CALL TO ORDER
CALL OF ROLL

PRESENT: Mayor Powell
         Mayor Pro Tem Coon
         Council Members Gibson, McDonald, Ham and Czajkoski
         City Attorney Marcus Winberry
         City Administrator Paul Virgadamo
         City Secretary Soco M. Gorjón

After a roll call by the City Secretary establishing a quorum was present, the workshop meeting was called to order at 2:00 p.m. by Mayor Powell.

The meeting agenda, which was posted in accordance with the Texas Government Code, Chapter 551, was presented.

Agenda folders containing data relating to agenda items had been furnished to Council Members prior to the meeting of the Council.

Agenda items were considered by the Council. The action taken concerning such item is shown on the official Council Action Sheet attached hereto and made a part of these Minutes.

After all business properly brought before the Council had been considered, City Council adjourned.

Toby Powell, Mayor

ATTEST:

Soco M. Gorjón, City Secretary
OFFICIAL MINUTES OF THE CONROE CITY COUNCIL

Mayor Powell recognized Police Officer B. Hughes for his 5 years of service to the Police Department and Officer Edwards, a new recruit for the Police Department.

CITIZEN INQUIRY
Andrew Keefer and Brandon Aghamalian with Focused Advocacy presented Council the 2019 Legislative Session summary. Mayor Powell thanked Focused Advocacy for all of their work.

Mike Stoecker addressed Council to discuss the proposed tax rate increase and voice his concerns. He stated this increase would hurt the lower income population. He also noted his concerns for the City’s recent purchase of the Hawthorne house, the proposed Conroe Hotel Convention Center, and adding a fourth man on a fire truck. Mr. Stoecker asked Council to consider cutting some of these costs in order to help with the City’s new growth.

CIP UPDATE
City Engineer Chris Bogert presented Council the CIP Update (Exhibit “A”). Councilman Gibson inquired on the status of the Wilson Road project and Mr. Bogert stated it should be finished by the middle of August 2019.

CONROE COMMUTER BUS SERVICE
Operations Coordinator De’andre Guin addressed Council and made a presentation regarding the progress of the commuter bus service. Councilman Czajkoski inquired if we would reach our goal by 2020 to which Mr. Guin replied in the affirmative.

TRANSIT SERVICE AGREEMENT – GEORGE NADDOUR – WOOD CREEK SHOPPING CENTER
Transportation Manager Shawn Johnson asked Council to consider the proposed Service Agreement with George Naddour, owner of the Wood Creek Shopping Center for a transit bus stop location. The purpose of the agreement for the Wood Creek Shopping Center was to utilize and secure access of the property for Conroe’s public transit service. Mrs. Johnson pointed out that the agreement would not convey any actual interest in real property and could be terminated by either party with a 60-days written notice.

THE WOODLANDS HILLS SECTION 5- BUILDING SETBACK WIDTH –
City Engineer Chris Bogert introduced Jim Wendt with LJA Engineering. Mr. Wendt presented to Council for their consideration a request for an exception to the regulatory building setback widths for single-family residential subdivisions for The Woodlands Hills Section 5, Block 1, Lots 1, 5 and 8-16 and Bock 2, Lots 1-4, 6, 7 and 10. The developer was requesting an allowable zero foot side lot setback on the side of the lot delineated with a triangle, with the opposite side lot having a five foot side lot setback, to maintain at least ten feet between structures, rather than a 5 foot side lot setback line on each side as required by the Ordinance.

FY 18-19 3rd QUARTER REVENUE UPDATE
Assistant Finance Director Collin Boothe presented Council for their review and consideration the FY 18-19 3rd Quarter Revenue Update.

At 3:00 p.m., Mayor Powell along with Council, City Administrator Paul Virgadamo, City Attorney Marc Winberry, and City Secretary Soco M. Gorjón, recessed into a Closed Executive Session Chapter 551.071, and 551.072 for the following purpose:

* SJRA GRP Contract Litigation  
* Building permit for 804 I-45 North  
* Deliberation concerning the purchase, exchange, lease or value of real property

The Closed Executive Session was recessed at 4:17 pm.

BRIEFING
None

COUNCIL MEMBERS INQUIRY TIME
Mayor Pro Tem Coon informed citizens that they paid the SJRA $1,024,488.53 for the month of July.

