

MINUTES

LANCASTER CITY COUNCIL SPECIAL MEETING SEPTEMBER 20, 2021

The City Council of the City of Lancaster, Texas, met in a called Special Meeting in the Council Chambers of City Hall on September 20, 2021, at 7:00 p.m. with a quorum present to-wit:

Councilmembers Present (City Hall & Zoom):

Mayor Clyde C. Hairston
Carol Strain-Burk
Deputy Mayor Pro-Tem Stanley M. Jaglowski
Marco Mejia
Mayor Pro-Tem Racheal Hill
Betty Gooden-Davis

Councilmembers Absent:

Keithsha C. Wheaton

City Staff Present (City Hall & Zoom):

Opal Mauldin-Jones, City Manager
Carey Neal, Assistant City Manager
Chris Youngman, Emergency Management Chief
Mike Delmore, Interim Director of Finance
Sam Urbanski, Police Chief
Bryce Reed, Communications and Public Relations Coordinator
Keturah Barnett, Assistant to the City Manager
Ron Gleaves, IT Manager
David T. Ritter, City Attorney
Sorangel O. Arenas, City Secretary

Call to Order:

Mayor Hairston called the meeting to order at 7:00 p.m. on September 20, 2021.

Public Testimony/Citizen's Comments:

There were no speakers.

Consent:

1. Consider an ordinance, establishing Civil Service assignment pay within the Police and Fire Departments; prescribing the rate in each assignment.
2. Consider an ordinance, establishing Civil Service classifications within the Police and Fire Departments; prescribing the number of positions in each classification.

MOTION: Councilmember Strain-Burk made a motion, seconded by Deputy Mayor Pro Tem Jaglowski to approve Consent items 1-2. The vote was cast 6 for, 0 against [Wheaton absent].

Action:

Deputy Mayor Pro-Tem Jaglowski showed his gratitude to all PIDs for submitting budgets on time and participating on the Boards.

3. Discuss and consider an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Beltline Ashmoore Public Improvement District.

City Manager Mauldin-Jones shared annually, the PID board in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Act") is required to establish and present an updated five (5) year service and assessment plan. Under the Act, the City is required to hold a public hearing on the proposed assessment and service plan details related to the district and the levy of the assessment. The Beltline Ashmoore PID board met on July 29, 2021, to discuss and consider the FY 2022 proposed budget and assessment plan. The PID board is proposing to maintain its current annual assessment of \$0.1500 per \$100 assessed valuation. On Monday, September 13, 2021, City Council conducted a public hearing to provide an opportunity for residents to give comments surrounding the proposed assessment rate and there were no speakers. Staff recommends approving the ordinance, as presented.

MOTION: Councilmember Strain-Burk made a motion, seconded by Mayor Pro-Tem Hill to approve item 3. The vote was cast 6 for, 0 against [Wheaton absent].

4. Discuss and consider an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Boardwalk Public Improvement District.

City Manager Mauldin-Jones shared annually, the PID board in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Act") is required to establish and present an updated five (5) year service and assessment plan. Under the Act, the City is required to hold a public hearing on the proposed assessment and service plan details related to the district and the levy of the assessment. The Boardwalk PID board met on August 13, 2021, to discuss and consider the FY 2022 PID budget and assessment plan. The PID board is proposing to maintain its current annual assessment of \$0.2000 per \$100 assessed valuation. On Monday, September 13, 2021, City Council conducted a public hearing to provide an opportunity for residents to give comment surrounding the proposed assessment rate and there were three speakers. Staff recommends approval of the ordinance as presented.

MOTION: Councilmember Strain-Burk made a motion, seconded by Deputy Mayor Pro-Tem Jaglowski to approve item 4. The vote was cast 6 for, 0 against [Wheaton absent].

5. Discuss and consider an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Glendover Estates Public Improvement District.

