

BURLESON CITY COUNCIL REGULAR MEETING
MAY 28, 2024
DRAFT MINUTES

ROLL CALL

COUNCIL PRESENT:

Victoria Johnson
Phil Anderson
Alexa Boedeker
Chris Fletcher
Larry Scott
Dan McClendon
Adam Russell

COUNCIL ABSENT:

Staff present

Tommy Ludwig, City Manager
Eric Oscarson, Deputy City Manager
Harlan Jefferson, Deputy City Manager
Monica Solko, Deputy City Secretary
Lisandra Leal, Assistant City Secretary
Matt Ribitzki, Deputy City Attorney

1. CALL TO ORDER – 9:00 a.m.

Mayor Fletcher called the meeting to order. **Time: 9:03 a.m.**

2. CITIZEN APPEARANCES

- None

3. REPORTS AND PRESENTATIONS

- A. Receive a report, hold a discussion, and provide staff direction regarding the budget calendar, tax rate, capital improvement program, and 5-year forecast for the General Fund, Water and Wastewater fund, 4A Fund, 4B Fund (In combination with Golf and Park Performance Funds), and TIF2 Fund (Tax Increment Financing). (Staff Contact; Harlan Jefferson, Deputy City Manager)**

Harlan Jefferson, Deputy City Manager, gave an overview of the budget.

Tax Rate Strategies

- Finance Committee was in favor to not go over the voter approval tax rate.

City Manager, Tommy Ludwig stated all the items before Council today are under the voter approval tax rate at 3.5 or below but for the projections are at 3.5, which is at the maximum value but not above it.

First Strategy - Homestead Exemption History

- FY 2021-2022 City Council approved 1% residential homestead exemption
- FY 2022-2023 City Council approved 1% increase for a total of 2%

- FY 2023-2024 City Council approved 1% increase for a total of 3%
- Current strategy to increase the Homestead Exemption 1% a year up to 5%.

Second Strategy - Unused Increment Rate

- 2021 \$0.0158
- 2022 \$0.0060
- 2023 \$0.0000
- Total \$0.0218 available to use

Third Strategy is to shift tax rate from O&M to I&S.

Council was in favor to continue to grow the homestead exemption 1% up to 5%, to use the 2021 unused increment rate, and keeping the tax rate the same. Council requested to hold shifting the O&M to I&S option.

Mr. Jefferson stated that staff would add an item to the September agenda for the 1% increase for Homestead Exemption. Once staff has the effective tax rate, the unused increment rate will be considered which will occur in late July. If the tax rate remains level then staff will revisit strategy three shifting the tax rate.

Presentation continued with Debt Service Capacity:

- 3% annual growth in assessed property values
- Roadway impact fee utilization
- Refinancing opportunities
- Debt service fund requirements

The current fiscal year updated capacity assumption presented to Finance Committee – supported 5.5% growth assumption in FY 2025-2026 thru FY 2028-2029.

Council was in favor in 6.0% growth, 5.5% growth for capital improvement

Reconsider cash funded capital projects

- Impacted projects:
 - Two fire engines and equipment (\$2,600,000)
 - Eight storm sirens (\$350,000)
 - City Hall Renovation (\$1,400,000)
 - The city hall project must be cash-funded as it is not eligible for CO's
 - Staff recommends to utilize \$800,000 in gas royalties to offset the general fund expenditure

Finance committee supported the utilization of other funding sources to reduce cash funding projects from the general fund.

Council was in favor of issuance of debit for these items.

Erick Thompson, Director of Public Works/Engineering presented the following:

Regional projects:

1. I-35W (IH-20 to S. of Altamesa; SH174 (I-35W) to Renfro; Renfro to 67: Bethesda to Asher) - \$411,047,132

2. FM 1187 (Chisholm Trl. Pkwy. to McCart Ave.) \$64,774,414
3. Traffic signals (Alsbury Blvd.) - \$836,151
4. Offsite water supply from Fort Worth - \$57,012,108
5. SH174 (N. of Elk Dr. to Wicker Hill Rd.) - \$36,665,281
6. CR 3391/E. Renfro St. (I-35W to E. of CR 602) - \$60,747,195
7. Chisholm Trail Pkwy. – \$239,400,000
8. SH 174 Widening (Wicker Hill Rd. to Main St.) - \$20,300,000
9. FM 917 (Main St. to E. of SH174; 1-35W to N. of CR515) - \$156,237,485.

Council member Adam Russell left the dais at 9:55 a.m. and returned at 9:57 a.m.

