



ELGIN CITY CITY COUNCIL MINUTES
September 26, 2024
6:30 PM

CALL TO ORDER

Mayor McShan called the meeting to order at 6:30 p.m.

ROLL CALL

Mayor McShan called roll call. She stated that all council members were present.

Present:

Theresa Y. McShan, Mayor
Arthur Gibson III, Council Member
Joy Casnovsky, Council Member
Chuck Swain, Council Member
YaLecia Love, Council Member
Al Rodriguez, Council Member
Matthew Callahan, Council Member
Forest L. Dennis, Council Member
Sue Brashar, Mayor Pro Tem

Staff:

Thomas L. Mattis, City Manager
Michael Gonzalez, Public Work Director
Chris Noble, Chief of Police
Beau Perry, City Engineer/ Development Services Director
Pam Sanders, HR Director
Sonia Browder, Media Specialist
Dodie Navejas, UB Customer Services Manager
Todd Johnson, Commander
Esmeralda Rangel, Assistant City Secretary

INVOCATION

Mayor Pro Tem Brashar provided the invocation.

PLEDGE OF ALLEGIANCE

Mayor McShan let those in attendance in reciting the Pledge of Allegiance to the Flag of the United States of America and the Pledge of Allegiance to the Texas Flag.

PUBLIC HEARING

1. **Public Hearing on the Proposed FY2024-25 Annual Budget for the City of Elgin**
Joan Miller, 1305 Meadow Cove, stated that no one wanted a tax raise but if a raise could

be justified then maybe it was needed. There are factors decreasing revenue, such as a decrease in property value, permitting fees, and a 65 and older or disabled tax freeze. She stated that a line-by-line look over the budget was not unproductive and that the city council was elected to do what's best for the community. She would like to see a budget that is predicated on a 0.55 and 0.57 tax rate and that the elimination of new positions or no raises for city employees should not be the first thing to go.

Roland Silva, 104 Gillespie Ln, stated that in regard to Tuesday's Meeting, he felt the decision to lower the budget by having it impact staff would be punitive. He believed the city council should look at alternatives and make cuts someplace else.

Mayor McShan closed the public hearing.

2. Public Hearing On The Proposed FY24-25 Tax Rate

Debra Wahrmund, 905 Marvins Cove, expressed that at the last council meeting, she felt there wasn't enough adequate information provided, but after further discussions with council members, she now has a clearer understanding. She supports the proposed tax rate and hopes the city council will make a thoughtful decision, carefully considering the input from citizens.

Brenda Pina, 512 N Ave H, stated her concern about statements made during the last council meeting. She emphasized that the budget should be reviewed line by line, with the math behind it. She reminded the city council that, as elected officials, they had a responsibility to do their due diligence. Additionally, she urged that any budget cuts should not be made at the expense of personnel. And to look at the city as a whole, while some subdivisions are receiving new sidewalks, others also require improvements. She also stated that there was a lack of EDC development and called for more retail, industrial, and manufacturing opportunities. Lastly, she stated that citizens are looking for relief in taxation with representation.

Roland Silva, 104 Gillespie Ln, shared his concerns about maintenance and operation. He referenced back to the last freeze and how the rec center was unavailable. He encouraged the council to look at the community as a whole and to focus on utility upgrades and not just the parks that look nice. He hopes the council will take the citizens' input and allocate funds wisely for the benefit of the community.

Tavis Kane, emphasized that the city council was elected to represent the will of the people and that the recent hikes negatively impacted both the council and Elgin taxpayers. He made it clear that they would do everything possible to publicize the decisions made today. He referenced a 2020 article highlighting the \$12 billion cost to taxpayers statewide due to high-paid public employees, particularly city managers in Texas, who were earning salaries far above the median for their municipalities. He also brought up a February article that discussed over-compensated city managers in Texas, pointing out that the proposed budget indicated the Elgin city manager's salary from 2016 would account for about 1 percent of the budget. He noted that the proposed budget also included a 43 percent salary increase for three employees in the HR department and a 47 percent increase for the municipal court department—without factoring in the cost of living increase. He expressed confusion about where all the money was going, suggesting that these expenses could easily be reduced. Ultimately, he argued that with these inflated salaries, citizens still lacked basic infrastructure like sidewalks for safe street crossings.

Mayor McShan closed the public hearing.

