EVERMAN CITY COUNCIL BUDGET WORKSHOP

Tuesday, July 07, 2026 at 6:00 PM

212 North Race Street Everman, TX 76140

MINUTES

1. MEETING CALLED TO ORDER

Mayor Richardson called meeting to order at 6:05pm.

2. CITIZEN'S COMMENTS

No citizens' comments were presented.

3. DISCUSSION ITEMS

A. Fiscal Year 2027 Budget Workshop - Compensation, benefits, water & sewer fund expenditures, and special revenue fund expenditures

The City Manager presented the first FY2027 budget workshop, noting that this year's budget process has been complicated by ongoing state and federal-level changes affecting revenue projections, and that figures presented remain fluid pending receipt of the certified tax roll later in the month. The City Manager indicated that additional budget cuts may be necessary once revenues are finalized, with a final proposal to be brought back to Council.

FY2027 Budget Goals, Priorities, and Fiscal Challenges
The City Manager outlined top budget priorities and goals for the fiscal year, developed based on Council and department director feedback:

The City Manager also outlined this year's specific budget challenges: the General Fund deficit and water/sewer fund financial pressure described above; uncertainty in property tax revenue growth, as the Tarrant Appraisal District's biennial reappraisal freeze is producing an estimated 2.6% growth in property values over two years (under 1% annually), with limited new construction offsetting flat appraisals; state legislative uncertainty, as the current legislative session (hearings running through September) includes proposals to eliminate property tax and to cap municipal spending growth at 3% annually, with no assurance this cycle of state funds to backfill any resulting revenue loss to cities or schools as occurred in prior cycles; and the need to modernize the City's fee schedule.

Personnel, Compensation, and Salary Structure
Staff reported that citywide personnel and benefits costs were approximately $7.0 million in FY2025 actuals, approximately $7.1 million in the FY2026 adopted budget, and approximately $4.2 million in FY2026 year-to-date actuals. Staff noted that vacancies across Police, Fire, Dispatch, and Public Works produced some salary and benefit savings during the year, though overtime costs (particularly in Fire and Police, which maintain minimum staffing requirements) partially offset those savings. As of the meeting, Public Works and Fire were fully staffed; Police was short three positions and Dispatch was short three positions.

Across all funds, personnel and benefits costs break down approximately as follows: 68% salaries, 10% health insurance, 8% TMRS retirement contributions, 5% FICA, and approximately 3% overtime (budgeted amounts, not actuals).

Staff reported that inflation over the trailing 12 months was approximately 4.2%, the largest 12-month increase since April 2023. The proposed FY2027 compensation plan targets an overall 5% increase for most employees, consisting of a 1.5% cost-of-living adjustment (COLA) plus a 3.5% step increase for employees not otherwise capped, consistent with the City's approach in recent years (which has included a 13% increase, an 8% increase, and, last year, a step freeze with only a 3.5% COLA).

Staff reviewed the exempt and non-exempt pay scales by grade and step, noting that new hires typically start at Step 1 (of a 10-step scale) and that department directors may start well-qualified new hires as high as Step 5 to aid recruitment. The City's minimum wage is currently $14.69 per hour, with no employees currently paid at that rate.

Staff proposed creating a separate, condensed Police and Fire pay scale to address recruitment challenges: rather than a 10-step scale, the new scale would effectively begin at the former Step 6 (renumbered as Step 1) and run through the former Step 10 (renumbered as Step 5). Staff explained that employees with more than six years of tenure are already within market range, and that the City's competitive disadvantage is concentrated at the entry level, where starting salaries are reported to be roughly $10,000 below neighboring cities. Staff noted this adjustment would bring Everman closer to (though still below) larger neighboring cities, while positioning it well within the market of comparable smaller DFW-area cities. Police was noted to already have a large share of officers at or above the former Step 6 due to longer average tenure, while no current Fire employees reach that level, meaning the change would affect more Fire employees proportionally. Estimated cost impact of the pay scale change is approximately $233,000 for the Fire Department and approximately $124,000 (roughly a 9.5-10% overall increase) for the Police Department. Staff noted the Police Department has had three vacancies for more than nine months attributed in part to noncompetitive starting pay, while Fire faces a comparatively smaller applicant pool due to the additional certification requirements (firefighter/EMT) for entry.

Staff also proposed converting existing certification, education, and special assignment pay for Police (and extending equivalent pay to Fire, which has not previously had it) from an hourly rate differential to a flat monthly stipend, in order to avoid inflating overtime calculations. Proposed stipends include paramedic pay (approximately $667/month), advanced EMT pay (approximately $100/month), intermediate certification pay (approximately $50/month), education pay, special assignment pay, field training officer (FTO) pay, K-9 unit pay, SCBA/PPE specialist and quartermaster pay, and bilingual pay.

Staff reviewed workforce demographic trends, noting the City's workforce spans four generations, with Baby Boomers gradually retiring and Millennials and Gen Z making up the growing majority; different generations were noted to generally value different compensation and benefit priorities. The City currently employs approximately 86 people, approximately 86% full-time and 14% part-time.

In response to Council questions, staff clarified that the Police Department's lower-than-expected year-to-date FICA and TMRS spending reflects savings from three long-term vacancies (nine months), and that the FY2026 adopted Police budget reflects a prior reduction of School Resource Officers from eight to seven positions, which is expected to remain at seven for the coming school year. Staff also confirmed that Dispatch's larger dollar impact from the proposed pay scale change is primarily a function of its larger headcount (16 budgeted positions, with 3 currently vacant) rather than a larger per-employee impact.