There being no further business brought before the Council, the meeting was recessed until tomorrow at 8:00 p.m.
RECONVENE
THURSDAY, AUGUST 8, 2019 – 6:00 P.M.

OFFICIAL ACTION OF THE CONROE CITY COUNCIL

CALL TO ORDER

ALL OF ROLL

PRESENT:
Mayor Powell
Mayor Pro Tem Coon
Council Members Gibson, McDonald, Ham, and Czajkoski
City Attorney Marcus Winberry
City Administrator Paul Virgadamo
City Secretary Soco M. Gorjón

INVOCATION & PLEDGE: Pastor B.J. Plattenburg – Pilgrim Rest Baptist Church

Mayor Powell recognized Police Officer M. Moote for his 3 years of service to the Conroe Police Department.

CITIZEN INQUIRY

John Nicks addressed Council and requested a traffic light be added on Highway 105, just past Longmire. He also requested the median be removed by I-45, N. Loop 336 and Longmire. Mr. Nicks asked Council to set a policy that no city vehicles be parked in the City parking garage below the building. He also requested that all employees receive a 2% COLA and fair treatment for every department. Mr. Nicks stated that a tax rate increase would be very hard for citizens.

Chris Pfieffer addressed Council regarding the proposed tax increase. He asked Council to consider a zero threshold tax and obtain tax dollars from vendors on the Internet.

CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT – AMERICAN FURNITURE

Executive Director of CEDC Danielle Scheiner presented Council for the review and consideration the proposed First Amendment to Chapter 380 Economic Development Agreement with American Furniture Warehouse Company, which amended the location of the project to another property within the City limits and extended the deadline for commencement of construction of the project improvements.

Councilman McDonald made a motion to approve the First Amendment to Chapter 380 Economic Development Agreement with American Furniture Warehouse Company, as discussed. Councilman Czajkoski seconded the motion. Motion carried unanimously.

FY 18-19 3rd QUARTER INVESTMENT REPORT

Assistant Finance Director Collin Boothe presented Council for their review and consideration the FY 18-19 3rd Quarter Investment Report, as was previously presented on July 25, 2019.

Mayor Pro Tem Coon made a motion to approve the FY 18-19 3rd Quarter Investment Report, as discussed and presented. Councilman Ham seconded the motion. Motion carried unanimously.

PUBLIC HEARING – FY 19-20 OPERATING BUDGET

At 6:16 p.m., Mayor Powell recessed the Open Meeting in order to conduct a Public Hearing on the Fiscal Year 2019-2020 Operating Budget.

Assistant Finance Director Collin Boothe presented a detailed Operating Budget for FY 19-20 and discussed proposed timelines for Council review and consideration. Mr. Boothe stated a Special Council Meeting would be set August 19, 2019 at 9:30 a.m., for a second Public Hearing, and a Special Council Meeting would be set August 28, 2019 for the adoption of the Budget.

Mayor Pro Tem Coon thanked staff for incorporating ideas to help solve some of the deficits. He stated we were over budget and needed to pull back on the VERF. Mr. Boothe presented detailed report of the General Fund multi-year projections (Exhibit "B"). Councilman Czajkoski inquired if the proposed 5% adjustment would be sufficient for the Police and Fire Departments.
PUBLIC HEARING – FY 19-20 OPERATING BUDGET (CONTINUATION)

City Administrator Paul Virgadamo replied that as long as our revenues would support that, it would take 5% this year, 5% the following years as long as our revenues can support that in addition to the steps for civil service employees and merit raises for non-civil employees. Councilman Ham inquired if we implement the Salary Study recommendations, we would have to raise the proposed tax rate. Mr. Williams replied in the affirmative. Mr. Virgadamo advised that the implementation of the study as presented was not agreed to by Fire and Police Departments, and the entire implementation would cost 6 million to the City. Mr. Virgadamo stated employees would have to be laid-off and that he did not support that. Councilman McDonald inquired if lowering our tax rate in the past had placed us in this current problem. Mr. Williams responded in the affirmative, and pointed out that if we had stayed with the higher rate, we would not have to cut services today. Councilman Gibson voiced the same concerns as Councilman Ham and stated we should go back to the salary survey and voiced his support of a property tax increase.

Fire Union President Lloyd Sandefer addressed Council in regards to the step implementation and proposed a possible solution for savings by implementing the survey in phases. He stated his topped out Lieutenant position was 20% below the average salary according to the Evergreen Study. He urged the Council to consider the tax increase.

