

City Council Minutes
Tuesday, August 15, 2023

On the 15th day of August 2023, at 6:30 p.m., the City Council of the City of Hurst, Texas, convened in a regular meeting at City Hall, 1505 Precinct Line Road, Hurst, Texas, with the following members present:

Henry Wilson)	Mayor
Gary Waldron)	Mayor Pro Tem
Cathy Brotherton)	Councilmembers
Cindy Shepard)	
Jon McKenzie)	
John Miller)	
Jimmy Meeks)	
Clay Caruthers)	City Manager
Sarah Walsh)	City Attorney
Clayton Fulton)	Assistant City Manager
Rita Frick)	City Secretary
Shelly Klein)	Assistant to the City Manager
Paul Brown)	Managing Director of Finance

With the following Councilmember absent: none, constituting a quorum; at which time, the following business was transacted:

The meeting was called to order at 6:30 p.m. and the Pledge of Allegiance and Texas Pledge were given.

Mayor Pro Tem Gary Waldron gave the Invocation.

PROCLAMATION(S)/PRESENTATION(S)

1. Presentation of the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award

Mayor Wilson recognized Assistant City Manager Clayton Fulton who reviewed the criteria for the Distinguished Budget Award noting this marks the 35th consecutive year for the City to receive this recognition. He noted the positive comments made by reviewers and thanked Managing Director of Finance Paul Brown and Shelly Klein for their assistance. Mr. Fulton also noted the special recognition received for the FY23 Budget document in the category of Special Strategic Goals and Strategies, noting this is the first time the award has been received by the city. He thanked Council and staff and Council for their leadership and work City Manager Caruthers stated in his many years being involved in the budget world, he has also seen two of the Special Recognition awards.

CONSENT AGENDA

2. Consider approval of the minutes for the August 8, 2023 City Council meetings
3. Consider Ordinance 2544, second reading, adopting the Crime Control and Prevention District budget for fiscal year beginning October 1, 2023 and ending September 30, 2024
4. Consider Ordinance 2545, second reading, amending the City of Hurst Code of Ordinances by repealing Chapter 14 Offenses and Miscellaneous Provisions, Article III – Curfew Hours for Minors

Mayor Pro Tem Waldron moved to approve the consent agenda. Motion seconded by Councilmember Miller. Motion prevailed by the following vote:

Ayes: Councilmembers Brotherton, McKenzie, Waldron, Shepard, Miller and Meeks
No: None

PUBLIC HEARING(S) AND BUDGET RELATED ITEM(S)

5. Conduct a Public Hearing to consider the budget for fiscal year beginning October 1, 2023 and ending September 30, 2024

Mayor Wilson announced the public hearing to consider the budget for fiscal year beginning October 1, 2023 and ending September 30, 2024 and recognized Assistant City Manager Clayton Fulton who noted the publication of today's public hearing and noted the changes reflective in the budget from Council's July 31, 2023 budget work session. Assistant City Manager Clayton Fulton explained the Strategic and Budget Planning process noting it begins and ends with citizen input and engagement. He stated staff focused on the Council's Strategic Priorities and key budget considerations including public safety, infrastructure and community and economic vitality, inflationary pressures, sustaining the city's market driven total rewards, public safety equipment needs and adapting to the ongoing technological changes. Mr. Fulton stated the proposed operating budget is \$84.1 million for all funds. He noted revenue being 31% Charges for Service, 28% General and Half Cent Fund Sales and Use Taxes, 22% Property Taxes and 19% other revenues from fines, fees, and permits. Mr. Fulton noted the return on investment to the community through safe drinking water, animal services, professional administrative services, safe streets, houses and structures, and parks and recreations. Mr. Fulton reviewed the various funds comprising the total budget including the General Fund total revenue and expenditures of \$42,679,293, which is an increase of 5.17% over fiscal year 2022 budget. Mr. Fulton reviewed current tax rate of \$0.614043, a proposed rate of \$0.581150 being comprised of a maintenance and operation (M&O) rate of \$0.495572 and interest and sinking (I&S) rate of \$0.085578. He noted over a ten-year history, the city has maintained a below average to the Municipal Cost Index. Also, noted is that the average citizen of Hurst's value of approximately \$3.59 daily, is approximately 2% of the cost of one police officer and does not consider all other services being provided.

Mr. Fulton reviewed the tax rate history since 1992 noting Hurst has responded well to the community by lowering the rate when they could, giving back about 35 million since 1992. He reviewed the various tax relief measures totaling over \$10.7 million. Mr. Fulton explained the sales tax is more volatile than property tax and that Hurst's General Fund sales tax is 12% of the total sales tax. He reviewed General Fund Services noting about half is public safety, 32% is police, 24% Fire, 20% Community Services, 7% public works and then the remaining services.

Mr. Fulton reviewed the proposed Debt Service Fund budget of \$3,415,385 a -6.04% decrease over FY 23. He stated the I&S rate of \$0.085578 per \$100 valuation is a decrease of \$0.014712 per \$100 valuation. He reviewed the City's debt management noting the city will never refinance to a longer term. Also reviewed was the proposed Enterprise Fund budget with revenues of \$24.5 million and an operating budget of \$23.8 million. He noted capital projects of \$1.2 million and a proposed 4% increase in water/wastewater rates using the city's rate smoothing policy. Staff noted the high volatility of this fund and the city's decision to utilize a rate smoothing policy instead of high 10 to 12 percent increases in some years. Mr. Fulton reviewed fund resources and services noting 44% is wholesale costs. He compared the value of 1 gallon of water purchased at the store for a \$1.22 versus less than \$0.01 per gallon of tap water provided by the City.

