EVERMAN CITY COUNCIL SPECIAL CALLED MEETING & BUDGET WORK SESSION

Tuesday, July 28, 2026 at 1:00 PM

213 North Race Street Everman, TX 76140

MINUTES

1. MEETING CALLED TO ORDER

2. CITIZEN'S COMMENTS

No citizen comments were presented.

3. CONSIDERATION AND POSSIBLE ACTION

A. RESOLUTION NO. 2026-07-01 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS, APPROVING AN ENGINEERING PROPOSAL AND SCOPE OF SERVICES WITH TEAGUE NALL AND PERKINS, INC. FOR THE EVERMAN PARKWAY/RACE STREET TEMPORARY TRAFFIC SIGNAL PROJECT; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT AND RELATED DOCUMENTS; APPROVING THE ALLOCATION AND EXPENDITURE OF FUNDS FOR ENGINEERING AND CONSTRUCTION OF THE PROJECT IN AN AMOUNT NOT TO EXCEED $273,200.00; PROVIDING FOR REIMBURSEMENT THROUGH THE NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS REGIONAL TRANSPORTATION COUNCIL; AND PROVIDING AN EFFECTIVE DATE.

Motion made by Place 4; Mayor Pro-Tem Mackey, Seconded by Place 5 Sellers.
Voting Yea: Place 1 Sanders, Place 4; Mayor Pro-Tem Mackey, Place 5 Sellers, Place 6 Davila, Mayor Richardson

Motion Carried.

4. DISCUSSION ITEMS

A. Budget Workshop #3 - Proposed Tax Rate, Revenues, Updated Fee Schedules

Budget Performance Update: The City Manager reported that overall budget performance for the current fiscal year has been strong, with revenues meeting or exceeding projections. Departments have worked to limit spending, and the General Fund is performing well overall.

Water & Sewer Fund Rate Study: Staff reported that the Water & Sewer Fund is experiencing a deficit, driven primarily by the water side of the utility (approximately $300,000), while the sewer side remains self-sustaining. For the first time in 26 years, the City conducted a full cost-of-service study — assisted by the use of an artificial intelligence data-analysis tool — rather than relying solely on peer-city rate surveys and CPI-based adjustments as in past years. The study identified unaccounted-for increases from the Northern Trinity Groundwater Conservation District, the City of Fort Worth, and additional pump and maintenance costs. Staff presented three options: (A) an 11% water rate increase phased over three years, which would leave a deficit for two additional years; (B) a one-time 25% increase to reach a level position with minimal reserve cushion; and (C) staff's recommendation of a 33% increase in year one, projected to result in a roughly $15.65 monthly increase for the average residential customer and to generate approximately $120,000 in combined water and sewer surplus for reserve building and contingencies. Staff compared proposed rates to peer cities including Kennedale, Cedar Hill, and Pantego, noting Pantego is the most comparable system as it also relies solely on groundwater wells rather than purchased surface water. No increase to sewer rates was proposed. Council discussed communicating the change to residents through a rate brochure similar to the one distributed during the last significant rate adjustment in 2020–2021, and staff indicated an intent to conduct this cost-of-service evaluation annually going forward to avoid similar shortfalls.

Updated Fee Schedule: Staff presented a comprehensive update to the City's fee schedule, the first full review in some time. Notable changes include: a 25% increase to the residential certificate of occupancy fee; consolidation of the commercial certificate of occupancy fee and annual fire inspection fee into a single $350 annual fee, paired with a new compliance follow-up program for commercial fire inspections; correction of a prior typographical error so that working without a permit is assessed at double the permit fee (a penalty) rather than an amount equal to the permit fee; a new valuation-based fee table for demolition permits, replacing the prior flat $100 fee; a new fee table for flood development permits, which previously were passed through without recovering staff cost; increased alarm permit fees; a new Fire Marshal fire-watch fee aligned with the off-duty police security fee schedule; and a 10% increase to Civic Center rental fees, which have not been raised since the facility opened and currently only marginally cover operating and maintenance costs. Staff also presented restructured animal services fees, including new fees for owner-surrendered and out-of-jurisdiction animal surrenders, intended to help offset the cost of caring for surrendered animals (estimated at approximately $400 per animal) and to discourage irresponsible surrenders.

Proposed Property Tax Rate: Staff reported that the Tarrant Appraisal District did not conduct a residential reappraisal this year, contrary to the City's understanding of a two-year reappraisal cycle; the appraisal district has since indicated it will instead follow a three-year cycle. As a result, the City's median household value declined from approximately $190,000 to $180,000, driven largely by approved value protests rather than any decline in market conditions. Because the no-new-revenue tax rate rose as a result of the lower median value, and because this year's voter-approval rate is lower than the no-new-revenue rate, the City cannot adopt a rate above approximately $1.050888 per $100 valuation without voter approval. Staff proposed adopting a rate of $1.05, which, notwithstanding being a higher nominal rate than last year, is expected to result in the City raising approximately $128,070 (3.13%) less property tax revenue than under last year's adopted rate. Revenue attributable to new construction added to the roll this year is approximately $3,556, reflecting minimal new construction activity on this year's certified roll. Overall, total property tax levy is still expected to increase, from approximately $3.5 million to $3.9 million (approximately $3.5 million to the General Fund and $411,000 to debt service), due to prior-year new construction (including Hannah Ranch) rolling onto the certified tax roll. Council discussed the broader effect of ongoing state-level property tax relief efforts and appraisal district changes on the City's ability to recover the cost of services and compete for commercial investment. Council reached consensus to move forward with staff's recommendations on the proposed water rate, fee schedule, and tax rate as a working basis for the budget.

