

**MINUTES OF SPECIAL WORKSHOP MEETING**

**Call To Order**

The City Council of the City of Katy, Texas, convened in special Workshop session Thursday, August 25, 2016, at 10:00 a.m., at Katy Municipal Complex, 901 Avenue C, Katy, Texas. The following City Officials were present:

Fabol Hughes, Mayor  
 Chuck Brawner, Mayor Pro Tem  
 J. Gary Jones, Councilmember  
 Jimmy Mendez, Councilmember  
 Steve Pierson, Councilmember  
 Missy Bunch, City Secretary  
 Byron Hebert, City Administrator  
 Becky Wilkins, City Treasurer

The following City Officials were absent:

Durran Dowdle, Councilmember  
 Art Pertile, City Attorney  
 David Leyendecker, City Engineer

**Discuss Proposed 2016-2017 Budget**

The purpose of the Workshop was to discuss the proposed 2016-2017 Budget. Councilmembers had been provided with copies of the proposed Budget and related information prior to the Workshop

City Administrator Byron Hebert began his review of the proposed 2016-2017 Budget and reported the proposed Budget was formally filed on 08-08-2016. Hebert anticipates the proposed 2016-2017 Budget to be adopted at the 09-26-2016 Regular City Council Meeting. It was noted changes and/or corrections can be made to the proposed Budget after it has been filed and before it is adopted.

Hebert commented the City had recently adopted Vision and Mission Statements for the City. He explained both referenced financial strengths. One statement includes “economic growth through commitment to overall fiscal well-being”; and, the other refers to “financial strength”.

Hebert began a PowerPoint Presentation on the proposed 2016-2017 Budget. He explained that certain economic indicators were taken into consideration while preparing the proposed budget. Economic indicators included home starts and commercial growth. He spoke of home starts and residential growth, including Cane Island, Falls At Green Meadows, Young Ranch, Reserves At Katy and Enclave At Katy. Commercial Growth included Hotels, Buc-ees, Kroger and The Shops at The Reserve, Typhoon Texas, P&F At I-10 American Headquarters, Katy I.S.D. Expansion, new stadium and schools. He referred to the City’s portion of Katy’s growth as construction of Cane Island Parkway and Overpass; I-10 Frontage Road between Cane Island Parkway and Pedersen Road, Morton Road, Franz Road and Highway 90 at Cane Island Parkway. Growth in Historic Katy include New City Hall, Old Town District, Downtown Plaza, Demolition of Old City Hall, Waterline Rehab and Drainage Improvements.

**General Fund Revenue**

Hebert explained General Fund Revenue includes property tax, sales tax and franchise tax; all combined equals 85% of the total revenue. He reported Certified Appraisal Rolls had been received. Hebert noted the 2016 Taxable Values are estimated to be \$1.9 billion. He noted proposed 2016 Tax Rate is comprised of Maintenance and Operations \$0.408762 and Debt Service of \$0.099758 for a Total Proposed Tax Rate of \$0.506720.

**Sales Tax**

Hebert explained sales tax revenue is projected to come in at \$7.5 million, plus the Mills Sales Tax of \$3.5 million, with additional Mall funds over that amount to go towards pay off the debt. Total sales tax is estimated at \$11 million.

**Proposed Revenue**

Hebert explained Proposed Revenue is comprised of 35% property tax, 45% sales tax, 5% franchise taxes, 7% services, 4% fines-forfeitures, 4% interest and other income.

**General Government**

Hebert explained General Government Expenditures include two new inspectors, new records management clerk for the City Secretary Department, new records management clerk for the Permit Department and one new IT Help desk position in Finance.

**Public Safety**

Hebert explained Public Safety Expenditures include six new firefighters, one additional Assistant Fire Chief, one new patrol officer and one new dispatcher.

**Street Department**

Hebert explained the Street Department had additional figures for drainage projects, Brant Street drainage improvements, Town Park Detention Pond, storm sewer project, Hydro-Study related to flooding issues. Major projects include street overlay, downtown projects and drainage projects.

**Other Services**

He explained other service expenditures include Social services gazebo, added services at Woodland Park, Library improvements and park sidewalks.

**Debt Service**

Hebert explained the Debt Service includes \$8.8 million in Bonds for streets, drainage and civic center.

**Budget Highlights – Steady Growth**

Hebert explained Steady Growth included Residential and commercial with over 120 residential inspections per day, Buc-ees, P&F Group, New City Hall, Fire Station No. 2, 3% Cost of Living raise and 14 new positions, decrease in medical costs/supplemental benefits and increase in dependent coverage stipend.

The City's expense structure indicates 54% for Public Safety, 24% for General Government, 11% for Streets, 6% for Other Services and 5% Debt Service.

**Enterprise Fund**

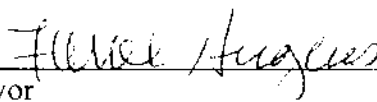
Hebert explained the Water and Sewer Departments maintain on their own, they function as a separate business. He explained the budgeted expense includes new water plant, new water plant at Young Ranch, and taking over Weatherford water plant. Sewer includes new belt press and flood-related overhauls of sewer plant motors, and submersible pump. Utility Billing include "jack" kiosk and e-bills, e-payment options, and automated phone call system.

**Closing Remarks**


Hebert commented the City is in great shape and complimented Department Heads for working together as a team to get the budget balanced. Hebert asked Councilmembers to contact him if they had any additional questions. The Mayor thanked Department Heads for their part in preparing the proposed Budget.

**Adjourn**

The Mayor and Councilmembers thanked Hebert, Wilkins and Department Heads for their efforts in the Budget preparation and presentation. The meeting adjourned at 10:58 a.m.

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Secretary