

**MINUTES FOR THE
AUGUST 11, 2025
CITY COUNCIL BUDGET WORKSHOP**

1. Call to Order and Recording of Quorum

The meeting was called to order at 2:34 pm and a quorum was established. Emmy Ballantyne was absent.

Council Members Present

Mayor, John Low
Bill Mitchell
Peter Mako
Kate Lanfear

Staff Present

City Manager, William Foley
Executive Secretary, Kristyn Schones
Fire Chief, William Knupp
Asst. Fire Chief, Justin Seibert
Police Chief, Gail Baham
Lieutenant Michael Gutierrez
Director, Rick Baldarrama

2. Comments by Citizens

There were no comments.

3. Budget Workshop to include discussion and staff guidance on 2026 Fiscal Year Budget

a. Review of Current Budget as of Date

b. Additional Guidance to Develop 2026 Budget

c. Discussion/Provide Staff Direction of Finalized Ad Valorem Tax Rate

Foley asked if there were any questions about the current budget report as submitted that he and staff could answer. There were no questions. Foley asked the council if there was something they wanted to see in the next budget and if they wanted to discuss any points that he had placed in his email as far as the COLA increase and drainage issues. Foley advised we need to spend time on a drainage discussion and lastly, we need to talk about our rate, as stated in the email sent to council. Foley advised we are not set in concrete at the voter approved rate and stated normally staff asks council to make a motion at the next meeting that says the city will not exceed that voter approved rate. Foley stated, depending on the direction given today on a COLA and other things, staff can go back and do the numbers and come up with a lower rate, but the motion in the next meeting should say not to exceed and would give him the latitude to do that before the September meeting. The current rate is .354727. Staff recommended the voter approval rate of .361261 to fund the budget and support a 6% COLA raise for all employees as Alamo Heights is doing a 6 % raise to first responders, Olmos Park is doing a 3% COLA. Council and staff discussed that even without the sales tax revenue that Alamo Heights and Olmos Park receive, Terrell Hills' tax rate is still lower. Council directed staff to not exceed the voter approved tax rate and to figure out if the budget could support a tax rate halfway between the current rate and the voter approval rate. Staff will have the figures for the next budget workshop meeting.

Mayor Low asked how we are performing from last year and where we are on our year-to-date 2025 budget. Foley advised he went through the numbers prior to the meeting and overall, we are doing very well. Mayor Low asked Schones where we are on collections and income. Schones advised that according to our software

we are on track with previous years. Mako advised he had looked at the expenditures and all appeared in line and looked excellent. Mitchell asked Foley if he projected where we would end up for the year. Foley advised his experience says that we have always come in under budget.

Mayor Low asked if it was likely that there will be a street project in 2026 and Foley that it was unlikely. Foley advised based upon the logistics of working with SAWS it takes over a year to plan. Mayor Low asked if the project costs for Garraty and Tuttle included the costs to restore properties back to pre-construction condition. Foley stated, yes, and explained that in the pre-bid and pre-construction meetings all contractors were told to bid that way. Foley said they were advised to go to location and look at the right of way, take pictures, and when you bid, bid with complete reconstructed condition. Foley advised he had problems with Jones last year; that the meetings were on camera with witnesses and Foley stated he told Jones he should have bid on the projects as instructed to do. Foley advised the same thing occurred at this year's meeting and that both Josh and our attorney were present at the meeting.

Mayor Low asked Justin for the status on the fire engine that is for sale, Justin advised they recently lowered the price to \$15,000.00 and have received two inquiries as of today. There was no interest prior to the decrease in purchase cost.

Mitchell asked Foley how he was managing the changes in the esplanade in the proposed budget. Foley advised we have \$10,000 now and anything above that, with the council's approval we would use money from the capital funds project account. Foley said they could wait until next year and do less of a transfer. Foley said if the project exceeds \$100,000.00 on Geneseo, they city could transfer 1.1 million instead of 1.2 million. Foley advised that since we don't expect to spend a lot of money on a road project because of how slow those wheels turn, we would have another year to make another transfer, and the city could afford it. Mayor Low stated \$100,000.00 would not go far, Foley advised that the costs would range from \$100,000.00 to \$168,000.00 and that is just the bald spots. Foley advised he and Schones looked at areas with different types of transitions and provided photos to council. Mako advised we might want to hire a professional landscaping company to give their opinion as opposed to what was received from Billy Long. Foley stated he could get with Frank and bring information to the next meeting.

Mayor Low asked Foley for the next meeting dates. Foley provided the budget workshop and city council meeting schedules. Foley stated there was no discussion on drainage and asked if there was anything, other programs, or ideas that council would like him to incorporate before coming back to council at the next budget meeting. The mayor suggested starting a fund to pay for drainage. After discussion with staff, the council directed staff to work on drainage as road projects are being done.

Mayor Low advised to adjourn the budget workshop and reconvene at 4 o'clock for the August Council meeting.

4. Adjournment

The meeting adjourned at 3:21pm.

ATTEST:

MAYOR

SECRETARY-MANAGER