City Manager Mauldin-Jones shared annually, the PID board in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Act") is required to establish and present an updated five (5) year service and assessment plan. Under the Act, the City is required to hold a public hearing on the proposed assessment and service plan details related to the district and the levy of the assessment. The Glendover Estates PID board met on August 2, 2021, to discuss and consider the FY 2022 PID budget and assessment plan. The PID board is proposing to maintain its annual assessment of \$0.2400 per \$100 assessed valuation. On Monday, September 13, 2021, City Council conducted a public hearing to provide an opportunity for residents to give comments surrounding the proposed assessment rate and there were no speakers. Staff recommends approval of the ordinance as presented.

MOTION: Deputy Mayor Pro-Tem Jaglowski made a motion, seconded by Councilmember Strain-Burk to approve item 5. The vote was cast 6 for, 0 against [Wheaton absent].

6. Discuss and consider an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Lancaster Mills Public Improvement District.

City Manager Mauldin-Jones shared annually the PID board in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Act") is required to present an updated five (5) year service and assessment plan. Under the Act, the City is required to hold a public hearing on the proposed assessment and service plan details related to the district and the levy of the assessment. As this district is currently undeveloped, there is a proposed assessment rate of \$0.0000 per \$100 assessed valuation as there are no budgeted expenses for the 2021/2022 fiscal year. On Monday, September 13, 2021, City Council conducted a public hearing to provide an opportunity for property owners to give comments surrounding the proposed assessment rate and there were no speakers. Staff recommends approval of the ordinance as presented.

MOTION: Councilmember Mejia made a motion, seconded by Councilmember Gooden-Davis to approve item 6. The vote was cast 6 for, 0 against [Wheaton absent].

7. Discuss and consider an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Meadowview Public Improvement District.

City Manager Mauldin-Jones shared annually the PID board in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Act") is required to present an updated five (5) year service and assessment plan. Under the Act, the City is required to hold a public hearing on the proposed assessment and service plan details related to the district and the levy of the assessment. The Meadowview PID board met on August 19, 2021, to discuss and consider the FY 2022 PID budget and assessment plan. The PID board is proposing to maintain its annual assessment of \$0.1000 per \$100 assessed valuation. On Monday, September 13, 2021, City Council conducted a public hearing to provide an opportunity for residents to give comments surrounding the proposed assessment rate and there were no speakers. Staff recommends approval of the ordinance, as presented.

MOTION: Councilmember Mejia made a motion, seconded by Mayor Pro-Tem Hill to approve item 7. The vote was cast 6 for, 0 against [Wheaton absent].

8. Discuss and consider an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Millbrook East Public Improvement District.

City Manager Mauldin-Jones shared annually the PID board in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Act") is required to present an updated five (5) year service and assessment plan. Under the Act, the City is required to hold a public hearing on the proposed assessment and service plan details related to the district and the levy of the assessment. The Millbrook East PID board met on August 5, 2021, to discuss and consider the FY 2022 PID budget and assessment plan. The PID board is proposing to maintain its annual assessment to \$0.1100 per \$100 assessed valuation. On Monday, September 13, 2021, City Council conducted a public hearing to provide an opportunity for residents to give comments surrounding the proposed assessment rate and there were no speakers. Staff recommends approval of the ordinance, as presented.

MOTION: Mayor Pro-Tem Hill made a motion, seconded by Councilmember Strain-Burk to approve item 8. The vote was cast 6 for, 0 against [Wheaton absent].

9. Discuss and consider an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Pleasant Run Estates Phase 1-A Public Improvement District.

City Manager Mauldin-Jones shared The Pleasant Run Estates, Phase 1-A PID board met on August 12, 2021, to discuss and consider the FY 2022 PID budget and assessment plan. The PID board is proposing to maintain its annual assessment of \$0.1800 per \$100 assessed valuation. On Monday, September 13, 2021, City Council conducted a public hearing to provide an opportunity for residents to give comments surrounding the proposed assessment rate and there were no speakers. Staff recommends approval of the ordinance as presented.

