,252)	($652,948)	($392,970)	($445,601)	$0	$0	$541,500
CHANGE IN FUND BALANCE	(6,993)	-	(537,255)	-	(8,500)	(671,303)	(381,708)	(201,830)	(547,813)	(527,280)	151,829	(90,249)	31,014	(4,004,854)
ENDING FUND BALANCE	$0	$0	$837,576	$0	$23,031	$48,550	$7,144,914	$1,146,774	$1,004,558	$345,984	$568,199	$23,246	$174,372	$19,081,970

AGENDA ITEM 7

DATE OF MEETING: September 17, 2018 **DEPT. OF ORIGIN:** Finance	**DATE SUBMITTED:** September 11, 2018 **SUBMITTED BY:** Carolyn D. Miller

MEETING TYPE:	CLASSIFICATION:	ORDINANCE:
☐ REGULAR	☐ PUBLIC HEARING	☒ 1ST READING
☒ SPECIAL	☐ CONSENT	☐ 2ND READING
☐ EXECUTIVE SESSION	☒ REGULAR	☐ RESOLUTION
	☐ WORK SESSION	

AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon an Ordinance on Its First Reading Levying Taxes for the Tax Year 2018 for the City of Brenham at $0.5170 per $100 Valuation

SUMMARY STATEMENT: See attached memo from Assistant City Manager-Chief Financial Officer on this item

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Memo from ACM-CFO; and (2) Ordinance

FUNDING SOURCE (Where Applicable):

RECOMMENDED ACTION: RECORD VOTE

I move that the property tax rate be increased by the adoption of a tax rate of $0.5170 per $100 valuation, which is effectively a 3.03% increase in the tax rate.

APPROVALS: James Fisher

MEMORANDUM

To: Mayor, Council and City Manager

From: Carolyn D. Miller
Assistant City Manager-Chief Financial Officer

Subject: 2018 Tax Rate Ordinance

Date: September 11, 2018

The Proposed FY2018-19 Budget includes a tax rate of $0.5170 per $100 valuation which has two components: maintenance and operations (M&O) and interest and sinking (I&S). The proposed tax rate of $0.5170 will allocate $0.3200 to the General Fund for maintenance and operations and, the balance of $0.1970 to the Debt Service Fund for interest and sinking.

The City has complied with all of the notices, publications, and public hearings as required by the Tax Code. Pursuant to the Tax Code, the vote on the ordinance setting a tax rate that exceeds the effective tax rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance. The Tax Code also specifies that the **motion** to adopt the tax rate be made in the following form:

> **I move that the property tax rate be increased by the adoption of a tax rate of $0.5170 per $100 valuation, which is effectively a 3.03% increase in the tax rate.**

COUNCIL MUST TAKE A RECORD VOTE ON THIS ITEM

ORDINANCE NO. _____

AN ORDINANCE LEVYING TAXES FOR THE TAX YEAR 2018 FOR THE CITY OF BRENHAM, TEXAS AND PROVIDING AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BRENHAM, TEXAS:

SECTION I.

That there be and is hereby levied an ad valorem tax of $0.3200 on each one hundred dollars worth of property owned and situated within the City Limits of the City of Brenham, Texas, both real and personal and mixed, for General Fund maintenance and operating purposes for the Tax Year 2018.

SECTION II.

That there be and is hereby levied for the use of the City of Brenham, for the Tax Year 2018, an ad valorem tax of $0.1970 on each one hundred dollars worth of real, personal and mixed property owned and situated in the City Limits of the City of Brenham, Texas, for the payment of principal and interest on all outstanding bonds and lease payments, not otherwise provided for, of the City of Brenham.

SECTION III.

Wherefore, the combined tax rate in accordance with V.T.C.A. Tax Code Section 26.05 shall be $0.5170 on each one hundred dollars worth of real, personal, and mixed property of owned and situated within the City Limits of the City of Brenham, Texas.

SECTION IV.

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

SECTION V.

This Ordinance shall become effective as provided by the Charter of the City of Brenham, Texas.

PASSED AND APPROVED on its first reading this the 17th day of September, 2018.

PASSED AND ADOPTED on its second reading this the 20th day of September, 2018.

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Milton Y. Tate, Jr., Mayor

ATTEST:

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Jeana Bellinger, City Secretary

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Cary Bovey, City Attorney