

MINUTES
BALMORHEA CITY COUNCIL
REGULAR MEETING
AUGUST 19, 2024

MEMBERS PRESENT: MAYOR JOHN L. DAVIS, IKE WARD, DANNY VASQUEZ III,
ROSA DOMINGUEZ, JOY LEWIS, JOSUE MENDOZA

MEMBERS ABSENT: NONE

STAFF PRESENT: SANDRA NAVARRETE, GREG PERRIN-ABSENT, RUSSELL MORRIS

VISTORS: HARRY BARRON III, ESEQUIEL DUTCHOVER, AARON BOLES, CLAYTON SYNDER,
RAYMOND HERRERA

1. The meeting was called to order by Mayor Davis at 7:00 pm.
2. Mayor John L. Davis led the Pledge of Allegiance.
3. Joy Lewis stated that she would like to approve the minutes with a clarification to item 6 on report section regarding the Mcknight building. The work performed there was not a McKnight project, it was a renovation to the building. Ike Ward made a motion, seconded by Danny Vasquez to approve minutes for June 10, 2024, Motion Carried 5-0.
4. Josue Mendoza made a motion, seconded by Ike Ward to approve bills and adjustments as presented 5-0.
5. Aaron Boles explained that WTG had filed a rate increase with the Texas Railroad Commission. Balmorhea City can vote to suspend the increase or approve the increase. WTG cannot advise the city how to vote. Mr. Boles recommended that the increase be suspended and went on to explain that all the expenses that WTG has had in the last several years, WTG has not had an Increase since 2020. Projects that WTG does in municipalities are wrapped into the increase. If the City of Balmorhea decides to suspend and join the other cities, WTG will have to go to Austin and talk to the Railroad Commission and will negotiate a favorable rate. If the city suspends it will protest this rate increase. The last time WTG requested a rate increase they were shot down by about 20 percent. The first rate is set high, but it does not mean that is the final say so. Mayor Davis asked Mr. Boles if many cities have joined to suspend. Mr. Boles responded, yes everyone has voted to suspend. Josue Mendoza made a motion, seconded by Ike Ward to suspend WTG rate increase. Motion Carried 5-0.
6. Clayton Snyder, Deputy Chief with the Reeves County Appraisal District presented the council with the 2024 tax rate calculation worksheet and asked if the council had any questions about the certified values that had been previously submitted. Joy Lewis stated that she would like to know

how the appraisal district appraises properties in Balmorhea. Are you comparing them too other small cities or just throwing us in the pot and drawing numbers. Appraisal District Deputy Chief Raymond Herrera explained that when property is appraised it is on the cost approach. The motels would be appraised on an income approach and that information would be available through the State Comptroller's Office. In this town it would be a cost approach. Mrs. Lewis asked if they ever came out and looked at the property. Mr. Herrera responded; he has been taking pictures and will go back the further they get out to the calendar valuations. Mrs. Lewis added that there is a lot of discrepancies in the appraisals regarding land and housing in this town. Some lots are \$2,000 a lot and the others are \$9,000. How does this happen? Mr. Herrera added he would have to get some land sales to do some more analysis out here in Balmorhea. Mr. Snyder went to explain the tax rate worksheet and stated that the revenue rates would be lower this year because we have more values. It will take a smaller rate to raise the same amount as last year. Mr. Snyder added that the City of Balmorhea had adopted a rate of 0.111347 for fiscal year 2023 and the proposed tax rate for 2024 would be 0.083863 per \$100 in value. It is a great job for the council to keep that rate low. The proposed rate of 0.083863 will raise the same amount of taxes as last year. After some discussion on raising the tax rate, Mayor Davis added that it would not make much of a difference to raise the tax rate because at the end of the day it would cost the city money to order an election. Proposed tax will be a line item on September's Regular Meeting and no action was taken.

7. Clayton Snyder explained that prior to the fourth quarter of last year the taxes were collected at the tax assessor's office. They moved them over to the appraisal district office and the prior chief instead of making his collection budget essentially five quarters to get back to the calendar year, he made it just a calendar year and so there is a provision in the agreement where it would be carried forward. Gary Zeitler would like to make sure everyone is ok with this and would vote to pass a resolution to make it right. Budget for collections ends at the end of September and this would extend it. Ike Ward made a motion, seconded by Josue Mendoza to approve tax collection agreement extension. Motion Carried 5-0.

