

Tino Villarreal, Commissioner At-large "A"
Bryan L. Martinez, Commissioner District 1
Roy De los Santos, Commissioner District 3



Rose M.Z. Gowen, M.D., Commissioner At-large "B"
Linda C. Macias, Commissioner District 2
Pedro Cardenas, Commissioner District 4

John Cowen, Jr, Mayor

NOTICE OF A WORK SESSION OF THE CITY COMMISSION OF THE CITY OF BROWNSVILLE

Pursuant to Chapter 551, Title 5 of the Texas Government Code, the Texas Open Meetings Act, notice is hereby given that the City Commission of the City of Brownsville, Texas, in accordance with Article V, Section 12, of the Charter of said City, will convene a **Special Work Session** on **July 25, 2023, at 5:00 p.m.**, in the City Commission Chambers, located on the Second Floor of the Brownsville City Hall - Old Federal Building, located at 1001 East Elizabeth Street, Brownsville, Cameron County, Texas, 78520.

Pursuant to Section 551.127, Texas Government Code, one or more Commissioners or employees may attend this meeting remotely using videoconferencing technology. The video and audio feed of the videoconferencing equipment can be viewed and heard by the public at the address posted above as the location of the meeting.

Members of the public, employees, and the City Commission may join via the Webex Teleconference Meeting by logging on at:

<https://brownsvilletx.webex.com/brownsvilletx/j.php?MTID=m122c38d522bdbc41fd7b759b5017dff3>

Password: commission (26664774 from video systems)

Join by video system

Dial 25935358686@brownsvilletx.webex.com

You can also dial 173.243.2.68 and enter your meeting number.

Join by phone

1-844-621-3956 United States Toll Free

+1-650-479-3208 United States Toll

Access code: 259 353 58686

This Notice and Meeting Agenda are posted online at: <https://brownsvilletx.gov/129/Agendas-Minutes>

At any time during the course of the posted meeting, the Brownsville City Commission may retire into Executive Session under Texas Government Code 551.071 to confer with legal counsel on any subject matter on this agenda in which the duty of the attorney to the City Commission under Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code. Further, at any time during this meeting, the City Commission may retire to deliberate on any subject slated for discussion at this meeting, as may be permitted under one or more exceptions to the Texas Open Meetings Act set forth in Title 5, Subtitle A, Chapter 551, Subchapter D of the Texas Government Code.

CALL TO ORDER

- a) ROLL CALL
- b) INVOCATION

PLEDGE OF ALLEGIANCE TO THE FLAGS OF THE UNITED STATES OF AMERICA AND STATE OF TEXAS

WORK SESSION(S)

As a governmental body, the City Commission will not vote or take any formal action on any items discussed in the work session portion of the agenda.

- 1) Presentation on Fiscal Year 2024 Budget Workshop #1. (Financial Services Department)

ADJOURNMENT

NOTE: The City of Brownsville does not discriminate on the basis of disability in the admission of, access to, treatment of, or employment in its programs, activities, or public meetings. Any individual with a disability in need of an accommodation is encouraged to contact the Organizational Development & Human Resources Department at 956/548-6037 (voice or Relay TX) by Monday, no later than 12:00 P.M., to make proper arrangements.

By: John Cowen, Jr
Mayor of the City of Brownsville

I certify that a copy of the **July 25, 2023**, Agenda of items to be considered by the Brownsville City Commission was posted on the Bulletin Area at City Hall – Federal Building, on July 21, 2023. I further certify that the Agenda was posted on the City’s website and can be downloaded by accessing: <https://brownsvilletx.gov/129/Agendas-Minutes>



Yolanda Galarza-Gomez, TRMC, City Secretary



To: Mayor and City Commission
Through: Helen Ramirez, City Manager
From: Michael Delmore, Chief Financial Officer
Date: Tuesday, July 25, 2023
Agenda #: Presentation on Fiscal Year 2024 Budget Workshop #1. (Financial Services Department)

Summary:

Please find attached the presentation of the 1st Budget Workshop for FY 2024. Also attached is the Bond Presentation to the rating agencies which contains key city information covered by the budgeting process as well.

Project Scope and Analysis:

Budget Workshop

Funding:

Source: N/A

Amount:

Local Contribution if Applicable:

Recommendation:

No action will be taken.