Police Union President Jeff Nichols addressed Council to voice his concerns with the step program. He stated a topped out officer was 20-21% below the average salary and a Sergeant and Lieutenant were 15% below the average salary.

Councilman Ham inquired from other Department Heads how the survey affected their department; Public Works Department was 20% below, Community Development was not impacted by the study, Engineering/Permitting was 20% below average, Finance had a few concerns about Fleet and IT Departments, but they were close to average.

Mayor Pro Tem Coon closed the Public Hearing at 7:15 p.m. and gave a 5-minute recess.

PUBLIC HEARING – TAX RATE OF $0.4454 PER $100 ASSESSED VALUATION FOR FY 19-20

At 7:21 p.m., Mayor Pro Tem Coon recessed the Open Meeting in order to conduct a Public Hearing for the proposal to set the tax rate at $0.4454 per $100 assessed valuation for Fiscal Year 2019-2020.

Assistant Finance Director Collin Boothe asked Council for direction. Mayor Pro Tem Coon stated that the City was behind 1.5 million as a whole already. Councilman Gibson stated his support of bringing back the salary compensation study as discussed in the Council Retreat, but not a full increase. Councilman McDonald stated he was in favor of the salary compensation study, but thought that the Downtown Manager position could be delayed. Councilman McDonald did not want to reduce travel and part-time positions and supported tax rate increase. Councilman Ham stated he was in favor of implementing the compensation salary study and voiced his concern and disappointment that the City was behind on salaries by 20%. Councilman Czajkoski stated his support of raising the tax rate to support the salary compensation study and the proposed Downtown Manager position. Mayor Pro Tem Coon noted that staff recommendation was to implement a 5% across the board increase and merit raises up to 3%. He stated the study was long overdue and recommended a new pay study in two years. Mayor Pro Tem Coon also cautioned staff and stated that budget amendments need to be examined closer and asked to adjust the VERF by extending the life cycle on the vehicles for one more year.

Assistant Finance Director Collin Boothe gave a detailed presentation of the CIP Budget status update.

Fire Union President Lloyd Sandefer addressed Council and stated there have been 2½ years without a COLA and that was the reason they were so behind, so waiting longer only makes the matter worse.

Mr. Virgadamo recommended that all employees receive a 5% increase in October plus merit raises and steps for the Fire and Police Department. Mayor Pro Tem Coon stated it was a short fall from sales tax revenue.

Both Mr. Williams and Mr. Boothe recommended a tax rate increase to resolve some of the issue. Mr. Boothe recognized and thanked his staff members, Accountant Paula Sheffield and Finance Manager Denise Morrison for all of their hard work. The City Council will vote on the tax rate on August 28, 2019, at City Hall, 300 W. Davis, Conroe, Texas.

Mayor Pro Tem Coon noted to back fill into the study as much as possible. He closed the Public Hearing at 7:49 p.m.

Minutes
August 7 & 8, 2019
Workshop & Regular Council Meeting
ADOPTION FY 19-20 OPERATING BUDGET
Assistant Finance Director Collin Boothe asked Council to consider setting the adoption of the FY 19-20 Operating Budget for August 28, 2019, in the Council Chambers at Conroe City Hall, 300 W. Davis, at 9:30 a.m. Councilman Ham made a motion to approve setting the adoption of the FY 2019-20 Operating Budget for August 28, 2019, as discussed and presented. Councilman Gibson seconded the motion. Motion carried unanimously.

CONSENT AGENDA
A motion was made by Councilman Gibson, seconded by Councilman McDonald to approve the Consent Agenda Items 6 through 11, as presented. Motion carried unanimously.

- Approve Transit Service Agreement with George Naddour, owner of the Wood Creek Shopping Center, for a transit bus stop location.
- Approve request for an exception to building setback widths for The Woodlands Hills Section 5, Block 1, Lots 1, 5 and 8-16, and Block 2, Lots 1-4, 6, 7, and 10.
- Approve Resolution appointing Jody Czajkoski as new City representative (to fill vacancy resulting from Council Member Seth Gibson’s term to expire) and keep alternate Mayor Pro Tem Duke Coon to the General Assembly of the Houston-Galveston Area Council for the year 2019.
- Approve Commission Board Meeting Absences:
  ° 7/4/19 – No meeting held
  ° 7/18/19 – There were no absences
- Approve Council Minutes held July 18, 2019, July 24 & 25, 2019, and July 30, 2019.
- Payment of Statements:
  - S.I.R.A
  - Weisanger Incorporated
  - Texas Wall & Landscape
  - Weisanger Incorporated
  - JIA Engineering
  - D.L. Elliott
  - Triple B Services, LLP