In response to a Council question, staff confirmed that Municipal Court judge compensation is budgeted under expenditures rather than salaries and confirmed that no increase request had been received from the judge or prosecutor for the coming year. In response to a separate question about mowing contract costs, staff indicated that item would be addressed at the Thursday, July 9 follow-up workshop.

Employee Benefits and Retirement
Staff reported that after several years of favorable health insurance renewals, United Healthcare returned an initial quote for a 25% premium increase for FY2027, which staff described as unsustainable alongside a targeted 5% compensation increase. The City has instructed its insurance broker to market the plan to other carriers (including TML, Blue Cross Blue Shield, and Aetna) to seek competitive bids; the budget currently includes a placeholder 10% increase, which the broker expressed confidence could be improved upon. Staff noted the City has historically covered 100% of the premium for its highest-tier health plan for employees, with employee out-of-pocket costs generally limited to dependent coverage, and that dependent coverage costs have risen from approximately $18 per pay period a few years ago to approximately $50-$60 per pay period currently. Dental, life, and other ancillary insurance benefits are expected to renew flat with no increase.

Regarding retirement, staff proposed increasing the City's TMRS (Texas Municipal Retirement System) contribution rate from 6% to 7%, effective January of the new fiscal year, resuming progress toward TMRS's increased contribution cap of 8% after pausing a planned increase last year during budget cuts.

Staff noted that most departments are budgeted for an average 5% salary increase and 10% health insurance cost increase, with Police and Fire reflecting larger increases due to the proposed pay scale restructuring described above.

Water and Sewer Fund and Special Revenue Funds
Staff reported that water and sewer fund year-to-date actuals are tracking close to budget, with some unexpected expenditures related to periodic water well repairs and replacements.

Water Department Proposed Expenditures (Fund 230)
Staff reviewed proposed Water Department expenditures line by line, highlighting the following:

Sewer Fund and Utility Billing
Sewer fund operating expenses (line and fitting repairs, miscellaneous costs, and sewer maintenance) are held flat pending completion of the water/sewer rate study discussed earlier in the meeting.

Utility billing remains budgeted at approximately $15,000. Staff traced a prior-year budget overage to the cost of water-bill mailer inserts (approximately $3,000 per insert) and confirmed the City no longer includes a printed newsletter insert in utility bills (previously costing approximately $12,000 per year), instead publishing the newsletter online, with printed copies available upon request at City Hall.

Staff and Council confirmed the next FY2027 budget workshop is scheduled for Thursday, July 9, 2026 at 1:00 p.m. (with lunch available at 12:30 p.m.), at which personnel and benefits items would be revisited along with street repair cost estimates, mowing contract costs, and other remaining budget topics. Staff reiterated that the online budget workbook will continue to be updated in real time as figures are finalized, while printed materials distributed at meetings reflect only a snapshot as of the date printed.

4. EXECUTIVE SESSION

No Executive Session was held.

5. ADJOURN

Mayor Richardson adjourned the meeting at 7:20pm.

I hereby certify that this agenda was posted on the City of Everman bulletin board at or before 5:00 p.m. on Wednesday, July 1, 2026.

/s/ Mindi Parks
City Secretary

Citizens may watch city council meetings live on YouTube. A link to the City of Everman YouTube channel is provided on the city website at: www.evermantx.us/government/citycouncil/

Pursuant to Texas Government Code Sec. 551.127, on a regular, non-emergency basis, members may attend and participate in the meeting remotely by video conference. Should that occur, a quorum of the members, including the presiding officer, will be physically present at the location noted above on this Agenda.

Pursuant to Section 551.071, Chapter 551 of the Texas Government Code, Council reserves the right to convene into Executive Session(s) from time to time as deemed necessary during this meeting, to receive advice from its attorney on any posted agenda item, as permitted by Law. Additionally, Council may convene into Executive Session to discuss the following:

A. Section 551.071 - Pending or Contemplated Litigation or to Seek Advice of the City Attorney.
B. Section 551.072 - Purchase, Sale, Exchange, Lease, or Value of Real Property.
C. Section 551.073 - Deliberation Regarding Prospective Gift.
D. Section 551.074 - Personnel Matters.
E. Section 551.087- Deliberation Regarding Economic Development Negotiations.
F. Section 551.089 - Deliberations Regarding Security Devices or Security Audits.

Citizens wishing to submit written comments should e-mail the City Secretary at mparks@evermantx.net. Comments that are received at least one-hour prior to the start of the meeting will be provided to all council members.

According to the City of Everman Policy on Governance Process, individual citizen comments will be restricted to three (3) minutes unless otherwise determined by a majority vote of the Council. The mayor is responsible to enforce the time limit. Citizens may address City Council either during the Citizen Comments portion of the meeting or during deliberation of a listed agenda item. City Council is only permitted by Law to discuss items that are listed on the agenda. Citizens wishing to make comments should notify the City Secretary as soon as possible.

City Hall is wheelchair accessible. Parking spaces for disabled citizens are available. Requests for sign interpretative services must be made 48 hours prior to the meeting. To make arrangements, call 817.293.0525 or TDD 1.800.RELAY TX, 1.800.735.2989.