Commission Pillar:

Choose an Option

Attachments:

1. Budget Workshop Presentation 072123MD

BUDGET WORKSHOP

An aerial photograph of a city, likely Brownsville, Texas, featuring a prominent white building with a blue dome and palm trees. The image is used as a background for the budget workshop announcement.

City Commission The City of Brownsville

On the Border, By the Sea, and Beyond

July 25, 2023

One City Team



John Cowen, Jr.
Mayor



Tino Villarreal
*City Commissioner
at-Large "A"*



Rose M.Z. Gowen
*City Commissioner
at-Large "B"*



Bryan L. Martinez
*City Commissioner
District 1*



Linda C. Macias
*City Commissioner
District 2*



Roy De los Santos
*City Commissioner
District 3*



Pedro Cardenas
*City Commissioner
District 4*



Commission Pillars for the City of Brownsville

Progressive, Sustainable, Desirable, Innovative, Inclusive Community...

Economic Development

- Job & wealth creation
- Growth of tax revenues
- Attraction of businesses
- Maximizing funding & resources
- Support advanced manufacturing
- Support workforce development
- Support New Space programs
- Review marketing strategies

Planning & Zoning

- Promote business friendly atmosphere
- Complete updating of Building & Fire Codes
- Revise Land Use Plan
- Strategize downtown development
- Develop Comprehensive Housing Strategy

Infrastructure

- Update 2014 Pavement Condition Index (PCI)
- Integrate PCI Study with Sidewalk/Bike/Hike Master Plan
- Drainage Improvements
- Develop Comprehensive Drainage Master Plan
- Develop Comprehensive Technology Needs Study

Public Safety

- Review needs for new Emergency Operations Center
- Review and enhance Animal Control Program
- Review Police Officer staffing model
- Implement data-driven approach for fire operations
- Better monetize ambulance service
- Integrate Police/Fire dispatch operation

Quality of Life

- Assess and act on homelessness & mental health issues
- Focus on economic security
- Promote health initiatives
- Update 2015 Parks & Rec Master Plan
- Address needs for animal friendly facilities
- Support historical groups and Zoo

Governance

- Promote transparency & accountability
- Reinforce City's Vision, Mission, & Goals
- Review City's decision making approaches
- Develop and promote organizational values and culture

ONE CITY

City Commission



GBIC



Municipal Leadership



BCIC



15 Min City



SpaceX



LNG



Smart City Roadmap



Broadband



Games of Texas



Charro Days



Gladys Porter Zoo



Quality of Life



Avelo Airlines

Overall City Management Strategy – One City

Citizens

- Provide Citizens With Required Street Improvements

Citizens

- Lower Tax Rates (Debt Rate from \$.264 to \$.25)

Infrastructure

- Historic Buildings, Gladys Porter Zoo, Public Works, Drainage, Police & Fire: Ambulances & Trucks, Streets, Network Switches (5G).

Public Safety

- Year 2 Police & Fire Contracts

Employees

- Competitive Wages

\$29.6M Bond Issuance (Est.)

\$10,000,000 FY 23 CIP

\$10,000,000 FY 24 CIP

\$4,500,000 Old HWY 77

\$2,173,489 Network Project for 5G

\$26,673,489 Subtotal

\$2,000,000 Zoo Master Plan Match

\$1,500,000 Historic Preservation

\$30,173,489 Total

\$12.5M
Streets & Roads

\$2.2M
Network Switches

\$2.0M
Gladys Porter
Zoo Match

\$1.5M
Historic Buildings

\$2.0M
Public Works
Heavy Equipment

\$2.4M
Ambulance &
Fire Trucks

\$7.6M
Infrastructure

Budget History – New Commissioners

- Years 1 & 2 – Police Contract (December 2022)
 - COLA Increases: Year 1 (4%) and Year 2 (4%)
- Year 2 – Fire Contract (September 2022)
 - COLA Increases: Year 1 (3%) and Year 2 (3%)
- Compensation Subcommittee
- FY 2023 Budget – 88% / 12% (\$431,161)

City of Brownsville Compensation Analysis Update

August 23, 2022



16 Comparable Cities – Compensation Comparison

Edinburg	Mission	New Braunfels
Harlingen	Beaumont	Galveston
Laredo	Pasadena	Victoria
McAllen	Baytown	Corpus Christi
Pharr	Grand Prairie	San Antonio
		El Paso