Mr. Fulton reviewed the remaining funds noting the Crime Control and Prevention District 5.75 million operating budget, which was recently adopted by the Board and Council, is a property tax rate equivalent to approximately \$0.14. The Community Services Half Cent Fund 4.09 million operating budget, which is also a property tax equivalent of approximately \$0.14, noting projects to include Rickel Park playground replacement, Cottonbelt Trail bridge improvement and turf equipment. He reviewed Special Revenue Funds that account for revenues designated for a specific purpose and noted several FY 24 projects. Additionally, the Special Projects Fund for fiscal year 2024 was reviewed.

There being no one to speak, Mayor Wilson closed the public hearing.

6. Conduct a Public Hearing to consider tax rate for the City's 2023-2024 Fiscal Year Budget

Mayor Wilson announced a public hearing to consider tax rate for the City's 2023-2024 Fiscal Year Budget and recognized Assistant City Manager Clayton Fulton who stated most items were covered in detail in the budget presentation. He stated the proposed tax rate of \$0.581150. City Manager Clay Caruthers noted as discussed in Work Session, the city's 1.6% spread from the no-new-revenue rate and voter approval rate is very small and only \$21 dollars for the average residential home in Hurst.

There being no one to speak, Mayor Wilson closed the public hearing.

7. Consider Ordinance 2546 (a), first reading, adopting budget for fiscal year beginning October 1, 2023 and ending September 30, 2024

Mayor Wilson recognized Assistant City Manager Clayton Fulton who reviewed procedural processes to follow per code.

Councilmember Shepard moved to approve Ordinance 2546 (a), first reading, adopting budget for fiscal year beginning October 1, 2023 and ending September 30, 2024. Motion seconded by Councilmember Waldron. Motion prevailed by the following vote:

Ayes: Councilmembers Brotherton, McKenzie, Waldron, Shepard, Miller and Meeks

No: None

8. Consider Ordinance 2546 (b), first reading, ratifying the Property Tax Revenue Increase reflected in the Fiscal Year 2023-2024 Budget

Mayor Wilson recognized Assistant City Manager Clayton Fulton who noted state law and recommended motions.

Councilmember McKenzie moved in compliance with the Local Government Code, adoption of Ordinance 2546 (b) will ratify the property tax revenue increase in the 2023-2024 fiscal year budget. Motion seconded by Councilmember Brotherton. Motion prevailed by the following vote:

Ayes: Councilmembers Brotherton, McKenzie, Waldron, Shepard, Miller and Meeks

No: None

9. Consider Ordinance 2547, first reading, setting the tax rate for the 2023 tax year

Councilmember Brotherton moved with the adoption of Ordinance 2547, "I move that the property tax rate be increased by the adoption of a tax rate of 0.581150 which is effectively a 1.66 percent increase in the tax rate." Motion seconded by Councilmember Waldron. Motion prevailed by the following vote:

Ayes: Councilmembers Brotherton, McKenzie, Waldron, Shepard, Miller and Meeks

No: None

City Manager Clay Caruthers noted there is no need for a Special Council meeting on August 21st due to the acceptance by the Council of this rate. He explained the calendar deadline regarding a rate adoption that exceeds the voter approval rate.

10. Consider Ordinance 2548, first reading, adopting water and wastewater rates for Fiscal Year 2023-2024

Assistant City Manager Clayton Fulton stated this item was also reviewed during the budget presentation item and the recommendation is the normal 4% smoothing rate mainly due to absorbing the wholesale costs for both the City of Fort Worth and the Trinity River

Authority. He stated the ordinance will go into effect October 1, 2023 and show on the bills starting November 1, 2023.

Councilmember Miller moved to approve Ordinance 2548, first reading, including the proposed Water and Wastewater rates effective October 1, 2023, to be included in all city utility bills processed on, or after, November 1, 2023. Motion seconded by Councilmember Meeks. Motion prevailed by the following vote:

Ayes: Councilmembers Brotherton, McKenzie, Waldron, Shepard, Miller and Meeks
No: None

OTHER BUSINESS

- 11. Review of upcoming calendar items – City Manager Clay Caruthers reviewed the Future Event calendar noting city offices will be closed September 4, 2023 for the holiday and October 14, at 8:00 a.m. is the Household Hazardous Waste event.
- 12. City Council Reports - Items of Community Interest – No items were discussed.

PUBLIC INVITED TO BE HEARD – A REQUEST TO APPEAR CARD MUST BE COMPLETED AND RETURNED TO THE CITY SECRETARY TO BE RECOGNIZED. CITIZEN COMMENTS ARE LIMITED TO A MAXIMUM OF 3 MINUTES PER SPEAKER. No one spoke.

ADJOURNMENT

ADJOURNMENT – The meeting adjourned at 7:21 p.m.

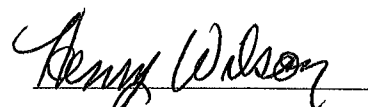
APPROVED this the 22nd day of August 2023.

ATTEST:



Rita Erick, City Secretary

APPROVED:



Henry Wilson, Mayor