NEW BUSINESS

1. *(Second Reading and Final Adoption)* AN ORDINANCE APPROVING AND ADOPTING A BUDGET FOR THE CITY OF ELGIN, TEXAS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2024, AND ENDING SEPTEMBER 30, 2025, IN ACCORDANCE WITH THE LOCAL GOVERNMENT CODE OF THE STATE OF TEXAS AND THE ORDINANCES AND RULES OF THE CITY OF ELGIN, TEXAS; APPROPRIATING THE VARIOUS AMOUNTS THEREOF, AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT THEREWITH AND PROVIDING FOR AN EFFECTIVE DATE

Mr. Mattis provided an extensive presentation in response to citizens' comments, which included information about the city's growth. He stated that about 70 percent of the future growth in the city of Elgin would occur in the ETJ MUDs, at no cost to city taxpayers. He also presented a list of major ongoing traffic and safety improvements happening around the city, most of which will be funded by development fees and grants. He mentioned that the CTRMA is conducting an environmental study with plans to extend the toll road from Manor to the intersection of Elgin. He emphasized that the city has no control over this project, as it is outside the city's jurisdiction. Additionally, Mr. Mattis informed citizens that several streets are state-owned, including FM 1100, SR 95, Main Street, and "The Y" loop. The traffic signal lights on these streets are owned, operated, and fully managed by TxDOT. He also noted that TxDOT has jurisdiction over the roadways near Guadalajara and Sonic. Although the city has attempted to negotiate with TxDOT to make necessary repairs, they have not allowed the city to proceed. Mr. Mattis went on to highlight the over \$1 million spent on road improvements in the original town area, which is the highest amount in the city's history. The City's Capital Improvement Projects (CIP) have successfully turned \$27 million in debt into \$45 million in asset investment over the past three years. These increases have been made possible through grants, developer contributions, ARPA funds, and cash reserves. Major improvements include the wastewater treatment plant expansion, the Elm Creek lift station, and the Pistol Hill water tank. The city's water supply is in good condition, and there is enough sewer and water capacity to service the town. Since the freeze, the city has installed nine separate generators to ensure that both water and wastewater systems can operate independently, if necessary. Mr. Mattis then moved on to review some budget information, using his original presentation to emphasize a few key points. He confirmed that there is no deficit spending in the budget. The budget was based on no cuts to services or personnel. Though the projected revenue had been considered somewhat conservative, by mid-year, the council would have enough information to adjust the budget if necessary. He also emphasized that the tax rate had already been reduced by three cents, there was no proposed pay increase for the mayor or council, no funding for EMS, no funding for vehicles or equipment, and no funding for city-funded street improvements. He provided brief details on each of these aspects. Mr. Mattis explained that the city only has control over the city's tax rate and that the city receives approximately 23 cents for every property tax dollar. Regarding sales tax, the city receives only 12 cents from every dollar. He also pointed out that the senior tax freeze represents more than five cents of the tax rate. Representative Stan Gerdes had attended the previous meeting and mentioned a "slush fund," but Mr. Mattis clarified that there is no such fund. These funds are allocated to nonprofit organizations, such as the Women's Shelter, The Community Cupboard, Alley Cats, and others. Since 2016, the city has shared over \$323,000 with nonprofits. A few slides were presented in response to council questions,

showing the math behind the revenue projection in the budget for property tax. He also displayed the total tax rates for neighboring cities, which range from 0.49 to 0.85, while the city is proposing a 0.59 rate. All ARPA funds have been received and committed to projects approved by the City Council, and there are no issues with this funding or any potential "clawback" of funds. The council also requested a comparison of what a tax rate of 0.55 and 0.57 would look like. Mr. Mattis provided an overview of each cut and change that would be necessary to reach those rates. From the staff's perspective, the positions supported by a 0.59 tax rate are essential to meet service demands and are responsive to council needs.

Mayor McShan then opened the floor for questions or comments from each council member.

Ms. Love wanted clarification on the EPD staff, noting that the increase was not for two new physical positions but for a higher rank being proposed. She also mentioned that there would be no new cars for the following year since the city had obtained those cars last year. Mr. Swain thanked the city manager for the presentation, stating that it was crystal clear what would happen, regardless of how they voted.

Mr. Gibson asked for clarification on the difference between the police positions.

Ms. Casnovsky expressed her appreciation for the math and the extensive presentation provided.

Mayor Pro Tem Brahsar stated that all her questions had been answered and mentioned that she was disappointed the academy was not included in the presentation.

Mr. Dennis thanked the public for engaging in the discussion. He encouraged them to be involved in the budget discussions from the beginning, as the budget season starts in August. He addressed misinformation circulating about large tax increases, emphasizing that everyone on the dais owns property in Elgin and is also a taxpayer. He stressed that the council wants to be fair to citizens and ensure that it is fair to them as well.

Mr. Rodriguez wanted to expand on the idea of the increase. He pointed out that there was some misinformation circulating, suggesting that everyone's tax rate would increase by 25%, which did not seem correct. He expressed appreciation for the dialogue brought by the citizens.

Mr. Callahan sought clarification, asking if the council did nothing today, the budget would go through as presented, but not the tax rate. He added that if a different tax rate was proposed, a motion would need to be made for that specific rate.

