

**FINANCE COUNCIL COMMITTEE**  
**NOVEMBER 6, 2024**  
**DRAFT MINUTES**

Council present:

Dan McClendon  
Larry Scott  
Adam Russell, Chair

Council Absent:

Staff present

Tommy Ludwig City Manager  
Harlan Jefferson, Deputy City Manager  
Eric Oscarson, Deputy City Manager  
Monica Solko, Deputy City Secretary  
Lisandra Leal, Assistant City Secretary  
Gloria Platt, Director of Finance

**1. CALL TO ORDER – Time: 9:00 am.**

Chair Adam Russell called the meeting to order. **Time: 9:00 a.m.**

**2. CITIZEN APPEARANCES**

- Sayeda Syed, 6705 Sapphire Cir N, Colleyville, TX, spoke regarding the Tarrant County Appraisal District Board Elections.

**3. GENERAL**

**A. Consider approval of the minutes from the August 7, 2024 Finance Committee meeting. (Staff Contact: Monica Solko, Deputy City Secretary)**

Motion made by Dan McClendon and seconded by Larry Scott to approve.

Motion passed 3-0.

**B. Receive a report, hold a discussion, provide staff direction regarding the impact of the Tarrant Appraisal District (TAD) and Central Appraisal District of Johnson County's Reappraisal Plans for 2025-2026. (Staff Contact: Harlan Jefferson, Deputy City Manager)**

Harlan Jefferson, Deputy City Manager, reported on the impact of the Tarrant County Appraisal District (TAD) and Central Appraisal District of Johnson County's reappraisal plans for 2025-2026. Discussion included CAD's purpose and function, legislative background, CADs core responsibilities, purpose of reappraisal plan, appraisal frequency with key changes, properties requiring annual review, sustaining 2024 values, board approval requirements and projected fiscal impact.

# General Fund Forecast

	FY 22-23 Actual	FY 23-24 Adopted	FY 23-24 Revised	FY 23-24 Year-End	FY 24-25 Proposed	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected
Beginning Fund Balance*	\$21,924,165	\$ 18,495,600	\$ 18,495,600	\$ 19,606,713	\$ 17,421,851	\$ 18,226,759	\$ 18,376,568	\$ 17,398,179	\$ 16,506,818
Property Tax	\$23,636,639	\$ 26,745,080	\$ 26,745,080	\$ 27,160,500	\$ 28,465,390	\$ 30,030,986	\$ 31,682,691	\$ 33,425,239	\$ 35,263,627
Sales Tax	\$14,902,992	\$ 15,394,411	\$ 15,394,411	\$ 15,052,022	\$ 15,503,578	\$ 15,968,685	\$ 16,447,746	\$ 16,941,178	\$ 17,449,413
Other Revenue	\$13,963,477	\$ 15,861,607	\$ 15,861,607	\$ 15,972,259	\$ 18,428,035	\$ 17,241,814	\$ 16,315,652	\$ 16,415,379	\$ 16,525,633
<b>Total Revenue</b>	<b>\$52,503,108</b>	<b>\$ 58,001,098</b>	<b>\$ 58,001,098</b>	<b>\$ 58,184,781</b>	<b>\$ 62,397,003</b>	<b>\$ 63,241,486</b>	<b>\$ 64,446,088</b>	<b>\$ 66,781,796</b>	<b>\$ 69,238,673</b>
Base Expenses	\$54,042,859	\$ 58,572,604	\$ 59,221,693	\$ 58,820,723	\$ 60,635,025	\$ 61,932,599	\$ 64,564,681	\$ 66,937,283	\$ 69,250,912
Incentives (ED)	\$ 1,888,814	\$ 1,200,000	\$ 948,920	\$ 948,920	\$ 957,070	\$ 1,159,077	\$ 851,297	\$ 727,374	\$ 704,418
Cash Funding Projects	\$ -	\$ 1,400,000	\$ 600,000	\$ 600,000					
<b>Total Expenditures</b>	<b>\$55,931,673</b>	<b>\$ 62,347,861</b>	<b>\$ 60,770,613</b>	<b>\$ 60,369,643</b>	<b>\$ 61,592,095</b>	<b>\$ 63,091,676</b>	<b>\$ 65,415,978</b>	<b>\$ 67,664,657</b>	<b>\$ 69,955,330</b>
Change in Fund Balance	\$ (3,428,565)	\$ (4,346,763)	\$ (2,769,515)	\$ (2,184,862)	\$ 804,908	\$ 149,810	\$ (969,890)	\$ (882,861)	\$ (716,657)
<b>Ending Fund Balance</b>	<b>\$18,495,600</b>	<b>\$ 14,148,837</b>	<b>\$ 15,726,085</b>	<b>\$ 17,421,851</b>	<b>\$ 18,226,759</b>	<b>\$ 18,376,568</b>	<b>\$ 17,406,679</b>	<b>\$ 16,515,318</b>	<b>\$ 15,790,161</b>
FB % of Expenditure	33.07%	22.69%	25.88%	28.86%	29.59%	29.13%	26.61%	24.41%	22.57%

## Reappraisal Fiscal Impact (O&M Property Tax Revenue)

O&M Property Tax Revenue	2025	2026	2027	2028	2029
Five Year Forecast Property Tax Revenue (@ 5.5% Growth Rate)	-	\$30,030,986	\$31,682,691	\$33,425,239	\$35,263,627
Revised Five Year Forecast Property Tax Revenue (@ 4.0% Growth Rate)	-	\$29,603,848	\$30,788,002	\$32,019,522	\$33,300,303
	-				
Difference	-	\$(427,138)	\$(894,689)	\$(1,405,717)	\$(1,963,324)

Larry Trammell, 4109 CR707, Cleburne, TX, elected member of Central Appraisal District of Johnson County, came forward and informed the committee he is available for questions.

After brief discussion and questions, the committee requested the item be brought forward to the full council.

**C. Receive a report, hold a discussion, and provide staff direction regarding the sales tax options permitted under state law. (Staff Contact: Harlan Jefferson, Deputy City Manager)**

Harlan Jefferson, Deputy City Manager, reported on the sales tax option permitted under state law to the committee. Discussion included sales tax available to local taxing entities, city's current sales tax structure, sales tax options currently available to the city, forecast for general fund, 4A fund, and 4B fund, revenue changes for the 4A fund and 4B fund, proposed amendments to CIP, and financial impact of proposed amendments to the CIP.

The committee was in favor of not cutting funds from 4A and 4B and requested staff to present the option of combining 4A and 4B funds at a future committee meeting.

**D. Receive a report, hold a discussion, and provide staff direction regarding the September 2024 monthly financial and investment reports. (Staff Contact: Gloria Platt, Director of Finance)**

Gloria Platt, Director of Finance, presented the September 2024 monthly financial and investment reports to the committee. Discussion included, financial summary, economic analysis, investment reports and special interest.

After brief discussion and questions, the committee was happy with the presentation.

**4. BOARD REQUESTS FOR FUTURE AGENDA ITEMS OR REPORTS**

- None.

**5. EXECUTIVE SESSION**

In accordance with Chapter 551 of the Texas Government Code, the Committee may convene in Executive Session in the City Council Workroom at City Hall to conduct a closed meeting to discuss any item listed on this agenda.

- **Pending or Contemplated Litigation or to Seek the Advice of the City Attorney Pursuant to Section 551.071**

No executive session needed.

**6. ADJOURN**

There being no further business Chair Adam Russell adjourned the meeting.

**Time: 10:07 a.m.**

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Lisandra Leal  
Assistant City Secretary