MOTION: Mayor Pro-Tem Hill made a motion, seconded by Councilmember Gooden-Davis to approve item 9. The vote was cast 6 for, 0 against [Wheaton absent].

10. Discuss and consider an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Rolling Meadows Public Improvement District.

Deputy Mayor Pro-Tem Jaglowski recused.

City Manager Mauldin-Jones shared The Rolling Meadows PID board met on August 6, 2021, to discuss and consider the FY 2022 PID budget. The PID board is proposing to maintain its annual assessment of \$0.30 per \$100 assessed valuation. On Monday, September 13, 2021, City Council conducted a public hearing to provide an opportunity for residents to give comments surrounding the proposed assessment rate and there were no speakers. Staff recommends approval of the ordinance, as presented.

MOTION: Councilmember Gooden-Davis made a motion, seconded by Mayor Pro-Tem Hill to approve item 10. The vote was cast 5 for, 0 against [Wheaton absent] [Jaglowski recused].

11. Discuss and consider an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Tribute at Mills Branch and Tribute East at Mills Branch Public Improvement District.

City Manager Mauldin-Jones shared The Tribute at Mills Branch and Tribute East at Mills Branch PID board met on August 3, 2021, to discuss and consider the FY 2022 PID budget and assessment plan. The PID board is proposing to maintain its annual assessment rate of \$0.3600 per \$100 assessed valuation. On Monday, September 13, 2021, City Council conducted a public hearing to provide an opportunity for residents to give comments surrounding the proposed assessment rate and there were no speakers. Staff recommends approval of the ordinance, as presented.

MOTION: Deputy Mayor Pro-Tem Jaglowski made a motion, seconded by Councilmember Strain-Burk to approve item 11. The vote was 6 for, 0 against [Wheaton absent].

Public Hearing:

12. Conduct a public hearing and consider an ordinance approving the proposed fiscal year 2021/2022 budget for the fiscal year beginning October 1, 2021, and ending September 30, 2022; providing that expenditures for said fiscal year shall be in accordance with said budget.

City Manager Mauldin-Jones shared state Truth-in-Taxation and the City Charter require the City of Lancaster to conduct a public hearing on the proposed annual budget. The proposed total tax rate required to provide revenue for maintenance and operations and interest and sinking fund requirements is \$0.769287 cents per one hundred dollars (\$100) assessed valuation. The approval of the proposed

ordinance will adopt the FY 2021/2022 budget and appropriate necessary funds for the City's operation, maintenance and debt service requirements. The proposed budget was presented at a work session held on Monday, August 9, 2021, and Monday, August 16, 2021. A public hearing was held on Monday, September 13, 2021. This is the second and final public hearing and consideration for adoption. The proposed tax rate is \$0.769287 per \$100 assessed valuation to be assessed on taxable property to generate revenues for the maintenance, operations, interest and sinking, and street maintenance fund requirements. The proposed maintenance and operations (M&O) fund requirements will decrease from \$0.580167 to \$0.564061, and the proposed interest and sinking fund will also decrease from \$0.214569 to \$0.180226. The street maintenance fund requirements will remain at \$0.025. The budget total for all funds are \$68,744,054. Staff recommends conducting and closing the public hearing and approving the ordinance as presented.

Mayor Hairston opened the public hearing.

There were no speakers.

MOTION: Councilmember Strain-Burk made a motion, seconded by Mayor Pro-Tem Hill to close the public hearing. The vote was cast 6 for, 0 against [Wheaton absent].

Deputy Mayor Pro-Tem Jaglowski shared this is the second year that Council reduces the tax rate.

MOTION: Deputy Mayor Pro-Tem Jaglowski made a motion, seconded by Councilmember Strain-Burk to approve item 12. Mayor Hairston called the voice roll. The roll call vote was cast 6 for, 0 against [Wheaton absent].

