

A Work Session of the Mayor and City Council of the City of Waxahachie, Texas was held at the Waxahachie Civic Center, 2000 Civic Center Lane, on Thursday, June 30, 2022 at 8:30 a.m.

Council Members Present: David Hill, Mayor, Council Member Place 1
Chris Wright, Mayor Pro Tem, Council Member Place 3
Billie Wallace, Council Member Place 4
Travis Smith, Council Member Place 5
Patrick Souter, Council Member Place 2

Others Present: Michael Scott, City Manager
Albert Lawrence, Deputy City Manager
Shon Brooks, Executive Director of Development Services
Gumaro Martinez, Executive Director Park & Leisure Services
Richard Abernethy, Director of Administrative Services
Amber Villarreal, City Secretary

1. Call to Order

Mayor David Hill called the meeting to order.

2. Discussion of City of Waxahachie Fiscal Year 2022-2023 Budget

City Manager Michael Scott reviewed the goal for the Work Session is to review the Capital Projects, department requests, and receive direction from City Council on how to proceed with the budget.

Finance Director Chad Tustison reviewed the preliminary general fund numbers noting the certified tax roll and sales tax numbers are still pending. He explained the total working rate is calculated at 0.655 cents, which is made up of general fund (maintenance and operations), debt service, and the library. He noted Waxahachie currently has the lowest tax rate in relation to our comparable cities; however, FY 23 tax rate proposals for other cities are not yet available. In regards to sales tax, FY 23 is projected at 4.5% over FY 22 estimate. The following items were reviewed:

- Base Budget Development: Personnel, Planned Line Items, and Base Adjustments
- Inflation and budget impact
- FY 2023 working budget
- Preliminary net taxable values
- Tax rate (General Fund Maintenance and Operations, Debt Service, and Library)
- Sales tax and other revenue
- General Fund Requests: Replacement, Capital, and Operating
- Water Budget: Additional Debt Service, Budget Requests, and Proposed Budget
- Wastewater Budget: Additional Debt Service, Budget Requests, and Proposed Budget
- WCDC Fund Budget
- Hotel Tax Fund
- Sokoll Fund
- Cemetery Fund

- Capital Improvement Plan (CIP) and Debt Service
 - 5-year Capital Improvement Plan
 - General Fund-Plan for 2023 (& 2022 Issuance)
 - Water Fund- Plan for 2023 (& 2022 Issuance)
 - Wastewater Fund- Plan for 2023 (& 2022 Issuance)
 - I&S Funded Projects and General Debt Service Funded Projects
- Bond Projects & Debt Capacity
- Financial Best Practices and Policies

Council Member Billie Wallace requested staff begin evaluating certification pay for employees immediately noting the topic has been discussed for several years without progress. Mr. Scott explained the Compensation Study will be comprehensive and include salary, certification pay, and benefits.

Council Members discussed staff informally gathering certification pay information from comparable cities.

Council Members discussed the effects of reducing the tax rate. Council Member Chris Wright explained the average property owner would save approximately \$30/per year if the tax rate is reduced by a half cent, costing the City approximately \$500,000 annually the first year and compounding each year after. City Council expressed support for offering some type of relief to citizens without negatively impacting the budget or reducing the services offered to citizens.

Mr. Tustison presented the budget timeline: Public Hearing on Budget and Tax Rate (August 30th) and Budget and Tax Rate Adoption (September 6th).

3. Comments by Mayor, City Council, City Attorney and City Manager

Mr. Scott thanked City Council and staff for their attendance. Mr. Scott confirmed the consensus of City Council to include the following items in the proposed budget:

- Gross pay in employee's Christmas bonus
- 4% Cost of Living Increase and up to a 2% merit increase at 6 months
- Increase Women's Building stipend to \$2,400
- Compensation Plan Study with Certification Pay Plan
- Cemetery security cameras and connectivity (\$50,000)
- Council will review alternative relief options after final appraisal values are received after July 25th

Mayor Hill expressed thanks and noted his appreciation for everyone's hard work and attendance.

4. Adjourn

There being no further business, the meeting adjourned at 12:37 p.m.

Respectfully submitted,
Amber Villarreal, City Secretary