STRATEGY #1 FY23 Budget

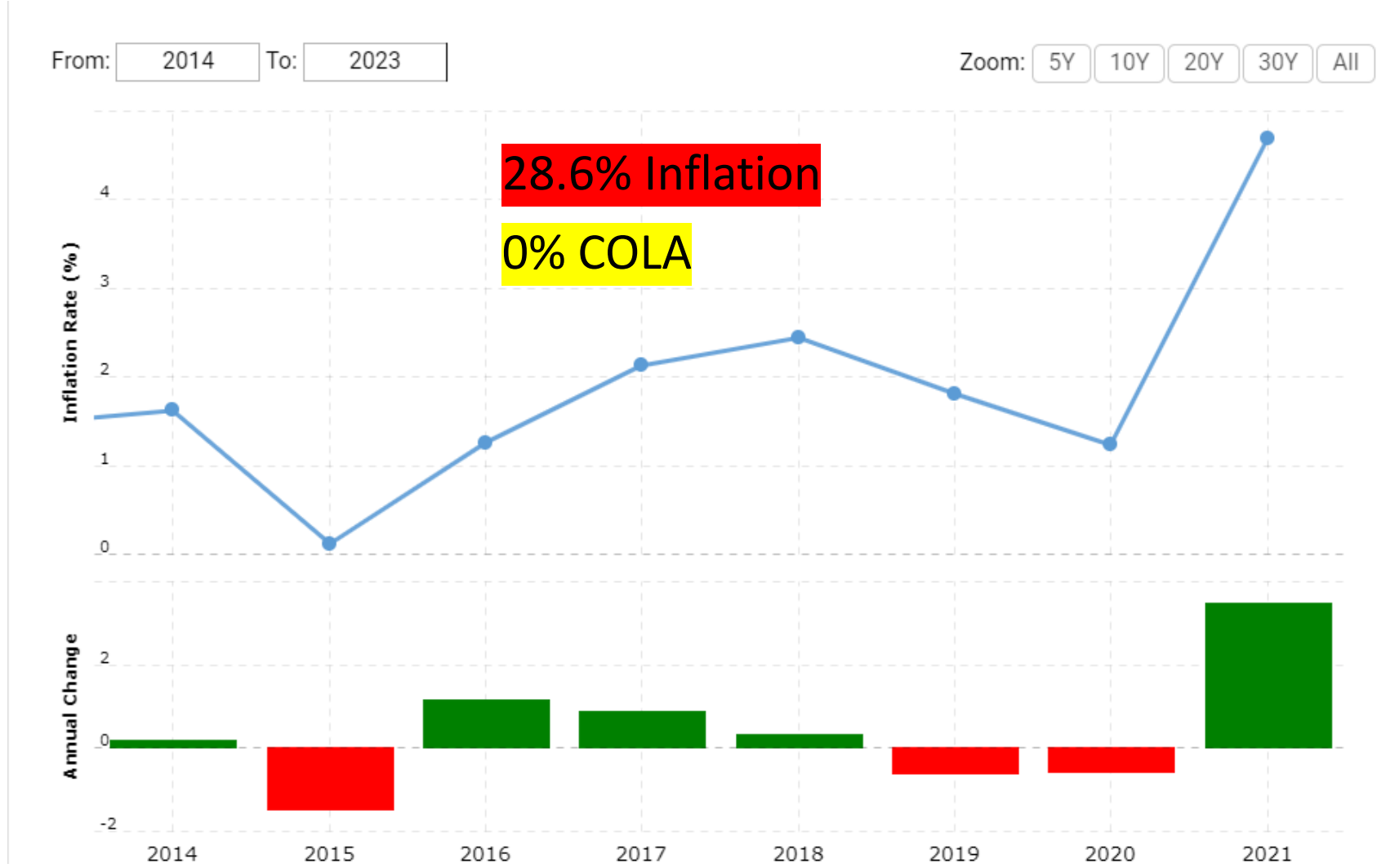


- Implement compensation analysis at 88% of (\$3.1M).
 - *Recommended adjustment as of October 1st, 2022.*
- 12% remaining to be implemented by phase approach when recurring funding is available (\$431,161).

