

Public Hearing Minutes
Breckenridge City Commission

August 23, 2016 – 5:30 P.M.
Breckenridge City Offices Commission Chambers
105 North Rose Avenue
Breckenridge, Texas 76424

Those Present: Jim McKay, Mayor; Tom Cyprian, Mayor Pro-Tem; Rob Durham, Commissioner; R. Kent Thompson, Commissioner; Andy McCuistion, City Manager; Heather Robertson-Caraway, City Secretary; Calvin Chaney, Fire Chief; Jeb Baxley; John Cook; Brian G. Knight; Karen Chakerian, Bernard Pacquiao

Those Absent: David Wimberley, Commissioner

1. Call to Order

Mayor McKay at 5:30 P.M. a quorum was established.

PUBLIC HEARING

2. Discussion: City of Breckenridge Tax Increase

Mayor McKay asked we limit to 5 minutes per person, one at a time and that the person stand and state their name clearly so that it may be recorded.

John Cook stated he knows this is a hard job. Can't imagine anyone would want these jobs. I was at the last meeting. I am here because I feel like someone needed to be here again. We don't need to raise property taxes. We need to find a way to make our budget work. You represent the tax payers, not the City. The one thing that I found was incorrect, the green sheet of paper that was passed out at last meeting stated we can find a complete copy of the 2016-17 budget on the website, and I can't find it anywhere. City Secretary Robertson-Caraway replied it is not on the website because it is not approved yet. Once it is approved, it will be put on the website. City Manager McCuistion stated this is a tentative budget and we handed out the paper so that whomever attended these meetings may follow along. John Cook explained since the paper that was handed out states the complete 2016-17 Budget can be found on the website, then it needs to be on the website. City Manager McCuistion replied I don't think it is a bad idea to put the proposed budget on the website before it is voted on so people can see it. The Mayor and all the Commissioner's agreed it would be beneficial to put the proposed budget on the website each year.

Karen Chakerian stated I don't have a problem with the budget. If you all would get out in front of the situations and tell us about them it will take the fuel out of these people on Facebook. Be more proactive. As far as the taxes, we wind up being on opposite ends. Tax revenues are down because of gas and oil. We can't afford to give you more money because of gas and oil. Mayor McKay stated thank you – good comment.

Commissioner Durham stated I am going to get personal for a second. My wife has been a school teacher for 28 years and she has not had a raise in 8 years because she maxed out at 20 years. But her insurance keeps going up, so she is getting a pay cut every year. We put our trust as Commissioner's in Andy, I think he is doing a great job. Andy inherited a lot. 50 years ago no one looked ahead and we are now paying for that. Aging infrastructure, bad roads, etc. Are there things we can do to tighten our belt? Yes. This is a very bare bones budget. Raising the taxes was and is an absolute last resort. We have 6,000 people – you are not going to satisfy everyone. I have been studying the valuations for the last 5 years and I just recently found out we can go to the Appraisal Office and contest the valuations. Not everyone knows that. I think more people should be involved in the valuations.

Karen Chakerian asked as the City Manager do you do this budget or do others pour over it as well? Commissioner Thompson replied we all pour over it. Karen Chakerian added since we are down to a bare bones budget, is there a little bit too where we are not chasing our tails to fix the next geyser? City Manager McCuiston stated we do have \$400 thousand in the street tax fund to patch streets this year, we can't overlay, costs too much. Our engineers are getting bids and we are looking at 2 streets to get an idea of costs. Once we get an idea of what the cost is going to be possibly by square foot, we will identify the streets that need patched. Karen Chakerian stated I am more concerned with the infrastructure, when will it get done? City Manager McCuiston replied we just finished a \$1.7 million project where we put new pipes in. Explained the purple lines on the map. You can see \$1.7 million doesn't go far. Right now, we have about \$10 million in projects that we are doing, some street work and water & sewer work. We don't want to put new streets over old water and sewer lines because we will have to tear into them. The Parks Street project that goes from Walker to 7th and on Lindsey Street from Parks to Rose, that is in the process of being designed and I am expecting them to start sometime in September. TxDOT is redoing the road surface on Hwy 180 E and Hwy 183 S, our water lines date back to 1922 and they are making us move our lines to the side of the road, and we have to pay 10% of that project. We also have projects going on at the Water Plant and Sewer Plant. Karen Chakerian asked why haven't we read about all that in the paper. City Manager McCuiston responded newspaper personnel sit over there and we tell them about it. Karen replied if we could read it in the paper we might not be attacking.

