

**CITY OF SULPHUR SPRINGS, TEXAS
REGULAR MEETING OF THE
CITY COUNCIL
September 19, 2024
5:30 p.m.**

The following council members and staff were present:

Mayor Harold Nash Sr.
Mayor Pro Tem Oscar Aguilar
Councilman Jay W. Julian
Councilman Tommy Harrison
Councilman Gary Spraggins
Councilman Tyler Law
Councilman John A. Sellers

Staff: Marc Maxwell, City Manager
Natalie Burling, City Secretary
Nate Smith, City Attorney
Tory Niewiadomski, Director of Community Development/Asst City Manager
Lesa Smith, Finance Director/Assistant City Manager
Gordon Frazier, HR Director/Assistant City Manager
Jason Ricketson, Chief of Police SSPD

CALL TO ORDER

Mayor Nash called to order the regular meeting of the Sulphur Springs City Council at 5:33 p.m.

**PLEDGE OF ALLEGIANCE TO THE UNITED STATES FLAG, TEXAS FLAG,
AND INVOCATION**

Mayor Nash led in the pledge of allegiance to the United States Flag and the Pledge to the Texas Flag, and the invocation was led by Councilman Spraggins. Councilman Aguilar announced to the public how proud he is that his wife is to be sworn in as a citizen next Wednesday the 25th.

**DISCUSSION/ACTION ON PUBLIC HEARING AND SECOND AND FINAL
READING OF ORDINANCE NO. 2861 ADOPTING THE FY 2025 BUDGET AND
APPROPRIATING CERTAIN FUNDS AND DIRECTING THEIR EXPENDITURE**

Finance Director/Assistant City Manager Smith presented the staff report. This second reading of the budget ordinance includes all funds for next budget year which begins on October 1st. This is a \$48,699,142 total budget that includes \$27,425,746 in operating costs, \$17,097,475 in capital costs, and \$4,175,920 for debt service and other contractual

obligations. Councilman Law made a motion to approve the ordinance on the second reading. Councilman Sellers seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING AND SECOND AND FINAL READING OF ORDINANCE NO. 2862 FOR TAX SETTING THE 2024 TAX YEAR PROPERTY TAX RATE FOR THE 2025 FISCAL YEAR

Finance Director/Assistant City Manager Smith presented the staff report. Property tax rate is set at \$0.43573 per \$100 of valuation as discussed in budget workshops. Taxes for properties on the tax roll as of January 1, 2024 will be assessed October 1, 2024.

As stated below, the Local Government Code requires specific language for the motion, and the ordinance. The percentage increase in the motion is not the same as the percentage increase in the ordinance. The State requires different tax rate calculations for each one. The motion uses the no-new-revenue tax rate, and the ordinance uses the no-new-revenue maintenance & operations rate. As a reminder, although the tax rate is decreasing, the tax revenue is increasing and therefore state law says we must call this a tax increase. Councilman Law made a motion stating, "I move that the property tax rate be increased by the adoption of a tax rate of \$0.43573 per 100 dollars which is effectively a 10.28 percent increase in the tax rate." Councilman Spraggins seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING AND SECOND AND FINAL READING OF ORDINANCE NO. 2863 AMENDING WATER RATE ORDINANCE SETTING NEW WATER RATES EFFECTIVE OCTOBER 1, 2024

Finance Director/Assistant City Manager Smith presented the staff report. Ordinance No. 2863 amending water rate ordinance setting new water rates effective October 1, 2024. This ordinance shows rates as proposed at the August budget meetings. Councilman Sellers made a motion to approve the ordinance as presented. Councilman Law seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING AND SECOND AND FINAL READING OF ORDINANCE NO. 2864 AMENDING THE SEWER RATE ORDINANCE SETTING NEW SEWER RATES EFFECTIVE OCTOBER 1, 2024

Finance Director/Assistant City Manager Smith presented the staff report. This is the second reading of Ordinance No. 2864 amending the sewer rate ordinance setting new sewer rates effective October 1, 2024. Councilman Law made a motion to approve the ordinance on the second reading as presented. Councilman Spraggins seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING AND SECOND AND FINAL READING OF ORDINANCE NO. 2865 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SULPHUR SPRINGS, TEXAS, AMENDING ORDINANCE NO. 2840, THE MASTER FEE SCHEDULE FOR COSTS, FEES AND RATES ASSOCIATED WITH PERMITTING, UTILITY SERVICES AND OTHER SERVICES PROVIDED BY THE CITY

Finance Director/Assistant City Manager Smith presented the staff report. The purpose of user fees are for the City to recoup the cost (or most of the cost) of providing a service to an individual benefactor rather than putting the burden on all citizens. Staff has reviewed fees and is recommending that the fees below be increased. There was a brief discussion. Councilman Spraggins made a motion to approve the ordinance on the first reading. Councilman Sellers seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING AND SECOND AND FINAL READING OF ORDINANCE NO. 2866, AUTHORIZATION OF UPDATED SERVICE CREDITS

HR Director/Assistant City Manager Frazier presented the staff report. Staff recommends the city continues with the updated service credits for all current full-time employees. We choose to act on this annually so we have the option to discontinue at any time, which we have done for periods in the past. Our 2025 TMRS contribution rate is 7.52 % without updated service credits and increases to a total rate of 8.53% with the adoption of updated service credits. The city's funded ratio will decrease slightly from 98.3% to 96.6%. The additional cost of the updated service credits are estimated at \$103,319.60 for 2025 fund year. Updated Service Credits enhance each retirement account of current employees for inflationary factors above specific thresholds. Inflation decreases your buying power if you are on a fixed income, or if a lot of your retirement is based on the value of money from retirement contributions made early in your career while at a much lower wage. The higher inflation is over time combined with a large salary increase, the more problematic the issue can become. Updated Service Credits apply an actuarial formula to help mitigate that issue account by account. There was a brief discussion. Councilman Sellers made a motion to

approve the ordinance as presented. Councilman Law seconded and the vote was unanimous.

The motion carried.

**DISCUSSION/ACTION ON PUBLIC HEARING AND SECOND AND FINAL
READING OF ORDINANCE NO. 2867 TO VACATE AND ABANDON
UNIMPROVED RIGHT OF WAY EAST OF 1321 E. SHANNON ROAD AS PART
OF A REPLAT CALLED THE HILL ADDITION**

Community Development Director/Assistant City Manager Niewiadomski presented the staff report. This request will formalize the vacation and abandonment of the unimproved right of way identified on the property consisting of 1820 square feet. There was no one else to speak to the issue. Councilman Spraggins made a motion to approve the Ordinance as presented. Councilman Law seconded and the vote was unanimous.

The motion carried.

VISITORS AND PUBLIC FORUM

None.

ADJOURN

With all business complete the meeting was adjourned at 5:40 p.m.