Mayor Pro Tem Brashar made a motion to approve the Ordinance and to set and approve the Municipal budget for the 2024- 25 Fiscal Year as presented. Mr. Dennis seconded the motion. The vote was: Mayor Pro Tem - yes, Mayor McShan - no, Ms. Casnovsky -yes, Mr. Gibson - no, Mr. Swain - yes, Ms. Love - no, Mr. Callahan - no, Mr. Rodriguez - no, Mr. Dennis - yes. The motion to approve the Ordinance and to set the approve the municipal budget for the 2024-25 fiscal year as presented did not pass on a 4 to 5 vote.

Ms. Swain made a motion to approve the Ordinance and to set and approve the Municipal budget for the 2024-25 Fiscal Year with a tax rate of 0.57. Mr. Dennis seconded the motion. Mr. Gibson would like to amend the motion to adopt the budget with a 0.55 tax rate. Mr. Swain rejected the amendment. Discussion followed. Mayor McShan called a roll call vote for the budget to be approved with the necessary cut to reach a 0.57 tax rate. The vote was: Mr. Swain - yes, Ms. Love - no, Mr. Callahan - no, Mr. Rodriguez - no, Mr. Dennis - yes, Mayor Pro Tem Brashar - yes, Mayor McShan - yes, Ms. Casnovsky- yes, Mr. Gibson- no. The motion to approve the Ordinance and to set and approve the municipal budget for the 2024-25 fiscal with a tax rate of 0.57 passed on a 5 to 4 vote.

2. (Second Reading and Final Adoption) AN ORDINANCE LEVYING TAXES FOR MAINTENANCE AND OPERATION OF THE MUNICIPAL GOVERNMENT OF THE CITY OF ELGIN, TEXAS, AND PROVIDING FOR THE INTEREST AND SINKING FUND FOR THE 2024-25 TAX YEAR

Mayor Pro Tem Brashar made a motion to approve the Ordinance and that the property tax rate be increased by the adoption of a tax rate of 0.402319 for the M&O Rate per one hundred dollars of assessed value, which is effectively in total a 10.75% increase in the tax rate. Mr. Dennis seconded the motion.

Mayor McShan stated that a motion has been made and seconded to approve the Ordinance and that the property tax rate be increased by the adoption of a tax rate of 0.402319 for the M&O Rate per one hundred dollars of assessed value, which is effectively in total 10.75 percent increase in the tax rate. Mayor McShan called a roll call vote. The vote was: Mayor Pro Tem Brashar - yes, Mayor McShan - yes, Ms. Casnovsky - yes, Mr. Gibson - no, Mr. Swain - yes, Ms. Love - no, Mr. Callahan - no, Mr. Rodriguez - no, Mr. Dennis - yes. The motion to approve the Ordinance and that the property tax rate be increased by the adoption of a tax rate of 0.402319 for the M&O Rate per one hundred dollars of assessed value, which is effectively in total a 10.75% increase in the tax rate, passed on a 5 to 4 vote.

Mayor Pro Tem Brashar made a motion to approve the ordinance and that the property tax rate be increased by the adoption of a tax rate of 0.167681 for the Debt Rate per one hundred dollars of assessed value, which is effectively in total a 24.2% increase in the Tax rate. Mr. Dennis seconded the motion.

Mayor McShan stated that a motion has been made and seconded to approve the Ordinance and that the property tax rate be increased by the adoption of a tax rate of 0.167681 for the Debt Rate per one hundred dollars of assessed value, which is effectively in total 24.2 percent increase in the tax rate. Mayor McShan called a roll call vote. The vote was: Mayor Pro Tem Brashar - yes, Mayor McShan - yes, Ms. Casnovsky - yes, Mr. Gibson - no, Mr. Swain - yes, Ms. Love - no, Mr. Callahan - no, Mr. Rodriguez - no, Mr. Dennis - yes. The motion to approve the Ordinance and that the property tax rate be increased by the adoption of a tax rate of 0.167681 for the Debt Rate per one hundred dollars of assessed value, which is effectively in total a 24.2% increase in the tax rate, passes on a 5 to 4 vote.

EXECUTIVE SESSION

The City Council did not adjourn into executive session.

RECONVENE

ANNOUNCEMENTS

Ms. Browder stated that there would be Halloween celebrations all month long and to be sure to check on the city's website, Calander, and social media channels to see all the events happening in the library, parks, and rec center. In addition to Halloween, she also stated that Hogeye is coming up as well as National Night Out on October 1st, Dia de los Muertos on November 2nd, and Holiday by the Tracks on December 1st. Mayor McShan stated there would be a community cookout on Saturday hosted by Elgin Cares. Mr. Dennis also stated that he would be out on medical leave.

ADJOURNMENT

Mayor McShan adjourned the meeting at 8:14 p.m.

ATTEST:


Theresa Y. McShan, Mayor


Esmeralda Rangel, Assistant City Secretary