City Manager McCuiston discussed the latest boil water notice. We sent out Code Red Alert, contacted businesses, delivered notices to businesses to post on their doors, sent notices with home delivered meals, notice posted on our website and on marquees at the banks, contacted newspaper and news stations. We still got complaints that we did not notify people of the boil water notice. And we go through the same procedure when we rescind the notice.

Commissioner Thompson stated we are going back to the 2012 rate. We have decreased the rate the last 3 years. Mayor McKay also stated for three years we did decrease the rate but the citizens have not felt it because the values have increased. Karen Chakerian asked are you all comfortable with these numbers. Mayor McKay replied yes, we still have to sustain services and we have cut personnel. Behind as it is, same crew's durapatching and doing water leaks. We have to cover our debt services. Commissioner Thompson stated there are two separate issues here. The appraisal district, no; the tax rate, yes.

City Manager McCuistion asked Karen, do you know what else we have done before we raised the tax rate in this budget. I started developing the budget around April and May when I got the first 6 months of actual operating expenses. Sales taxes were down about \$200,000 and water revenues were also down about \$200,000 due to all the rain. We had a hiring and purchasing freeze, only spending money or hiring when needed. In building this next year's budget, I am trying to be very conservative. According to the news, the oil is not coming back like it was, we are going to have another hard year coming up. We eliminated 6 ½ positions, about to make a full time position into a part time position. No raises, except for the Fire Department, they have an agreement with the Commission when they eliminated the Assistant Fire Chief position last year, they get 3% raises over the next 4 years. Reduced all the budgets a little over 6%, no vehicle or equipment purchase in this budget. When we looked at reserves – the policy states we should keep around 2 months reserve in each fund. Reserves are used for unplanned expenditures. We have had a lot of those this year. After all of that and raising the tax rate to \$1.04, we are still down to \$100,000 and it should be around \$600,000. As a last resort I had to recommend to the Commission that we raise the tax rate to \$1.04, which is what the rate was when I came here. Four years ago when I came here I told the Commission the tax rate was too high, we decreased the rate 3 years in a row, this year we came back up to \$.94 and now back to \$1.04. Not what I wanted to do, but felt I had to. That \$.10 generates about \$190,000. Other towns are having it worse than we are. Jacksboro is raising to \$1.26 from \$1.18. If revenues don't come in like I planned this year, then we may have to cut services, personnel layoffs and probably have salary decreases. Karen Chakerian asked what kind of services. City Manager McCuistion replied normally in a community the first services to go are the library and parks because they are quality of life and not public safety or health. May have to look at police and fire positions at some point.

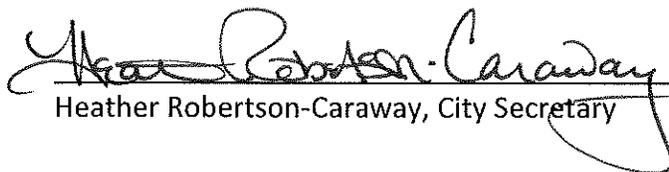
Commissioner Durham stated if we put the proposed budget on the website, it may help people become more educated and aware of how each penny is spent.

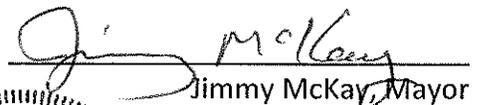
Mayor McKay asks if there is anyone else who would like to address the Commission. If not, I will entertain a motion to adjourn.

3. Adjourn

Commissioner Thompson made a motion, seconded by Commissioner Durham to adjourn the meeting. When the motion was put to vote, it prevailed as follows: Ayes: McKay, Thompson, Cyprian, Durham. Nays: None. Absent: Wimberley.

Meeting adjourned at 6:10 P.M.


Heather Robertson-Caraway, City Secretary


Jimmy McKay, Mayor

