

CARL HARBERT <i>Council Member, Place 1</i>	DAVID RUTLEDGE <i>Mayor</i>	DANNY HARRINGTON <i>Council Member, Place 4</i>
MIKE REED <i>Council Member, Place 2</i>		TERRI GAUTHIER <i>Council Member, Place 5</i>
TAMMI FISETTE <i>Council Member, Place 3</i>		LUCY FIELDS <i>Mayor Pro-Tem, Place 6</i>

CITY COUNCIL SPECIAL MEETING MINUTES

WORKSHOP SESSION

CITY OF BRIDGE CITY

July 30, 2020

The City Council of Bridge City met in a special meeting on Thursday, July 30, 2020, at the City Hall of Bridge City, 260 Rachal, Bridge City, Texas.

1. CALL TO ORDER

Mayor David Rutledge called the City Council Special Meeting to order at 6:00 p.m.

IDENTIFICATION OF A QUORUM (ROLL CALL)

CITY COUNCIL PRESENT:

Mayor David Rutledge
 Council Member Carl Harbert
 Council Member Mike Reed
 Council Member Danny Harrington
 Mayor Pro-Tem Terri Gauthier
 Council Member Lucy Fields

CITY COUNCIL ABSENT: Council Member Fisetete.

The City Staff present but was not part of the roll call is as follows:

CITY STAFF PRESENT:

City Manager Jerry D. Jones
 City Secretary Jeanie McDowell
 Finance Director Karen Morgan
 Chief Paul T. Davis
 Police Captain Tod McDowell

2. INVOCATION

Invocation was given by Council Member Gauthier. At the conclusion of the invocation, Mayor Rutledge thanked everyone joining the meeting via telephone.

3. WORKSHOP SESSION - ITEM FOR DISCUSSION ONLY

(a) Discussion of the City of Bridge City 2020 - 2021 Fiscal Year Budget

Mr. Jones said the budget itself would basically remain the same. The tax information that came out was incorrect. Ms. Morgan spoke with Ms. Fisher the second time the City received the information and it was still incorrect. Ms. Morgan went through the entire process of about a 16 page sheet to establish what that is, and there was quite a bit of difference in what the City was trying to do and what we could do. The difference is caused in the debt service by the delinquent tax that came in and was paid last year plus the penalty and interest that was charged on that. When you go to the back of that formula that actually works against the City. The rates the City will have to go to are lower and the actual tax rate itself would be lower to the citizens. The new rate the City will go to is 0.54058, the rate we were proposing before was 0.55170, so you can see it is a substantial rate drop. When you look at the overall taxes for the citizens of Bridge City, the average household will drop 2.33%. The City would be showing an increase by the standards that have been sent out on the notices, but it does not show the percentage. The number the City had to go to is the number just below the disaster voter approval rate. Even with that number which is less than 8%, the City would still be reducing the tax rate. It is a really complicated formula they have, it also drops the amount of money the City is proposing in the budget by \$42,498.65. The good thing about this is the majority of the problems were in the debt service area, so all of the budget items in the M & O will remain the same. The City Staff will make the corrections, the new tax rate will be 0.54058 and it will produce \$34,568.91 additional monies over last year's tax rate. The one the City had before, the 0.55170 would have produced \$77,000 over. You can see the City is going down \$42,000, but it is all in debt service so the budget numbers will remain the same.

Mr. Jones said there was something he had to touch base on quickly, Chief Paul Davis had asked for minor adjustments, he had mentioned this to the Council during the preparation of the budget for a couple of the categories that he had. Mr. Jones said the City would be able to do one of those partially, and the other one we would look at next year. It is all included in the budget numbers that we have.

Mr. Jones said he was open for questions.

Council Member Reed asked if anything the City falls short on, that was discussed in the budget so far, is it all on the debt reduction side of it.

Mr. Jones said yes, the numbers the City had was on the debt side and he said Ms. Morgan had spent 3 or 4 days on this, and there is no way in this world no one can understand this. It is just a procedure they go through, she had to enter line item by line item, but it makes absolutely no sense because the City collected debt service, delinquent from 3 or 4 years ago, we are being penalized for it this year, but that is the way it is set up. The City is going to look at ways to address this for the coming year. Mayor Rutledge is trying to get a meeting set up, and we can include the Council, with our Representative. Hopefully, we can at least get them to understand what they are doing to us. If they continue to do this, every city will take a reduction in rates every year. It is just not possible with the formula they have for it to be fair to anyone.

Mayor Pro-Tem Fields asked Mr. Jones with the new construction going up in the City, with new taxes coming in would that help this budget any at all this year if the City needs the money.

Mr. Jones said it will never help the City because the way they have it set up, they start off with the no new tax rate, which it basically saying it is the same thing it was last year. So, yes we will get a little out of it, but what that new construction does with this formula is basically starts

reducing everyone's tax rate every year. He said that does not make any sense, but that is the way the formula is set up.

Council Member Gauthier asked when they meet with the City's Representative can the Council be included to try to understand and have a voice in this.

Mr. Jones said yes, I'm sure we can, we have to get a time when we can try to get all the other Mayors and City Managers from the other cities to join in with us. Maybe someone can get through to them to make them understand what this does to all the cities.

Council Member Gauthier said that is the only way it can be changed.

Mayor Pro-Tem Fields asked if our next legislative session is in 2021, correct.

Mr. Jones said that is correct.

Mayor Pro-Tem Fields asked so the City has until then to try to get it correct.

Mr. Jones said yes, and he will try to have a meeting well ahead of that and would like to do it this year. So, at least they can start looking at it and understand what they voted on.

Mayor Pro-Tem Fields asked if what she is understanding other than changing the tax rate, the budget will remain the same.

Mr. Jones said that is correct. He said City Staff will drop the \$42,000 out of the budget, but it is all related to debt service so it will not change the M & O.

Mayor asked if any citizens would like to make a comment or ask a question at this time.

4. ADJOURN

Council Member Harrington made a motion to adjourn the workshop session at 6:14 p.m. seconded by Mayor Pro-Tem Fields.

MOTION CARRIED.

Ayes:

Mayor Rutledge

Mayor Pro-Tem Fields

Council Members Harbert

Council Member Reed

Council Member Fisette

Council Member Harrington

Council Member Gauthier

Noes: None.

Absent: Council Member Fisette.

David Rutledge, Mayor

ATTEST:

Jeanie McDowell, City Secretary