General Government - Capital Plan:

- Discussed current CIP projects for the next 5 years
- Discussed and reviewed redlined CIP
 - current plan value being revised
 - revised values and
 - additional funds from other sources
- Discussed preliminary FY24-29 CIP projects.

New project consideration: *(approximately \$8.3M in additional capacity based on proposed CIP)*

Funding considerations:

- Ellison & Wilson- Sidewalk ADA - \$233,377
- Old Town Lighting Improvements (Bransom & Bufford) - \$273,201
- CR914 Rehabilitation (914A to 1021) - \$1,200,000
- Quiet Zone at Dobson Street and County Road 714 - \$1,045,541
- Additional Pavement Rehab (annually) - \$5,000,000
(Examples such as: Alsbury Blvd between Renfro and Summercrest, and Renfro St between Old Town and Alsbury, Hidden Creek Pkwy east of IH-35W)
- Land for future Fire Station #5 - \$1,250,000
- Wicker Hill and Greenridge Reconstruction - \$8,693,157

Eric Oscarson, Deputy City Manager, stated that as asset management program gets going, staff will bring a pavement management plan based on dollars and show which roads will make the greatest impact to the city. The optimization model will help with ranking for roads and county roads the city is responsible for maintaining.

City Manager Tommy Ludwig stated the quiet zone was heard a few months ago to bring back as part of the budget process. The addition is a little over \$1M.

Mayor Pro Tem Dan McClendon left the dais at 10:07 a.m. and returned at 10:10 a.m.

After a brief discussion and questions, Council was in favor with the preliminary FY24-29 CIP.

Harlan Jefferson, Deputy City Manager, continued with the 5-year General Fund Operations Forecast.

Council was in favor of the operations forecast.

RECESS AND BACK TO ORDER

Mayor Fletcher recessed for a short break at 10:39 a.m. and called the meeting back to order at 10:51 a.m. with all members present except for Adam Russell who returned at 10:53 a.m.

Errick Thompson continued with Water and Wastewater CIP. Rate

- Reviewed current CIP water and sewer (adopted FY24 budget)
- Discussed redlined CIP water and sewer
 - current plan value being revised
 - revised schedule and value
- Discussed preliminary FY25-29 water/wastewater CIP (corresponds to rate study)

No questions from city council.

Dan Jackson, Vice-President of Willdan, presented the rate study and financial forecast for 2024 water and wastewater. The city last did a rate adjustment last October, 3% across the board rate adjustment. There have been several factors that are going to need to lead to the need for future rate adjustments – operating costs are going up. Water and wastewater service rates from Fort Worth are also going up and the city will need to pass those costs through to the customers.

Residential	Current	Effective	Forecast			
5,000 water	monthly	Oct 24	Oct 25	Oct 26	Oct 27	Oct 28
	\$87.66	\$94.14	\$101.11	\$108.62	\$116.71	\$123.12
Increase - \$		6.48	6.97	7.51	8.09	6.41
Increase - %		7.4%	7.4%	7.4%	7.4%	5.5%
10,000 water	monthly	Oct 24	Oct 25	Oct 26	Oct 27	Oct 28
	\$112.16	\$120.84	\$130.22	\$140.35	\$151.30	\$159.78
Increase - \$		8.68	9.38	10.13	19.95	8.48
Increase - %		7.7%	7.8%	7.8%	7.8%	5.6%
30,000 water	monthly	Oct 24	Oct 25	Oct 26	Oct 27	Oct 28
	\$237.06	\$256.98	\$278.61	\$302.10	\$327.60	\$346.66
Increase - \$		19.92	21.63	23.49	25.50	19.06
Increase - %		8.4%	8.4%	8.4%	8.4%	5.8%
	Current	Effective	Forecast			
Commercial	monthly	Oct 24	Oct 25	Oct 26	Oct 27	Oct 28
40,000 water	\$542.58	\$584.24	\$629.23	\$677.81	\$730.27	\$771.07
Increase - \$		41.66	44.98	48.58	52.47	40.80
Increase - %		7.7%	7.7%	7.7%	7.7%	5.6%

Council was in favor of the increase to 4-5% annually.

Mayor Pro Tem Dan McClendon recommended staff and council start letting the public know about the upcoming increases in water and wastewater in the next 4 years.

Harlan Jefferson, Deputy City Manager, continued with operating forecast for water and wastewater.

RECESS AND BACK TO ORDER

Mayor Fletcher recessed for a short break at 11:40 a.m. and called the meeting back to order at 11:50 a.m. with all members present.