Action:

- 13. Discuss and consider a resolution amending the rate for certain fees and charges assessed and collected by the City for water and wastewater service; providing a repealing clause; and providing an effective date.**

City Manager Mauldin-Jones shared On August 9, 2021, Council received a presentation from New Gen Strategies and Solutions, LLC (New Gen) on the Utility Rate Study. At that time, there had been no water or sewer rate increases considered for over seven years, even though Dallas Water Utilities and Trinity River Authority had substantially raised rates charged to the City during the same time frame. Projections in the utility rate study indicated that the utility fund would soon have a fund balance deficit if rates were not incrementally increased. Increases in the utility rates were recommended to be implemented by initiating the rate increases in FY 2022 and spreading them over four (4) years; the City can mitigate the impact of increased utility bills on customers. The proposed 2021-2022 base water bill increase is proposed to increase from \$20.90 to \$21.79. The rate per 1,000 gallons up to 14,999 gallons will increase from \$2.67 to \$2.78. The rate for 15,000 to 29,999 gallons will increase from \$3.31 to \$3.45. The rate for 30,000 or more gallons will increase from \$4.16 to \$4.34. The 2021-2022 base sewer bill will increase from \$15.04 to \$16.62. The price per 1000 gallons of usage will increase from \$7.73 to \$8.54. Based on the analysis conducted, it was concluded that on a combined basis, the City's current rate revenues were insufficient to fund the projected cost of service starting in FY 2023. At this time, based upon current information, it is recommended that the City implement water and sewer rate increases. An increase in rates starting in FY 2022 is necessary to ensure the City has sufficient financial resources to pay debt service on the projected debt issues, recover the cost of providing service, meet the City's financial policy requirements, and generate needed cash to fund these capital projects. By initiating the rate increases in FY 2022 and spreading them over four (4) years, the City can mitigate the impact of increased utility bills on customers. Staff recommends approval of the resolution, as presented.

MOTION: Mayor Pro-Tem Hill made a motion, seconded by Councilmember Gooden-Davis to approve item 13. The vote was 6 for, 0 against [Wheaton absent].

14. Discuss and consider a resolution ratifying the budget for the fiscal year 2021/2022 that results in an increase of revenues by 1.64% from property taxes over the previous year.

City Manager Mauldin-Jones shared as of September 1, 2007 several laws went into effect, including House Bill 3195 as passed by the 80th Legislature. This bill requires cities to post both their preliminary and adopted budgets on their website. It also requires cities and counties that will be raising more revenue from property taxes than in the preceding year to have a separate vote of the governing body to ratify the tax increase reflected in the budget. The FY 2021/2022 budget and tax rate results in an increase in revenues by 1.64% (percentage by which the tax rate will be higher than the no-new-revenue tax rate calculated under Chapter 26, Tax Code) from property taxes compared to the previous year. The legislation is specific and requires separate action by the City Council. Staff recommends approval of the resolution with the following motion that is required by state law: "Motion to approve a budget that will result in an increase of revenue from property taxes than the previous year and to ratify a property tax revenue increase reflected in said budget."

MOTION: Deputy Mayor Pro-Tem Jaglowski made a motion, seconded by Mayor Pro-Tem Hill to approve a budget that will result in an increase of revenue from property taxes than the previous year and to ratify a property tax revenue increase reflected in said budget. Mayor Hairston called the voice roll. The roll call vote was cast 6 for, 0 against [Wheaton absent].

15. Consider an ordinance approving the proposed fiscal year 2021/2022 budget for proceeds of seized property for the Lancaster Police Department for the fiscal year beginning October 1, 2021, and ending September 30, 2022; providing that expenditures for said fiscal year shall be in accordance with said budget.

