

FINANCE COUNCIL COMMITTEE
JUNE 18, 2025
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
Amanda Campos, City Secretary
Monica Solko, Deputy City Secretary

1. CALL TO ORDER – Time: 9:00 am.

Chair Adam Russell called the meeting to order. **Time: 9:08 a.m.**

2. CITIZEN APPEARANCES

- None.

3. GENERAL

A. Minutes from the May 7, 2025 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.

4. REPORTS AND PRESENTATIONS

A. Receive a report, hold a discussion, and provide recommendations to the city council on proposed fee changes for the FY25-26. (*Staff Contact: Dylan Whitehead, Deputy Director of Development Services / Building Official*)

Dylan Whitehead, Deputy Director of Development Services/Building Official, presented the proposed FY 2025–2026 fee adjustments to the committee, covering a wide range of services including commercial alarm permits, library printing, ETJ-related applications, legal filings, various district applications, and building permits such as commercial one-trade, foundation, and construction plan reviews. Additional proposals addressed inspections, right-of-way encroachments, sign installations, traffic impact analyses, and flood study reviews.

Fire Chief Casey Davis presented proposed fire inspection fees, outlining a tiered fee structure based on square footage to support the addition of one full-time employee (FTE), allowing fire crews to focus more on emergency response. The committee was supportive of the fire inspection service and agreed that simplifying the fee tiers would benefit both staff and businesses.

Discussion included suggestions for a weekend construction inspection fee, aligning commercial street sign fees with regional rates, and ensuring that fees for traffic and flood studies reflect the city's actual costs plus 10%, with true-up adjustments. The committee also supported raising the ETJ release application fee to \$200 and approved proposed administrative fees for credit card processing, IVR systems, solid waste franchise applications, and golf and utility services. Following discussion, the committee requested the proposed changes be brought forward to the full Council for consideration.

B. Receive a report, hold a discussion, and provide recommendations to the city council on Fire Billing Services. (Staff Contact: Casey Davis, Fire Chief)

Casey Davis, Fire Chief, reported on Fire Billing Services to the committee. The presentation included costs that could be recovered by motor vehicles incidents, structure fires, vehicle fires, equipment fires, hazardous material incidents and industrial/commercial incidents. Emergifire rate development is an industry-aligned fee schedule is used based on FEMA rates. Billing is based on an average base rate from the FEMA fee schedule, accounting for a four-person crew. The result is an average base rate of \$177.45 per hour for the engine, with an additional \$376.55 per hour allocated for fuel, equipment and personnel.

Emergifire Rates:

- Motor Vehicle Incident Mitigation Fee: \$602–\$838+
- Hazardous Materials Response Fee: \$972–\$8,199+
- Fire Response Fee: \$554–\$693 per hour
- Fire Investigation & Incident Command Fee: \$554–\$693 per hour
- Water-Related Incident Response Fee: \$554–\$2,747+ per hour
- Backcountry/Special Rescue Fee: \$554+ per incident
- Natural Gas Leak Response Fee: \$523–\$932+ per hour

Next Steps:

- Consider a billing policy that includes only billing insurance companies with no contact or billing inquiries made to citizens in addition to never utilizing collection agencies for services performed
- Consider procurement options for a contract for billing services
- Consider an ordinance establishing and implementing a program to charge mitigation rates for the deployment of emergency services by the Fire Department for services rendered

- Consideration of mitigation rates associated with the aforementioned ordinance and operational activity
- Initiate public awareness/education
- Complete internal Standard Operating Procedures for the process (first bullet point)
- Target go-live January 2026

After brief discussion and questions, the committee was in favor and requested an item be brought forward to the full council for consideration.

RECESS AND BACK TO ORDER

Chair Adam Russell recessed for a short break at 10:29 a.m. and called the meeting back to order at 10:36 a.m. with all members present.

C. Receive a report, hold a discussion, and provide staff direction regarding the FY 2025-2026 budget supplemental requests and receive additional directions regarding the annual budget for fiscal year 2025-2026. (*Staff Contact: Tommy Ludwig, City Manager*)

City Manager Tommy Ludwig presented the FY 2025–2026 budget supplemental requests to the committee, including a summary of departmental budget reductions, supplemental items that could be funded without a tax rate increase, and those requiring a 3.5% tax rate increase. Additional items presented included 4B fund supplementals with a five-year forecast, an IT supplemental request, and a one-time Hotel Motel Fund expenditure for the July 4th event. The committee requested the addition of 4B-funded drainage and sprinkler improvements to the supplemental list.

Following discussion, the committee expressed support for proceeding with the option that includes a 3.5% tax rate increase under the Maintenance and Operations (M&O) portion of the tax rate. The committee requested that this recommendation be brought forward to the full Council for consideration.

5. REQUEST FOR FUTURE AGENDA ITEMS AND REPORTS

- None.

6. 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.

7. ADJOURN

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

Time: 11:40 a.m.

Monica Solko
Deputy City Secretary