Eric Oscarson, Deputy City Manager, presented capital projects plan for 4A.

- Reviewed 4A projects adopted in FY24
- Discussed 4A projects relined
 - Removed new Industrial Park 2024-2025
 - Removed Lakewood Drive 2024
 - Design costs to Alsbury Boulevard added to 2026
 - Hooper Business Park and retention pond will fall off in 2024
 - Lake Drive extension 2024-2026
 - Future projects 2027

Preliminary 4A CIP for FY25-FY29

- Alsbury Boulevard 2025-2026 - \$14,001,277
 - 2025 - \$4,001,277
 - 2026 - \$10,000,000
- Lakewood Drive extension 2025-2026 - \$9,900,000
 - 2025 - \$100,000
 - 2026 - \$9,800,000
- Future projects 2027 - \$10,000
- Grand total - \$33,901,277

Harlan Jefferson, Deputy City Manager, continued with fund balance operating forecast. The current year review to come in at 1.5% instead of the 3% that was budgeted. Interest coming in is strong so it will help offset. Under other revenue, city will reduce the revenue from the sale of property to Craftmasters. The 2.7M in other revenue decrease down in FY25. Likewise, under incentives will drop. Changes will be reflected in fund balance.

No comments from Council.

Allison Smith, Recreation Manager, presented 4B Capital Improvement Projects for Parks and Recreation. She briefed Council on the five-year CIP 2024-2028 projects and proposed 2025-2029 plan.

CIP Totals for 2025-2029:

- Park Total = \$11,829,274
- Brick Total = \$1,661,895
- Golf Total = \$1,325,810

Playground and Park Refurbishments:

- 2025 Centennial Park
- 2026 Add a restroom to Mistletoe Hills

- 2027 Add a playground to Bailey Lake and replace Mistletoe Hill playground and shade structure
- 2028 Replace the playground at Chisenhall
- 2029 Replace both playground at Warren Park, expand parking lot, repair/replace low water crossing to be pedestrian-friendly, complete trail loop, and upgrade the sports courts.

Sports Fields:

- 2023 Arabian
- 2024 Clydesdale, Shire, Paint, Appaloosa, Roan, Pasofino, and Quarter
- 2025 Buckskin, Morgan, Highland, Dartmoor, Welsh, Hacknery and Palomino
- 2027 Adult softball fields

Trails, Parking and Infrastructure:

- 2029 Bailey Lake low water crossing
- 2030 Village Creek Trail
- Post-construction maintenance cost - \$27,048 annually

Shannon Creek Park:

- 2025 Construction
- Post-construction maintenance cost - \$79,972 annually

Community Park:

- 2027 Design
- Construction TBD
- Post-construction maintenance cost - TBD

Brick:

- 2026 Addition of a dry sauna
- 2027 Replace entry monument sign
- 2029 Replace the roof

Hidden Creek Golf Course:

- 2026 Addition of a well to assist in seasons of drought
- 2026 Replace the fence
- 2027 Replace all greens and renovate the ponds on 4, 5, and 15
- 2028 Additional range improvement

Harlan Jefferson, Deputy City Manager continued with the Parks Revenue Forecast.

- Brick operations - self-sustaining at 55%
- Athletic fields operations - self-sustaining at 11%
- Russell Farm operations -13%
- All operations – 43%
- Golf – 66%

4B operating forecast:

- 1.5 sales tax forecast to be under budget. The yearend estimate being higher than budget, the incentives for Heims and Alleycats was higher than was in the

actual proposed budget and will change the fund balance. The number dropping from the current year's budget of 61% by the end of the forecast down to 31% of expenditures.

TIF2 operating forecast:

- Property tax is the main source around 10%.
- Parking lot on Ellison used fund balance to acquire so it drew down the balance.
- Ellison East mobility project also listed (5 years)

Council member Victoria Johnson asked if lighting and ADA requirements for connectivity in Old Town would come from TIF2 funds. City Manager Ludwig said that the project would be better if funded through the general fund and that staff was actively looking for grants and other valid ways to fund projects.

4. RECESS INTO EXECUTIVE SESSION

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

A. Pending or contemplated litigation or to seek the advice of the City Attorney pursuant to Section 551.071, Texas Government Code

No executive session needed.

5. ADJOURN

Motion made by Adam Russell and seconded by Dan McClendon to adjourn.

Mayor Chris Fletcher adjourned the meeting.

Time: 12:24 p.m.

Monica Solko
Deputy City Secretary