City Manager Mauldin-Jones shared Texas local government code requires any police department that receives assets from State or Federal seized funds to submit a proposed budget of the expenditures for conducting the affairs of the Lancaster Police Department throughout the fiscal year beginning October 1, 2021, and ending September 30, 2022. The proposed detail budget is Police Seized Funds - State \$10,000.00 and Police Seized Funds - Federal \$10,000.00. Staff recommends approval of the ordinance, as presented.

MOTION: Councilmember Strain-Burk made a motion, seconded by Councilmember Gooden-Davis to approve item 15. The vote was cast 6 for, 0 against [Wheaton absent].

Public Hearing:

16. Conduct a public hearing and consider an ordinance regarding the proposed revenue increase from levying ad valorem taxes for fiscal year 2021/2022 at \$0.769287 per one hundred dollars assessed valuation of all taxable property within the corporate limits to provide revenues for current maintenance and operational expenses and interest and sinking fund requirements; providing due and delinquent dates; penalties and interest; providing a homestead exemption and disability exemption.

City Manager Mauldin-Jones shared state Truth-in-Taxation law, Local Government Code and the City Charter require that an ordinance levying the ad valorem taxes be read and a public hearing held at a regular or special meeting of the Lancaster City Council. The tax rate proposed for fiscal year 2021/2022 is \$0.769287 per one hundred dollars assessed valuation on taxable property within the corporate limits. These tax dollars provide revenue for current operating and maintenance expenses and interest and sinking fund requirements. The total tax revenue will increase from properties on the tax roll in the preceding tax year by 4.38% (percentage by which the tax rate will be higher than the No-New-Revenue tax rate calculated under Chapter 26, Tax Code.) Individual taxes may increase or decrease at a rate greater or lesser depending on the change in the taxable value of each property. This is the second and final public hearing regarding the proposed tax rate. The first public hearing was held on Monday,

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September 13, 2021. The proposed tax rate of \$0.769287 on each one hundred dollars (\$100.00) assessed value of taxable property to be apportioned and distributed as follows: \$0.589061 for the purpose of maintenance and operations (including \$0.025 dedicated to the Street Maintenance Fund), and \$0.180226 for interest and sinking fund requirements. Staff recommends City Council conduct and close the public hearing, and approve the ordinance as presented with the following motion that is required by state law: I move that the property tax rate be increased by the adoption of a tax rate of \$0.769287, which is effectively a 0.65 percent increase in the tax rate.

Mayor Hairston opened the public hearing.

There were no speakers.

MOTION: Councilmember Strain-Burk made a motion, seconded by Mayor Pro-Tem Hill to close the public hearing. The vote was cast 6 for, 0 against [Wheaton absent].

MOTION: Mayor Pro-Tem Hill made a motion, seconded by Deputy Mayor Pro-Tem Jaglowski to approve that the property tax rate be increased by the adoption of a tax rate of \$0.769287, which is effectively a 0.65 percent increase in the tax rate. Mayor Hairston called the voice roll. The roll call vote was cast 6 for, 0 against [Wheaton absent].

Executive Session:

17. City Council shall convene into closed executive session to consult with the City's Attorney regarding pending or contemplated litigation pursuant to Texas Government Code Section 552.971(1)(a): litigation regarding taxation under 34 TAC 3.334.

18. Reconvene into open session and take any action necessary.

The City Council recessed for Executive Session at 7:31 p.m. and reconvened into open session at 8:07 p.m.

No action taken.

MOTION: Councilmember Mejia made a motion, seconded by Deputy Mayor Pro-Tem Jaglowski to adjourn. The vote was 6 for, 0 against [Wheaton absent].

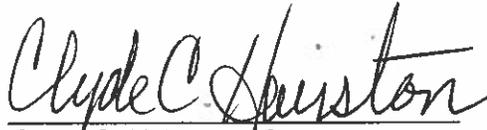
The meeting was adjourned at 8:07 p.m.

ATTEST:

APPROVED:



Sorangel O. Arenas, City Secretary



Clyde C. Hairston, Mayor