

**Notice of a Special Meeting of the  
Governing Body of the  
City of Georgetown, Texas  
Tuesday, August 8, 2019**

The Georgetown City Council will meet on Tuesday, August 8, 2019 at 3:00 PM at the Council Chambers, 510 W 9<sup>th</sup> Street, Georgetown, Texas.

The city of Georgetown is committed to compliance with the Americans with Disabilities Act (ADA). If you require assistance in participating at a public meeting due to a disability, as defined under the ADA, reasonable assistance, adaptations, or accommodations will be provided upon request. Please contact the City Secretary's Office, at least four (4) days prior to the scheduled meeting date, at (512) 930-3652 or City Hall at 808 Martin Luther King Jr Street for additional information; TTY users route through Relay Texas at 711.

Council Members were in attendance: Mayor Dale Ross; Valerie Nicholson, Council Member District 2; Steve Fought, Council Member District 4; Kevin Pitts, Council Member District 5; Rachael Jonrowe, Council Member District 6; and Tommy Gonzalez, District 7. Mike Triggs, Council Member District 3 was absent and District 1 is currently vacant.

Meeting was called to order at 3:04 PM.

**Policy Development/Review Workshop**

- A. Review and discuss process to fill vacated District 1 Council seat -- Mayor Dale Ross

Mayor Ross called upon David Morgan, City Manager who reviewed the Election Code and timeline of: vacancy occurred August 2<sup>nd</sup>; call Special Election on August 13<sup>th</sup> which is before the August 28<sup>th</sup> deadline; candidate filing deadline of September 4<sup>th</sup>; and Election Day is November 5<sup>th</sup>.

Jonrowe asked what else on election. Morgan responded that the County Bond election will be on but he wasn't sure of what else would be on the ballot. Jonrowe asked if staff had spoken with elections office at the County. Morgan responded yes. Jonrowe asked if there was enough time for all needed milestones. Densmore responded yes, all milestones will be met. Jonrowe asked that she be provided the election calendar.

Pitts asked when candidates can file. Densmore responded that the candidate packets will be ready tomorrow.

- B. Workshop overview and discussion regarding the FY2020 City of Georgetown Budget and Tax Rate -- David S. Morgan, City Manager

Morgan presented the item and noted that this information was also covered at the July 17<sup>th</sup> Special Council meeting. He then reviewed: the fast growth of the City and the implications of the that; resident feedback; the community's desire to retain small town charm while addressing growth; recapping the budget process to date; and budget revenue assumptions.

Fought asked about the implications of senate bill (SB) 2 and noted that he will make a motion to set the tax rate at the rollback rate for now so that the City can preserve all the options it has. He noted that Council can always lower it and there are a variety of things Council can do if using rollback rate. Fought said that the extra funds could be used going forward to help in different areas. He added that Council sets the tax rate now below the rollback rate they can't raise it. Fought stated that the SB2 changes are huge and the implications are not yet completely understood. He added that he will propose to set max rate.

Mayor Ross asked about the timeline to set the final tax rate. Morgan responded that he will review that later in presentation. He added that a lot of communities are struggling with this change.

Morgan resumed his presentation and continued to review budget revenue assumptions. He then reviewed: Public Safety investments; the need to improve communications; the need to maintain services levels; progress on current initiatives; risk management initiatives; reorganization to improve service delivery; proposed organizational chart; and budget development. Morgan then went on to review: assumptions across all funds; investing in new infrastructure; where money comes from and goes to in the general fund; general fund revenue assumptions for FY2020; property tax revenue for FY2020; proposed tax rate for FY2020 budget; return on investment (ROI) revenue; and electric ROI.

Pitts asked if the ROI speculation was for everything, not just for electric. Morgan responded that is correct and that the City conducted a rate study. He added that there are provisions in rate requirements to. Pitts asked if this was set the City's unit costs. Morgan responded yes, that's correct and noted that all electric utilities are subject to volatility. Pitts noted that 7% of revenue of the City's rate is unit costs. Morgan responded yes, generally speaking.

Morgan then continued the presentation and reviewed: sanitation revenue; other revenue; general fund expenditures for FY2020 including new positions; the electric fund including the addition of a control center operator; current steps being taken to address the current state of the electric fund; the water fund; airport fund; stormwater fund; and general capital projects.

Mayor Ross asked why police body cameras are needed. Morgan responded that the current provider has not performing over the last few years. He added that staff has tried to work with the vendor and that Georgetown isn't the first to move away from vendor. Morgan said that staff is getting spare cameras from other agencies. Mayor Ross asked why staff can't phase this project. Morgan responded that it will be debt financed and includes in car systems and backup systems. Mayor Ross asked when the cameras and systems will be replaced. Morgan called upon Police Chief Wayne Nero. Nero responded October 1<sup>st</sup>.

Morgan continued the presentation by reviewing: Airport CIP; Stormwater CIP; Electric CIP; Water CIP; Wastewater CIP; Tourism and CVB funds; Street Maintenance fund; Joint Services fund; budget summary; and FY2020 proposed budget calendar.

Gonzalez stated that he understands councilmember Fought's idea but wants to go in the other direction and would like to see the rate drop. He added the possibility of putting future higher rate in the hands of the citizens.

Jonrowe had no comments.

