

Finance Committee Minutes

February 18, 2020

Members Present: Joe Rodriguez, Paul Davidhizar and Russell Humphrey

Staff Present: Steve Ritter, Aron Kulhavy, Brent Sherrod.
Boyd London discussed the debt scenarios.

The agenda items discussed were:

- Approved the minutes from the January 7, 2020 meeting.
- Discussed the expiring debt of approx. \$80K that is coming off at the end of this fiscal year:
 - ❖ \$80K of excess debt capacity that the City will not need for Prop # 2 projects; Aron reminded them that Prop #2 is being funded by the Utility Fund - 70% and 30% by the General Fund. Most likely the debt for Prop #2 would be issued in August of this FY.
 - ❖ A handout was given to look at possible debt scenarios with 3 different options. Three of the options included raising the property tax rate in future years. If the City allows the debt to roll off that would lower the tax rate by .5¢; if the debt stays on the debt capacity could be around \$1.4 million to \$1.6 million for future general fund projects. Some of the projects that Aron would like to have considered are:
 - ❖ MLK Center improvements;
 - ❖ Animal Shelter;
 - ❖ Transportation Master Plan - streets.
- Brent Sherrod discussed the agreement with SHSU in regard to the pre-contract costs for expenses related to entering into a contract with SHSU for the City to operate a Wastewater Reclamation Plant on behalf of SHSU. Brent indicated that the City will have to go thru the TCEQ permitting process and that takes anywhere from 6 months to 1 year. A attorney is drawing up the contracts for City and

SHSU review regarding this matter. Brent indicated that the City wants all of our costs back + administrative fees + 10%.

- ❖ All other budget amendments are grant fund related:
 - ❖ SWAT night vision - \$46,820
 - ❖ Redaction software - \$10,565
 - ❖ 2 hand held radios - \$12,451
 - ❖ Hazmat training for firefighters - \$22,742