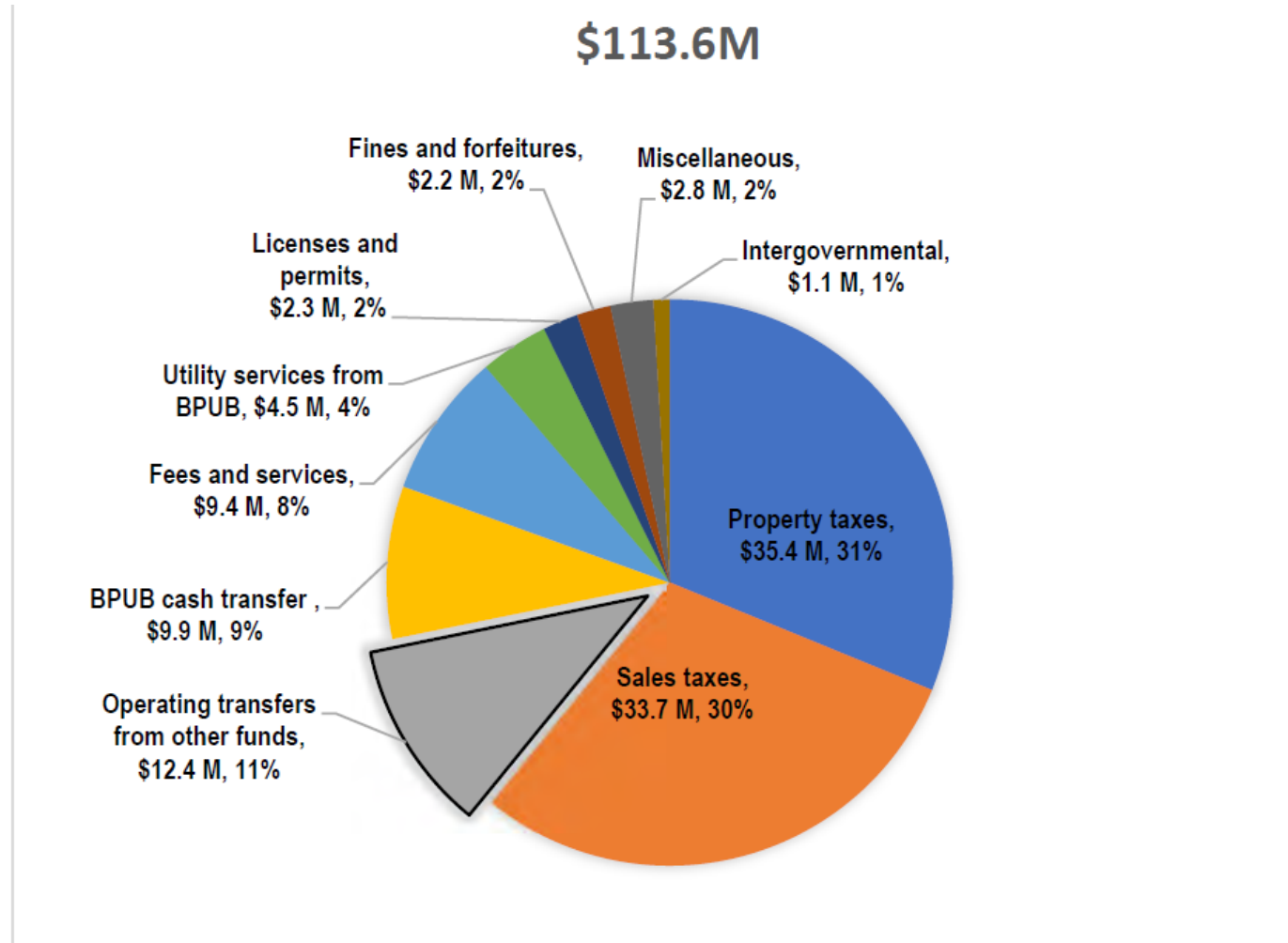
Employee Focus – City Manager's Top Priorities

- Last COLA increase in 2014
- Inflation: 2014 – 2023 (25%)
- Retention Rates & Turnover
- Organizational Culture
- Career Development