  Inv. Surface Water Fees
  Inv. No. 4 – Eng. Rpr. Of Main Street Water Well
  Inv. No. JP APP#2 – Carl Barton Jr. Park Improvements
  Inv. No. 1-Rpr. Robinwood Water Well
  Inv. No 2019/0502 – Design Services Old Conroe Road
  Inv. No. 2 – Sh 105 West Waterline Ext.
  Inv. No. 3 – Camelot Ext.

  $903,259.09
  $137,800.00
  $354,500.16
  $515,716.49
  $93,086.13
  $221,670.15
  $351,814.76

There being no further business to consider, a motion was made by Councilman Ham, seconded by Councilman Czajkoski to adjourn the meeting.
CIP Updates

(August 6, 2019)

Projects under Design: 39
Projects under Construction: 24

Wilson Road Widening
- Contractor to pour last major roadway section on 8/12
- Working on driveways, backfilling, striping, finalizing, and cleanup
- Inspector is keeping on the contractor to keep roadways clean

SH 105 Underground Utilities - SH 105, IH-45 to SH 75 (CIDC)
- Pre-const. Mtg. on 8/8 with A&H Electric, site visit with Entergy completed, transformer easements have been acquired.

New Conroe Central Wastewater Treatment Plant
- Bid Review: 7/30; reviewing Value Engineering options, meet again next week

Industrial Park Rehab (Pollok & Conroe Park)
- Contractor has finished pouring Pollok NB lanes FM 1484 to Conroe Park N and started backfilling
- Pollok SB lanes 95% stabilized and should start pouring this week.
- Milling on Pollok north of Wally Wilkerson completed.

Longmire Road Widening
- Contractor working on temporary widening for detour to begin;
- 12” waterline at Wedgewood is complete and being tested; 16” waterline from Wedgewood started
- Storm work at the Firehouse and along Watercrest finished, moving south with next section of storm

Projects under Construction
- Sewer Rehab SH 105/IH45 Sanitary Sewer Phase 3 – Substantially complete.
- Sewer Rehab River Pointe Area – Substantially complete.
- SSOI Section 6 – Substantially complete.
- SH 105 West 12” Waterline Extension (to McCabe) – Made the turn from SH105 down McCabe Road. Ear ing for the new water plant site is completed.
- Camelot Extension – Poured connection from creek to Sgt Ed Holcomb and headwalls at creek; 1250 SY of pavement has been poured. Installed 1700 ft. of curbing, and northbound portion of rehab work.
- Sanitary Sewer Evaluation Survey (SSES) – meeting to review draft memo and final steps: 8/2019
- Crighton Road at IH-45 (RR) – Ad to start 8/18; Pre-Bid 8/27; Bid Due: 9/5
- Robinwood Water Well (Jasper) – Contractor has drilled down 1250’, waiting on sample results; sound wall installed.
- Street Rehab - Brass Nail Road & Grace Crossing Loop – Contractor has installed approx. 648 lf of storm pipe and completed junction box.
- Sidewalks for Semands, Silverdale, Sgt Ed Holcomb & San Jacinto – Contractor about 30% complete with walk on Silverdale; Semands is 95% complete; starting on San Jacinto repairs too.
- Sidewalks - Wilson & Foster (Federal Funding) – Pre-Construction Meeting 7/31; reviewing schedule
- Street Rehabs for Milltown – Pre-Construction meeting on 8/13
- Sewer Rehab - Forest Estates and Wroxton – Pre-Construction meeting on 8/8
- SSOI Section-7.2 Sewer Rehab – Pre-Construction meeting on 8/8
- Remove & Replace - Ground Storage Tank Plant 20 (CIDC) – Ad to start 8/23; Bids due 9/12
- Sidewalks for Conroe Connection Transit 3rd bus route and Sgt. Ed Holcomb Blvd – Pre-Bid: 7/31; Bids due 8/8
- Lift Station Removal Pebble Glen & Longmire Pointe – Pre-Bid: 7/31; Bids due 8/8