8. No representation for ARCIT was present. No action taken.

9. Reports

- A. ESD 1&2 report was submitted by Robert Snyder for the council to read.
- B. The City Clerk reminded the council to check their emails and decide if they would be interested in attending the TML Annual Conference in Houston on October 9-11, 2024 so that we can registrer you for the event and make room reservations.
- C. Mayor Davis stated that in this new fiscal year the city will go back to having 2 full time employees. The city will not be buying a back tomorrow, we will look at what we can benefit from the employees. One person cannot dig a hole, you must have 2 employees when fixing a leak. Mayor Davis stated that the city continues to carry Greg Perrin's water and sewer license, and the water operator needs to try completing what is

pending to upgrade his license. Russell Morris, water operator, responded that he is just shy of getting all his credits and 2 years will be up in December that will make him eligible to upgrade to a C license in water and wastewater. Mayor Davis added that Mr. Perrin does all the reporting and paperwork, and it needs to stay in house as much as it can. Mayor Davis added that the city will not buy any large equipment that will sit there, for the weather or rats to eat up because no one knows how to work it. We need to buy something that is multi-tasking equipment. If needed and we get in a bind and you need a bigger machine, we can always rent it for the day. Corny Reimer needs to work on stuff that we can't do. If we say we are done with Corney today, we have no tools to work. We need to be more responsible about the tools we have, because when the time comes up to make decisions the water operator will need to take charge. Mr. Morris stated he was asked to come up with a formula that would calculate wastewater usage due to a possible increase in rates but had reached out to the Texas Rural Water Association and was told that the circuit rider would not be out in this area until September 26th.

- D. Laura Lannom explained that the only thing that concerns her is the council is well over budget this year again. The overage is in capital outlay due to random projects. The sales tax revenue has been way higher than it budgeted. Money was there to do these projects, but we needed to stop putting the cart before the horse. When the city takes on a new project you need to propose to the council before you hire people to do the work. The council needs to know that the project is being considered and how much it is going to cost before the work is done and the bills are presented. Especially with projects that were not listed in the budget. We go over this every single year. Next year will be very tough. The mayor responded that some of the projects have been in the works and other projects have been required to comply with TCEQ regulations. Ms. Lannom added she was not concerned that the city did not have monies, it was the way it was done. From the auditor's perspective it looks bad that when he reads the minutes and \$75,000 gets spent before the council has a chance to approve the work. It just doesn't look good when you approve it because the work has already been done and you are also over budget. It needs to be budgeted and presented properly to the council and approved before the work begins. No questions were addressed.
- E. Rosa Dominguez presented the council with a BEDC 2024-2025 budget. Mayor Davis stated that there will be changes to a section on the budget. The problem is that the literature in the books states that there should be an agreement with the city that reflects paying utilities and rent of a building. It would be a better paper trail if the building would be city property. The building you are using now is privately owned property. Ms. Lannom added that the agreement would be best because it would reflect both parties' signatures but if the city did have extra space for the BEDC to utilize that would be the best option. Ms. Lannom stated that maybe the legal document needs to have a 6-month lease with the option to renew. Mayor Davis added that this

would cover both parties in case of an accident or emergency. This needs to be looked at and possibly get the city attorney involved.

1. Josue Mendoza made a motion, seconded by Ike Ward to approve BEDC 2024-2025 with the stipulation that an agreement be created that reflects a 6-month lease and utilities between the City of Balmorhea/Balmorhea Economic Development Corporation and Friends of the Library. Motion Carried 5-0. Laura Lannom asked if the BEDC had any projects for the new fiscal year. Mrs. Dominguez responded that the BEDC is waiting on the sale of the McKnight building and hopes that we see a full profit from what was put into the renovation of the building. Then maybe we will think of another project.

F. Rosa Dominguez reported that the back-to-school bash had been a success once again and 98 bags with supplies had been given to Balmorhea ISD students. Thanks to Windstream and other donors made this event possible. A thank you letter, and newspaper ad was submitted to our local paper. Mayor Davis added that the city continues to try and stay involved to help the children and families of this community.