Inflation Rates – 2014 to 2023 vs City COLA



FY 23 General Fund Budgeted Revenue



FY 23 Projections

FY23 Budget Surplus - Stipends

FY23 Year-End Reconciliation

FY22 Total General Fund Balance	\$	53,402,790	
FY22 Unassigned General Fund Balance	\$	43,365,209	(113 days)
Subtotal Surplus Forecasted	\$	3,700,000	(100 days vs 90 days)
- Multimodal Matching Grants	\$	(2,100,000)	
- FY24 COLA Required	\$	(445,646)	
Surplus Forecasted	\$	1,154,354	

Option 9 - \$1,154,000 Civilian Pool Amount

Full-Time Employees	\$	1,120,064	672	\$	1,315
Part-Time Employees	\$	30,653	37	\$	658
Total	\$	1,150,717	709		

Full-Time Headcount - Payroll 7/12/2023

Civilian Full-Time	672	61.6%
Police	221	20.3%
Fire	198	18.1%
Total Headcount	1,091	100.0%

FY 24 Diversified Budget Approach

FY23		
Budgeted Revenue	Dollars (in Millions)	% of Total
Property Tax	35.4	31.2%
Sales Tax	33.7	29.7%
BPUB	14.4	12.7%
Landfill	9.3	8.2%
Bridge Fund	3.1	2.7%
Subtotal	95.9	84.4%
Other	17.7	15.6%
Grand Total	113.6	100.0%

City of Brownsville

Accelerating Property Tax Valuations

Year Ended September 30,	Estimated Population	Total Tax Levy
2013	177,795	5,580,529,052
2014	179,834	5,771,016,332
2015	181,487	5,900,931,613
2016	182,110	6,039,624,579
2017	183,823	6,303,725,588
2018	183,299	6,440,434,596
2019	183,292	6,685,286,108
2020	182,781	7,136,996,284
2021	186,738	7,246,442,694
2022	187,831	7,847,124,557

11 Year Growth Rate		
76.7%	11	7.0%
5 Year Growth Rate		
53.1%	5	10.6%

City of Brownsville

Accelerating Property Tax Valuations

- Cameron County Appraisal District: 31.5% Overall Increase
- Single Family Residential: 36%
- Commercial Property Values: 12.5%
- Average home value: \$280,634
- Brownsville Preliminary Assessed Value after Tax Limit Freezes: \$9,862,190,724

City of Brownsville

Ad Valorem Levy & Collection History

CITY OF BROWNSVILLE, TEXAS
Property Tax Levies and Collections
Last Ten Fiscal Years

Year Ended September 30,	Tax Roll Year	Total Tax Levy	Collected within the Fiscal year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			(2)	Amount	Percentage of Levy	Amount	Percentage of Levy
2013	2012	\$ 39,097,909	\$	36,855,131	94.26%	\$ 1,852,656	\$ 38,707,787 99.00%
2014	2013	\$ 40,432,488	\$	38,431,526	95.05%	\$ 1,679,090	\$ 40,110,616 99.20%
2015	2014	\$ 41,342,694	\$	39,653,498	95.91%	\$ 1,472,709	\$ 41,126,207 99.48%
2016	2015	\$ 42,219,131	\$	40,434,990	95.77%	\$ 1,643,360	\$ 42,078,350 99.67%
2017	2016	\$ 43,504,244	\$	41,727,203	95.92%	\$ 1,599,590	\$ 43,326,794 99.59%
2018	2017	\$ 44,614,444	\$	42,819,706	95.98%	\$ 1,579,311	\$ 44,399,017 99.52%
2019	2018	\$ 45,952,908	\$	43,968,132	95.68%	\$ 1,444,676	\$ 45,412,808 98.82%
2020	2019	\$ 49,194,494	\$	47,332,858	96.22%	\$ 1,240,358	\$ 48,573,216 98.74%
2021	2020	\$ 51,805,997	\$	50,247,574	96.99%	\$ 748,608 (1)	\$ 50,996,182 98.44%
2022	2021	\$ 53,864,255	\$	52,429,367	97.34%	\$ - (1)	\$ 52,429,367 97.34%

(1) Delinquent taxes for fiscal year 2021 & prior are in process of collection during fiscal year 2022.