Projects under Design
- Fountain Park Bridge and Sidewalks – plans have been reviewed, waiting on revisions, expected late this week
- Old Conroe Road – Received AFA for TxDOT review; Progress meeting on 8/6
- Street Rehabs Tanglewood/Briarwood – some survey complete, design starting. Pushed back bidding until the water rehab project is completed in the area.
- Street Rehab-Westview Blvd & Montgomery Park Blvd w/sidewalks & waterline—started survey. 60% design complete.
- GLO-CDBG-Disaster Recovery-Hurricane Harvey – application accepted; waiting on contract from GLO.
- GLO-CDBG-DR 2016 Flood Grant – 60% design complete.
- FM 1488 Water System Improvements – 90% plans under review.
- Water Line Rehab - Lewis, Roberson, Dallas, & Palestine – 90% plan review 8/8
- Drainage Rehab for Crighton Ridge & Live Oak Creek – 60% design complete.
- McCaleb Water Well & EST – 60% design complete; LSGW Permit received; clearing completed
- Alligator Creek Riverwalk – Design Study provided options along Dallas and Alligator Crk; reviewing scope – final due back 8/16
- Conroe Industrial Park Extension & Farrell – Environmental and survey complete. 90% design due 9/20
- Cooling Towers (Panorama) – Letter from Panorama regarding golf cart building, on hold 100% due 9/5
- SH 105 W Force Main - Chapel Hill to April Sound – 90% design under review.
- Conroe Industrial Park Extension Water & Sewer – 90% design due 8/30.
- Seven Coves Waterline – Received executed UPRR agreement
- Sewer Upgrades to Carl Barton system – 90% review in three weeks, working on easements
- Water Line Extension/Water Well #24 Blending – Carollo is moving forward on design.
- Signal/Drainage - Bois D'Arc Bend at Walden Road – 30% drainage and 90% plans signal under review.
- Signal Projects: held scoping meeting with Kimley Horn. 90% design complete;
  - Sgt. Ed Holcomb at Camelot – discussing power with Entergy
  - Wally Wilkerson at Conroe Park West (CIDC)
  - Wally Wilkerson at Pollok (CIDC)
- Traffic Signal Upgrade Projects: SH 75, SH 105 and LP 336, 90% complete; bid ready September
  - Flashing Yellow Arrows (5 year plan)
  - Radar Detection System (5 year plan)
- Traffic Signal Study on South LP 336: received study on needed for turning movements and upgrades.
  Will include in next year’s CIP submission.
  - LP 336 at Medical Center Blvd
  - LP 336 at River Pointe Blvd
FY 19-20 Budget Overview

- The Budget Process—Status Update
  - **August 8** – Public hearing on the budget
  - **August 8** – 1st public hearing on tax rate
  - **August 19** – 2nd public hearing on tax rate (special meeting)
  - **August 28** – Council adopts new budget and CIP (budget and tax rate must be adopted **no later than Sept 2, 2019**)
  - **October 1** – New fiscal year begins
FY 19-20 Budget Overview

• Total Revenues (Gross)
  o $200,807,396
  o 5.8% increase from FY 18-19 Budget
  o -0.4% decrease from FY 18-19 Estimate

• Total Revenues (Net of Interfund Transfers)
  o $167,440,463
  o 4.7% increase from FY 18-19 Budget
  o -0.7% decrease from FY 18-19 Estimate
FY 19-20 Budget Overview

- **Total Expenditures (Gross)**
  - $218,112,367
  - -0.4% decrease from FY 18-19 Budget
  - 5.3% increase from FY 18-19 Estimate

- **Total Expenditures (Net of Interfund Transfers)**
  - $171,286,618
  - 5.5% increase from FY 18-19 Budget
  - 6.2% increase from FY 18-19 Estimate
FY 19-20 Budget Overview

GENERAL FUND:

- **Total Revenues (Gross)**
  - $80,803,661
  - 4.3% increase over FY 18-19 Budget
  - 0.8% increase from FY 18-19 Estimate

- **Total Expenditures (Gross)**
  - $82,321,073
  - 0.6% increase over FY 18-19 Budget
  - 0.2% increase from FY 18-19 Estimate
Modifications included in the final proposed budget

- **Sales Tax**
  - Reduced by -$417,996, due to lower projection in the current year and outlook for next year