Pitts asked about the calculation of the rollback rate. Paul Diaz, Budget Manager, responded that the reason that it is not a clean percentage is due to adjustments made for debt service and sales tax. Mayor Ross noted a possible unintended consequence could be debt funding items you would usually cash fund. Morgan stated that the Mayor made an important point and noted that the roll back is on operation and maintenance side. Pitts asked for clarification on what the rate would be at 3.5%. Morgan responded 19.465 cents on the operations and maintenance side. He added that at 42 cents the City is just below it. Pitts stated that he would have preferred the legislation had not been passed, the City must comply with law. He added that setting a rate higher to setup with the future is something he would not be in favor of doing.

Fought stated that he respects the argument of not setting the tax rate to the rollback rate. He added that the point is to preserve our options until staff better understand the implications of the law. Fought stated that the City could get backed into a corner and the 3.5% does not include inflation. He added that there are huge incentives to debt finance many things that the City has cash funded.

Nicholson has no comments.

Mayor Ross asked if there was a sense of urgency for setting the final tax rate. Morgan responded that setting maximum rate only sets what maximum can be and it doesn't prevent the rate from being lowered. Ross asked what the City's growth rate is. Morgan responded 6%. Ross stated that the City is now forced to have a rate lower than the growth rate and face reducing services. He added that he feels this legislation was rushed and now local govts are dealing with the implications for this year and years to come.

Gonzalez noted that the City is not prohibited from asking for more tax, it just requires a vote from the citizens. He added that he feels if the City explained to citizens the need, they would vote for it if justified. Ross asked if that should be applicable at all levels of government including stated and federal. Gonzalez responded that he would love that.

Pitts stated that Council represents the voters and should ask them. He added that his constituents support a lower rate.

Fought stated that he would like lower rates in the end and taking the matter to the voters is fine with me. He added he doesn't like that it doesn't include inflation, he wants better understanding and he does not disagree on the fundamentals.

This concludes Item B.

## Legislative Regular Session

- C. Consideration and possible action to set the maximum tax rate and adopt the proposed 2019 (FY2020) property tax rate on a future agenda -- Leigh Wallace, Finance Director

Wallace presented the item and noted that this has been discussed thoroughly and Council can always go lower from rate but not higher.

Fought stated that he would like to go with the maximum rate. Fought made a motion to set the maximum property tax rate of 43.020 cents per \$100 valuation equaling 20.5674 cents for maintenance and operation, and 22.4528 cents for debt service and adopt the tax rate as an action item at the September 10, 2019 and September 24, 2019 Council meetings to be held at 6 p.m. at City Council Chambers, at 9th and Martin Luther King Jr. Street, Georgetown, Texas.  
The motion failed due the lack of a second.

Motion by Nicholson to set the maximum property tax rate of 42 cents per \$100.00 valuation, equaling 19.5472 cents for Maintenance and Operation and 22.4528 cents for Debt Service, and adopt the tax rate as an action item at the September 10, 2019 and September 24, 2019 Council meetings to be held at 6 p.m. at City Council Chambers, at 9<sup>th</sup> and Martin Luther King Jr. Street, Georgetown, Texas. Second by Jonrowe.

Gonzalez stated that he will not support this as he wants a lower rate.

Pitts aske if Council can make an amendment. Wallace responded that Council can amend the rate, but they will have to have the right numbers to say.

Gonzalez stated that he would like to reduce rate to 0.419 as a max rate. Wallace responded and said that the debt rate would stay the same at 0.224528 and the operations and maintenance rate would drop to correspond to 0.194472 for a total of 0.419. Gonzalez stated that is correct. Gonzalez made a motion for this amendment. Second by Pitts.

There was no discussion.

Densmore did a roll call vote and asked that the Council please say "aye" for a vote of support or "no" if opposed.

District 1 is Vacant.

Council Member Nicholson District 2 voted no.

Council Member Triggs District 3 is absent.

Council Member Fought District 4 voted no.

Council Member Pitts District 5 voted aye.

Council Member Jonrowe District 6 voted no.

Council Member Gonzalez District 7 voted aye.

**The motion fails (3-2) with Nicholson, Fought and Jonrowe opposed; Pitts and Gonzalez in favor; District 1 vacant; and Triggs absent.**

Densmore did a roll call vote and asked that the Council please say “aye” for a vote of support or “no” if opposed.

District 1 is Vacant.

Council Member Nicholson District 2 voted aye.

Council Member Triggs District 3 is absent.

Council Member Fought District 4 voted aye.

Council Member Pitts District 5 voted aye.

Council Member Jonrowe District 6 voted aye.

Council Member Gonzalez District 7 voted aye.

**Original motion passes, all in favor 5-0 with District 1 Vacant and Triggs absent.**

- D. Consideration and possible action to set the dates for two public hearings on the proposed 2019 (FY2020) property tax rate -- Leigh Wallace, Finance Director

Motion by Nicholson to set the date for two public hearings on the maximum property tax rate, as required by law, to be held on Tuesday, September 3<sup>rd</sup> at 6:00 p.m. and on Tuesday, September 10 at 6:00 p.m., both at the City Council Chambers located at 9<sup>th</sup> and Martin Luther King Jr. Street, Georgetown, Texas. Second by Pitts

No discussion.

**Approved 5-0 with District 1 Vacant and Triggs absent.**

## **Adjournment**

Motion by Fought, second by Nicholson.

**Approved 5-0 with District 1 Vacant and Triggs absent.**

Adjourned at 4:15 p.m.

-----  
Approved by the Georgetown City Council on \_\_\_\_\_

Date

\_\_\_\_\_  
Dale Ross, Mayor

\_\_\_\_\_  
Attest: City Secretary