10. Mayor Davis stated that the purpose of selling the equipment in the online auction was to purchase some new equipment, but it might not happen until next month, until we find out what will benefit the city. The best solution would be to purchase a hydro-vac that everyone can operate but how will you fill the hole up. Joy Lewis added that the city needs to look at all options. Mayor Davis agreed and stated that the city really needs a multi-task machine. A much smaller backhoe or multi-task machine with accessories. The city will continue to shop around for the best deal. Laura Lannom asked that the council go ahead and vote on when they find the right equipment to use the auction money funds because if not what will happen is that 2 weeks from now y'all will find the right equipment and want to buy today. Mayor Davis responded if he wanted that he would have already purchased equipment. Ms. Lannom added that the mayor continues to say the city needs equipment badly so why not let the city council vote to allow them to do that. Mayor Davis responded if we need to, he will bring it back next month. We are going to get a multi-task machine; we will not purchase a backhoe. The city does not need to finance a large amount. Josue Mendoza made a motion, seconded by Danny Vasquez to use the funds from the online auction to purchase equipment when the city finds a multi-task machine. Motion Carried 5-0.

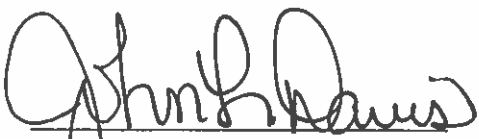
11. Mayor Davis stated if there are issues within the employee handbook mark it and send it down and get it done. Laura Lannom stated that the employee handbook is very conflicting. It needs to be read by someone that can read it and find discrepancies and fix them. The other day with payroll we had to go with the paragraph that is most beneficial to the employee. Mayor Davis responded that we would get it done because TML is good for those kinds of issues. City Clerk asked who she would contact TML that would do that type of work. Mayor Davis responded to contact the legal department, and they have someone there that does that kind of work. Or go to the TML website and see what employee handbook they have available online and compare what is correct or

incorrect. No action was taken.

12. Laura Lannom explained that she had presented a draft budget 2024-2025 for the council to look at and see if there needed to be any changes or questions based on requests that were previously made for the budget. Mayor Davis stated that on the capital outlay side he would like to decrease the amount from \$20,000 old City Hall ceiling to \$5,000 that would include the inside of the office building. The roof has been repaired in addition to the windows. City parks and trees, pet stations need to decrease from \$15,000 to \$7,500 and pet stations will be eliminated completely for the time being. The electrical work for the sewer lift station needs to go from \$4,000 to \$3,000 because electrical work has already been done. On the annex survey there won't be one because we can change that with a written contract. The old school building survey will be needed so we will decrease the amount from \$30,000 to \$15,000. The reason for the survey is because two different entities are taking over the property. Mayor Davis asked the council if they were willing to continue with the fencing project throughout the downtown park. It will cost the city around \$30,000 to complete the whole downtown park. The pipe has already been purchased for \$2,900 and it would take around \$7,900 per block in labor and fabrication to complete. Ms. Lannom explained that the only highlights that have changed this year preparing this budget worksheet is that property tax income was \$32,500 and will drop to \$26,450. There was no income put in case the city decided to lease the McKnight building. On the road repair budget there was only \$32,000 put into that category because it is the anticipated income from city sales tax. This money can only be spent on street repairs. City Clerk asked if the pipe fencing would come out of street repair account and Ms. Lannom responded, no it would come from capital expense. There would be an increase for Ms. Lannom monthly fee after no increase in the last 3 years. The insurance budget had an increase due to a 7,500 for insurance coverage on the old school building. The payroll expense line will reflect a 4 percent raise. Mayor Davis requested that we budget for another full-time position instead of a part-time job with a starting salary of \$16.00 per hour. Utility budget will also have an increase due to the possible electric bill of old school building. The city Clerk reminded the council that the budget to host the TML quarterly meeting had not been set. Balmorhea has been nominated to host the next quarterly meeting in October. The budget from hotel/motel will increase from \$35,000 to \$50,000 due to the TML quarterly meeting that the City of Balmorhea will host. Ms. Lannom added she would take all these changes back and submitted to the council with a new draft for consideration. And if not will be ready to adopt the proposed budget at the September Regular Meeting.

13. Josue Mendoza made a motion, seconded by Joy Lewis to adjourn the meeting at 9:18 pm. Motion Carried 5-0.

PASSED AND APPROVED THIS 9 DAY OF September, 2024.


JOHN L. DAVIS, MAYOR


SANDRA NAVARRETE, CITY CLERK