- **Property Tax**
  - Certified Assessed Valuation increase of 10.0% or $834,338,160 from $8,352,329,678 to $9,186,667,838
    - New Property = 38.9% or $324,376,002
  - Change in Property Tax based on Certified
    - General Fund portion: $26,333,583 (more than Preliminary by $58,232)
      - Increased TIRZ #3 & CMMD#1 Transfers Out by $49,876
    - G.O. Debt Service portion: $11,253,668 (more than Preliminary by $24,928)
FY 19-20 Budget Overview

- Modifications included in the final proposed budget
  - General Fund
    - Increased Property Tax Revenue by $58,232 based on Certified Values
    - Added $60,000 for a contract Grant Writer position
    - Renovation of Old PD Building reduced by $400,000
    - Total Net Change to General Fund reduced by -$19,764
## FY 19-20 Budget Overview

**GENERAL FUND OPEN ITEMS FOR DISCUSSION:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Downtown Manager (4/1/2020)</td>
<td>$46,775</td>
</tr>
<tr>
<td>New Hire Starts 10/1/2019</td>
<td>128,711</td>
</tr>
<tr>
<td>(3) Battalion Chiefs</td>
<td>552,150</td>
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<tr>
<td>Add 5% Market Adjustment</td>
<td>1,834,662</td>
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<tr>
<td>Reduce Travel/Training (10%)</td>
<td>(66,567)</td>
</tr>
<tr>
<td>Reduce Part-Time (10%)</td>
<td>(100,197)</td>
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<tr>
<td>Reduce Overtime (10%)</td>
<td>(111,582)</td>
</tr>
<tr>
<td>Remove 2019 Comp Study</td>
<td>(3,093,111)</td>
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<tr>
<td><strong>General Fund Net Change</strong></td>
<td><strong>(809,159)</strong></td>
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## FY 19-20 Tax Rate Impact Comparison

<table>
<thead>
<tr>
<th>Home Value</th>
<th>$ 100,000</th>
<th>$ 150,000</th>
<th>$ 200,000</th>
<th>Avg Home Value</th>
<th>$ 230,529</th>
<th>$ 300,000</th>
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<tbody>
<tr>
<td><strong>Current Tax Rate</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Rate</td>
<td>$ 0.4175</td>
<td>$ 0.4175</td>
<td>$ 0.4175</td>
<td>$ 0.4175</td>
<td>$ 0.4175</td>
<td>$ 0.4175</td>
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<tr>
<td>City Tax Levy</td>
<td>$ 418</td>
<td>$ 626</td>
<td>$ 835</td>
<td>$ 962</td>
<td>$ 1,253</td>
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<tr>
<td>Monthly Amount</td>
<td>$ 34.79</td>
<td>$ 52.19</td>
<td>$ 69.58</td>
<td>$ 80.20</td>
<td>$ 104.38</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>$0.0279 Increase - To Rollback Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Increase</strong></td>
</tr>
</tbody>
</table>
# 2019 Certified Property Tax Values

**CITY OF CONROE PROPERTY TAX**  
**2019 CERTIFIED VALUES**

<table>
<thead>
<tr>
<th></th>
<th>Current Rate</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Value</td>
<td>$ 0.4175</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>$ 8,258,741,436</td>
<td>$ 34,480,245</td>
</tr>
<tr>
<td>Over 65 Freeze</td>
<td>$ 897,485,356</td>
<td>$ 3,747,001</td>
</tr>
<tr>
<td>Disabled Freeze</td>
<td>$ 30,441,045</td>
<td>$ 127,091</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 9,186,667,838</strong></td>
<td><strong>$ 38,354,338</strong></td>
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</tbody>
</table>

