

STATE OF TEXAS {}
COUNTY OF BURNET {}
CITY OF BURNET {}

On this the 26th day of May, 2022, the City Council of the City of Burnet convened in a special called Workshop Session, at 10:00 a.m. in the City of Burnet Community Center located at 401 E. Jackson Street, Burnet, Tx.; thereof with the following members present, to-wit:

Mayor Crista Goble Bromley
Council Members Dennis Langley, Mary Jane Shanes, Ricky Langley, Philip Thurman
Absent Joyce Laudenschlager, Cindia Talamantez
City Manager David Vaughn
City Secretary Kelly Dix

Guests: Habib Erkan, Adrienne Feild, Leslie Kimbler, Patricia Langford, Mark Ingram, Alan Burdell, Andrew Scott, Mark Miller, Carly Kehoe Pearson, Kelli Sames, Eric Belaj, Tony Nash

Call to Order: Mayor Bromley called the meeting to order at 10:03 a.m.

DISCUSS AND REVIEW:

Discuss and consider: Year-to-Date Financial Report: P. Langford: Director of Finance Patricia Langford, presented the current year-to-date financial report through April 2022 and projected year end balances for all funds.

Discuss and consider: Review of Financial Goals: D. Vaughn: City Manager David Vaughn reviewed the financial goals to include:

- Maintain a 90-day reserve
- Maintain a 1.25 debt coverage ratio
- Maintain General Fund Net Operating Profit no less than 3-5% of operating budget
- Budget no more than 60% of projected Net Operating Profit as Fund Balance for Capital Projects
- Limit transfers for operations of Delaware Springs Golf Course to less than \$185,000 per year
- Maintain the Self-Funded Account at a level to properly fund future equipment needs based on a 5-year projection.
- Establish Capital Reserve Accounts for General Electric and Water/Wastewater Funds

Mr. Vaughn also discussed the need to establish financial goals for utilities other than debt coverage ration and a more formal I&S debt management policy. No action taken.

Discuss and consider: General Fund Revenue Sources: D. Vaughn: City Manager David Vaughn reviewed the primary sources of revenue for the General Fund to include Sales Tax Collections, Property Tax Collections, electric and water revenues and the appropriations of each.

Discuss and consider: Revising Financial Goals for Delaware Springs Golf Course: City Manager David Vaughn, reviewed the financial performance of Delaware Springs Golf Course for fiscal year 2021 and 2022. Mr. Vaughn provided a list of proposed goals as follows:

- Treat Delaware Springs as an Enterprise Fund
- The Operating Budget should cover all costs other than the Admin Allocation
- Provide seed money equal to last year's profit and this year's profit
- Future budgetary shortfall should be funded by prior year's profits
- Capital Improvements may be funded from prior year's profits
- Annual review of Delaware Springs financial goals

No action taken.

Discuss and consider: Street Rehab Program: E. Belaj: City Engineer Eric Belaj presented a summary of best practices for a street rehabilitation plan to include:

- Determination of pavement ratings
- Road Condition
- The need for street rehabilitation to start when the pavement is in fair condition
- Types of Street Rehab

- Preventative Maintenance
- In-house capability verses contractor
- Establishing goals for now, five year and ten year plan

No action taken.

Discuss and consider: Growth Planning: C. Pearson: Carly Kehoe Pearson, Director of Public Works and Development Services, presented to all an overview of planned growth goals and expectations to ensure that the City plans for future growth and maintenance in a fiscally responsible manner. Ms. Pearson discussed development patterns and the long-term fiscal impacts of suburban growth and the net return on investment modeling. No action taken.

Discuss and consider: The Basics of Property Taxes: D. Vaughn: City Manager David Vaughn reviewed with all present the calculation process of Ad Valorem Tax and the effects the adoption of Senate Bill 2 had on municipalities. Mr. Vaughn emphasized that taxes should be based on the budget, not the budget based on taxes. No action taken.

Discuss and consider: 2023 Property Taxes and Tax Debt Management Strategies: D. Vaughn: City Manager Vaughn discussed previously approved salary increases for the Fire and Police Departments and the 2022 Preliminary Estimate of Taxable Values from the Burnet County Appraisal District.

Mr. Vaughn showed data pertaining to the increase in taxable valuation over the last ten years and the distribution between new construction and the increase in existing properties. Mr. Vaughn showed comparisons of the City's tax rate to other communities, as well as the percentage of taxes that go to I&S. No action was taken.

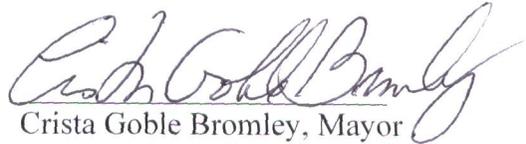
Discuss and consider: Funding of Street Improvements through Debt and Excess Cash. D. Vaughn

City Manager David Vaughn laid out plans to possibly fund approximately \$4 million worth of debt for street projects, pay for previously approved police and fire department pay increases and lower the tax rate. No action was taken.

ADJOURN:

There being no further business the Workshop session was adjourned at 2:35 p.m.

ATTEST:


Crista Goble Bromley, Mayor


Kelly Dix, City Secretary