(2) Year-end adjusted tax levy shown

SOURCE: Cameron County Tax Office



City of Brownsville

Landfill



- Budgeted \$9.3M Transfer
- City of Harlingen added in FY22
- Extending Useful Life
- Enterprise Fund Buys Its Own Equipment

City of Brownsville

BPUB

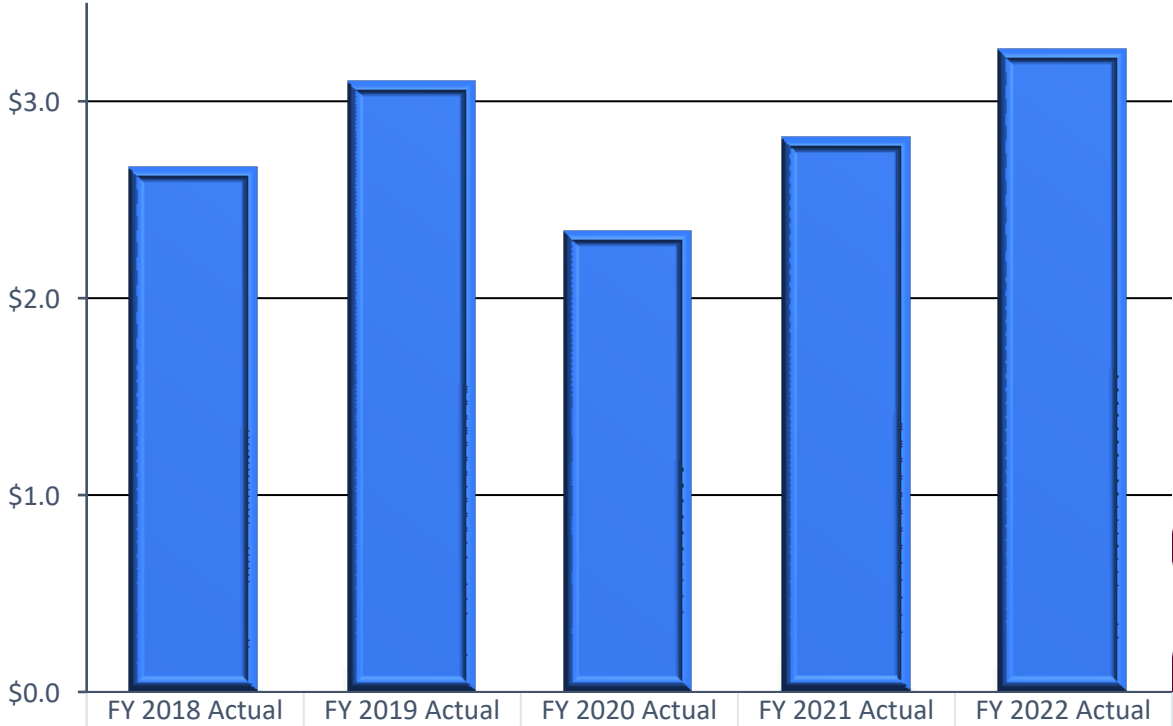


- 10% Net Revenue Transfer After Allowable Expenses
- \$14.4M Budgeted Revenue, 13% of Total

Veterans International Bridge Transfer (FY 2018-2022)



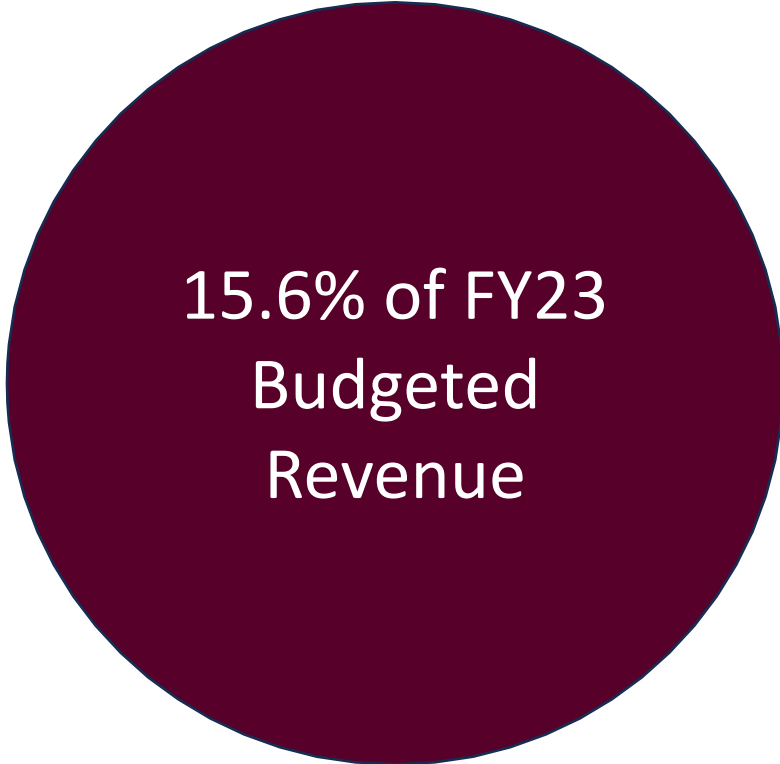
(In Millions)