**Estimated Revenue Increase @ 100%**  
$ 2,304,189

**Estimated Revenue Increase @ 98%**  
$ 2,258,105
Historical Property Tax Rate
### Property Tax Rate Comparison

<table>
<thead>
<tr>
<th>City</th>
<th>Estimated Population</th>
<th>FY 18-19 Tax Rate</th>
<th>FY 19-20 Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baytown</td>
<td>83,724</td>
<td>$0.8220</td>
<td>$0.4175</td>
</tr>
<tr>
<td>Bryan</td>
<td>85,613</td>
<td>0.6299</td>
<td>-</td>
</tr>
<tr>
<td>DeSoto</td>
<td>53,553</td>
<td>0.7214</td>
<td>-</td>
</tr>
<tr>
<td>Galveston</td>
<td>50,550</td>
<td>0.5610</td>
<td>-</td>
</tr>
<tr>
<td>League City</td>
<td>104,857</td>
<td>0.5638</td>
<td>-</td>
</tr>
<tr>
<td>Missouri City</td>
<td>74,561</td>
<td>0.6300</td>
<td>-</td>
</tr>
<tr>
<td>Pearland</td>
<td>121,500</td>
<td>0.7092</td>
<td>-</td>
</tr>
<tr>
<td>San Marcos</td>
<td>61,980</td>
<td>0.6139</td>
<td>-</td>
</tr>
<tr>
<td>Temple</td>
<td>76,864</td>
<td>0.6772</td>
<td>-</td>
</tr>
<tr>
<td>Victoria</td>
<td>67,659</td>
<td>0.6224</td>
<td>-</td>
</tr>
<tr>
<td>Conroe</td>
<td>84,378</td>
<td>$0.4454</td>
<td>-</td>
</tr>
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</table>
## Spending and Growth Analysis

### City of Conroe

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Population</th>
<th>Per Capita</th>
<th>CPI Index (National)</th>
<th>Per Capita Spending Adjusted to 2009 Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>55,195</td>
<td>$1,297</td>
<td>216.0</td>
<td>$1,297</td>
</tr>
<tr>
<td>2010</td>
<td>56,207</td>
<td>$1,208</td>
<td>218.4</td>
<td>$1,194</td>
</tr>
<tr>
<td>2011</td>
<td>56,257</td>
<td>$1,514</td>
<td>226.9</td>
<td>$1,458</td>
</tr>
<tr>
<td>2012</td>
<td>56,530</td>
<td>$1,431</td>
<td>231.4</td>
<td>$1,403</td>
</tr>
<tr>
<td>2013</td>
<td>61,564</td>
<td>$1,400</td>
<td>234.2</td>
<td>$1,383</td>
</tr>
<tr>
<td>2014</td>
<td>71,592</td>
<td>$1,139</td>
<td>238.0</td>
<td>$1,121</td>
</tr>
<tr>
<td>2015</td>
<td>71,879</td>
<td>$1,379</td>
<td>238.0</td>
<td>$1,379</td>
</tr>
<tr>
<td>2016</td>
<td>71,879</td>
<td>$1,553</td>
<td>241.0</td>
<td>$1,533</td>
</tr>
<tr>
<td>2017</td>
<td>82,275</td>
<td>$1,228</td>
<td>245.1</td>
<td>$1,207</td>
</tr>
<tr>
<td>2018</td>
<td>84,378</td>
<td>$1,224</td>
<td>249.8</td>
<td>$1,201</td>
</tr>
<tr>
<td><strong>Compounded Growth Rate</strong></td>
<td><strong>4.83%</strong></td>
<td><strong>-0.64%</strong></td>
<td><strong>1.63%</strong></td>
<td><strong>-0.85%</strong></td>
</tr>
</tbody>
</table>
## General Fund Multi-Year Projection