	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual
\$ Income (Dec) From Prior Yr	\$ 2.7	\$ 3.1	\$ 2.3	\$ 2.8	\$ 3.3
% Income (Dec) From Prior Yr	4.38%	16.25%	-24.37%	19.74%	16.28%

All Other General Fund Revenues

- Franchise Tax
- Fees & Services
- Licenses & Permits
- Interest Income
- Miscellaneous
- Other Income



15.6% of FY23
Budgeted
Revenue

City of Brownsville Texas

Building Permits Values Issued From Fiscal Years 2016 - 2023

(In Millions)

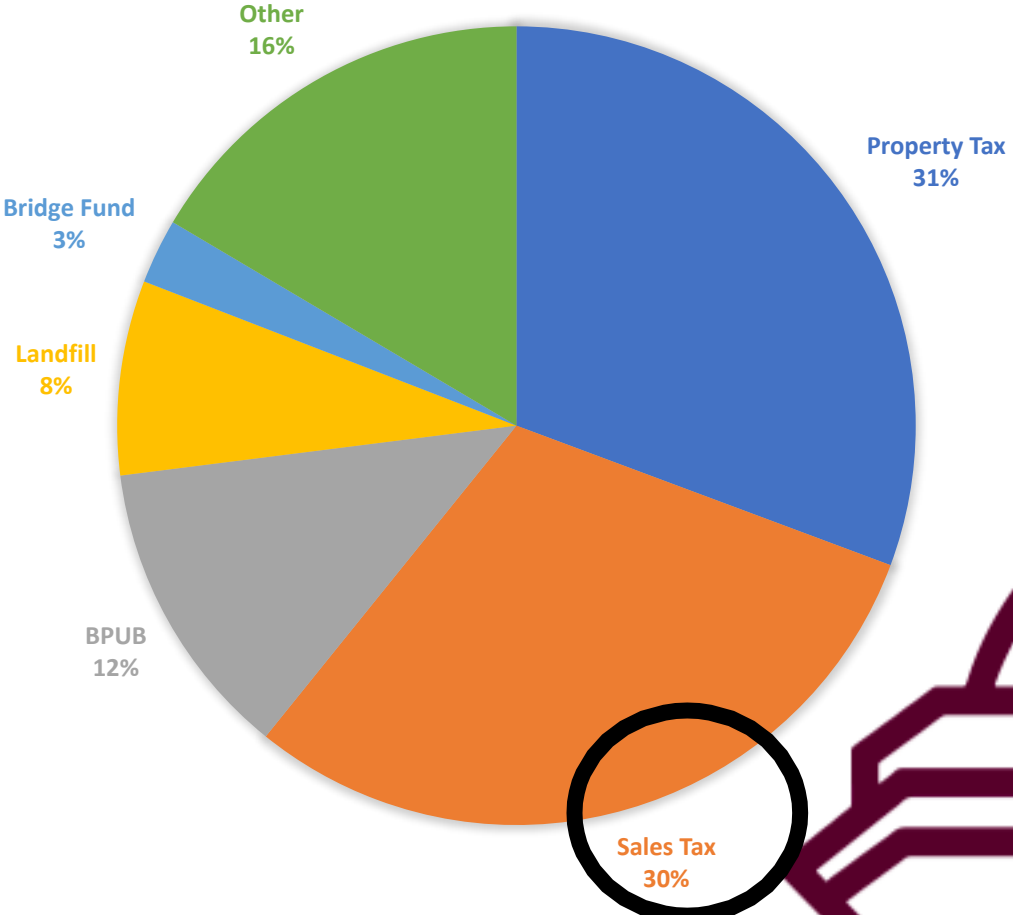
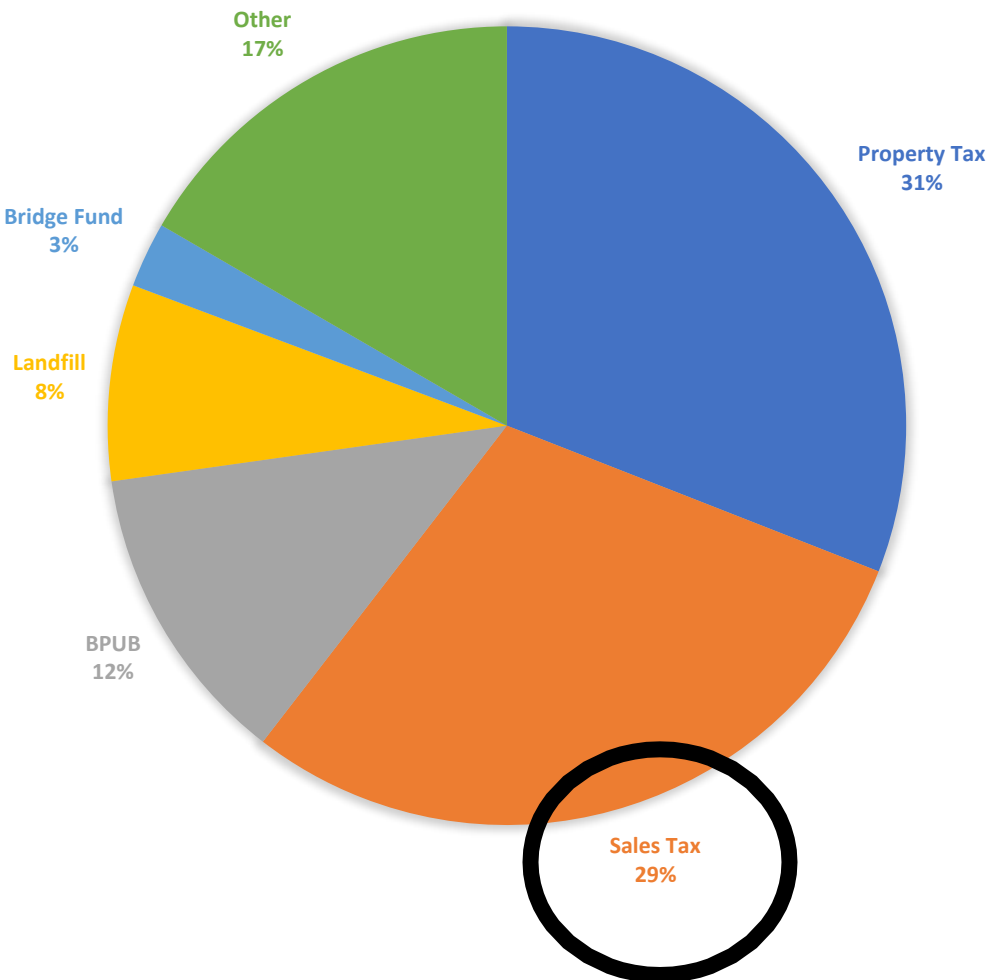


FY 24 Proposal

FY24 Budget Planning

FY23 - FY24 Revenue Increase	\$ 3,430,000
12% - FY22 Compensation Analysis (versus 16 City Comparison)	\$ (431,161)
3.5% COLA	\$ (1,477,890)
Fire Incremental Year 2	\$ (489,271)
Police Incremental Years 1 - 2	\$ (1,593,188)
PAN Increases FY23 (including benefits)	\$ (895,150)
Balance	<u>\$ (1,456,660)</u>
 Increase Sales Tax from 2.5% to 5.5%	 \$ 1,011,014
Fund Balance FY23	\$ 445,646
Total	<u>\$ 1,456,660</u>
 Difference	 <u>\$ -</u>

FY 24 Current Budget Projections



Financial Policy Guideline Request

- Requesting Commission Approval To Move Sales Tax from 2.5% to 5.5% +\$1,011,014.
- Increase Sales Tax as a Percent of Overall Budget From 29.5% to 30.1%. (\$179,010 over 30%)



FY24 Budget QUESTIONS