<table>
<thead>
<tr>
<th></th>
<th>FY 19-20</th>
<th>FY 20-21</th>
<th>FY 21-22</th>
<th>FY 22-23</th>
<th>FY 23-24</th>
<th>FY 24-25</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Fund Balance</strong></td>
<td>$26,965,803</td>
<td>$25,517,932</td>
<td>$23,734,510</td>
<td>$21,231,750</td>
<td>$18,275,948</td>
<td>$16,615,498</td>
</tr>
<tr>
<td><strong>Property Tax</strong></td>
<td>$26,333,583</td>
<td>$27,650,263</td>
<td>$29,032,776</td>
<td>$30,484,414</td>
<td>$32,008,635</td>
<td>$33,609,067</td>
</tr>
<tr>
<td><strong>Sales Tax</strong></td>
<td>$35,044,590</td>
<td>$36,095,928</td>
<td>$37,178,806</td>
<td>$38,294,170</td>
<td>$39,442,995</td>
<td>$40,626,285</td>
</tr>
<tr>
<td><strong>Other Revenue</strong></td>
<td>$19,785,152</td>
<td>$20,378,706</td>
<td>$20,990,067</td>
<td>$21,619,769</td>
<td>$22,268,362</td>
<td>$22,936,413</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$81,163,325</td>
<td>$84,124,896</td>
<td>$87,201,649</td>
<td>$90,398,354</td>
<td>$93,719,992</td>
<td>$97,171,765</td>
</tr>
<tr>
<td><strong>Personnel</strong></td>
<td>$55,581,775</td>
<td>$58,760,199</td>
<td>$60,253,055</td>
<td>$62,334,064</td>
<td>$63,926,449</td>
<td>$65,524,611</td>
</tr>
<tr>
<td><strong>Supplies</strong></td>
<td>$5,038,661</td>
<td>$5,335,608</td>
<td>$5,249,260</td>
<td>$5,300,832</td>
<td>$5,352,926</td>
<td>$5,450,358</td>
</tr>
<tr>
<td><strong>Contractual</strong></td>
<td>$15,074,359</td>
<td>$15,389,103</td>
<td>$15,467,354</td>
<td>$15,622,127</td>
<td>$15,778,438</td>
<td>$15,936,303</td>
</tr>
<tr>
<td><strong>Capital</strong></td>
<td>$1,616,264</td>
<td>$840,000</td>
<td>$1,590,000</td>
<td>$1,590,000</td>
<td>$1,590,000</td>
<td>$1,590,000</td>
</tr>
<tr>
<td><strong>Transfers</strong></td>
<td>$5,224,958</td>
<td>$5,285,479</td>
<td>$6,846,124</td>
<td>$8,416,804</td>
<td>$8,657,449</td>
<td>$8,909,100</td>
</tr>
<tr>
<td><strong>Debt Service</strong></td>
<td>$75,179</td>
<td>$75,179</td>
<td>$75,179</td>
<td>$75,179</td>
<td>$75,179</td>
<td>$75,179</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$82,611,196</td>
<td>$85,685,567</td>
<td>$89,480,971</td>
<td>$93,339,006</td>
<td>$95,380,442</td>
<td>$97,485,511</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 19-20</th>
<th>FY 20-21</th>
<th>FY 21-22</th>
<th>FY 22-23</th>
<th>FY 23-24</th>
<th>FY 24-25</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ending Fund Balance</strong></td>
<td>$25,517,932</td>
<td>$23,957,261</td>
<td>$21,455,188</td>
<td>$18,291,098</td>
<td>$16,615,498</td>
<td>$16,301,712</td>
</tr>
<tr>
<td><strong>90 Day Reserve:</strong></td>
<td>$20,652,799</td>
<td>$21,421,392</td>
<td>$22,370,243</td>
<td>$23,334,751</td>
<td>$23,845,110</td>
<td>$24,371,388</td>
</tr>
<tr>
<td><strong>Over/(Under):</strong></td>
<td>$4,865,133</td>
<td>$2,535,869</td>
<td>$1,915,055</td>
<td>$1,043,654</td>
<td>$7,229,612</td>
<td>$(8,069,675)</td>
</tr>
<tr>
<td><strong>Sources minus Uses</strong></td>
<td>$(1,447,871)</td>
<td>$(1,560,671)</td>
<td>$(2,279,322)</td>
<td>$(2,940,652)</td>
<td>$(1,660,449)</td>
<td>$(313,786)</td>
</tr>
</tbody>
</table>

**Assumptions:**
1. FY19-20 includes 9.75% growth in property tax and an M&O rate of $0.2925. 5% growth in property tax in subsequent years.
2. 3% growth in sales tax, and 3% growth in all other revenues.
3. Personnel costs increase at 2.5%, including Health Insurance. Supplies and Contractual expenditure base budget includes a 1% increase.
4. Capital includes ongoing Street Rehabilitation and Drainage at half for 20-21, and 100% thereafter.
5. Transfers include re-instating VRF in FY 20-21 at 50% and 100% future years.
6. Costs in FY20-21 include fully staffing Fire Station #8.
7. Projection does not include any additional costs related to 4 man staffing for the Fire Dept.
8. Transportation is projected at a 30% city contribution.
FY 19-20 Budget Overview

- Modifications included in the final proposed budget
  - Water and Sewer Fund
    - FY18-19 estimate for Surface Water Expense decreased by $194,752
    - Sewer revenue updated based on New Gen Water & Sewer rate study – increased by $642,626
    - Added a transfer out for Project F107 – Water Line Wilson Road East $130,000
    - Increased Water and decreased Sewer for the T.C.E.Q. Increase by $125,000 – net zero impact to the fund
    - Total Net Change to Water and Sewer Fund is $707,378
Questions?