Revenue Overview: Staff presented proposed revenues across all funds totaling approximately $15.7 million, an increase of approximately $1.8 million over the current year. By fund, proposed changes include an increase of approximately $1.1 million in the General Fund, an increase of $344,000 in the Water & Sewer Fund (reflecting the proposed rate adjustment), a slight decrease in the Debt Service Fund, and significant increases (trending approximately 40% year-over-year) in the Economic Development Corporation, Street Improvement Tax, and Crime Control District sales tax funds.

General Fund revenue line items were reviewed in detail, including increases in property tax revenue (+$313,000) and sales tax revenue (+$217,000, for a total of $847,000), additional mixed beverage tax revenue tied to a new business, modest increases in building, electrical, mechanical, and plumbing permit fees, an increase in the garage sale fee based on historical performance, an increase in the liquor license fee tied to a new business, continued uncertainty around ambulance fee revenue pending review by the Fire Chief and the new EMS billing/NASA program, flat animal adoption fees with a modest increase to animal control fees, flat Civic Center fee projections paired with a renewed marketing effort, and an anticipated increase in commercial inspection fee revenue tied to the new annual fire-inspection compliance program. Staff also reviewed youth sports registration fees (anticipated at $76,000, tied on a sliding scale to related program expenditures), Soccer 5 facility proceeds (anticipated at $100,000, based on a 10% share of gross revenues under the facility agreement), and transfers in from other funds (approximately $1,361,129), which represent each fund's proportional share of shared administrative costs (bank charges, City Secretary and financial administration costs, utilities, fleet costs, legal services, and similar shared expenses), calculated based on each fund's usage.

Special Revenue and Other Funds: Staff reviewed anticipated revenues for the Community Development Corporation (CDC) Fund ($400,000 in sales tax revenue), the Tax Increment Financing (TIF) District ($775,000 in revenue, with approximately $661,000 projected to roll to unrestricted fund balance after expenses), the Street Improvement Tax Fund ($210,000, with $160,000 to be transferred for street maintenance and $50,000 retained in reserve), and the Crime Control District Fund ($210,000, with approximately $203,000 transferred to the General Fund to offset police vehicle fleet costs and the remainder retained in savings). The Debt Service Fund, which covers the City's 2013 and 2020 bond issues and the fire engine debt payment, was also reviewed. The 2020 Certificates of Obligation Construction Fund was noted as nearly depleted (approximately $1,600 remaining, related to accrued interest) and will be zeroed out and closed.

Water & Sewer Fund revenue line items were reviewed, including rental property registration fees, penalty and reconnect fees, sewer and water sales revenue reflecting the proposed rate study, and water impact fees. Staff noted a modest decrease in anticipated interest income due to a reduced unrestricted fund balance. The proposed budget reflects an anticipated $180,000 increase to the Water & Sewer Fund balance under the recommended rate adjustment.

Staff reported that the overall proposed budget is close to balanced, within approximately 1–2%, and that work will continue over the coming weeks to finalize revenue projections and review proposed expenditures for potential reductions, with an updated budget to be presented at the next regular Council meeting.

Other Business

Staff confirmed that the next regular City Council meeting is scheduled for August 11, 2026, and will include recognition of Hickory Sticks' 50th anniversary, along with updated budget figures for Council review. Staff further noted that a public hearing on the proposed budget and tax rate, along with a meeting to formally adopt the budget and tax rate, is scheduled for August 25, 2026, with formal adoption anticipated in September 2026.

5. ADJOURN

Mayor Richardson adjourned the meeting at 2:34pm.

I hereby certify that this agenda was posted on the City of Everman bulletin board at or before 5:00 p.m. on Wednesday, July 22, 2026.

/s/ Mindi Parks
City Secretary

Citizens may watch city council meetings live on YouTube. A link to the City of Everman YouTube channel is provided on the city website at: www.evermantx.us/government/citycouncil/

Pursuant to Texas Government Code Sec. 551.127, on a regular, non-emergency basis, members may attend and participate in the meeting remotely by video conference. Should that occur, a quorum of the members, including the presiding officer, will be physically present at the location noted above on this Agenda.

Pursuant to Section 551.071, Chapter 551 of the Texas Government Code, Council reserves the right to convene into Executive Session(s) from time to time as deemed necessary during this meeting, to receive advice from its attorney on any posted agenda item, as permitted by Law. Additionally, Council may convene into Executive Session to discuss the following:

A. Section 551.071 - Pending or Contemplated Litigation or to Seek Advice of the City Attorney.
B. Section 551.072 - Purchase, Sale, Exchange, Lease, or Value of Real Property.
C. Section 551.073 - Deliberation Regarding Prospective Gift.
D. Section 551.074 - Personnel Matters.
E. Section 551.087- Deliberation Regarding Economic Development Negotiations.
F. Section 551.089 - Deliberations Regarding Security Devices or Security Audits.

Citizens wishing to submit written comments should e-mail the City Secretary at mparks@evermantx.net. Comments that are received at least one-hour prior to the start of the meeting will be provided to all council members.

According to the City of Everman Policy on Governance Process, individual citizen comments will be restricted to three (3) minutes unless otherwise determined by a majority vote of the Council. The mayor is responsible to enforce the time limit. Citizens may address City Council either during the Citizen Comments portion of the meeting or during deliberation of a listed agenda item. City Council is only permitted by Law to discuss items that are listed on the agenda. Citizens wishing to make comments should notify the City Secretary as soon as possible.

City Hall is wheelchair accessible. Parking spaces for disabled citizens are available. Requests for sign interpretative services must be made 48 hours prior to the meeting. To make arrangements, call 817.293.0525 or TDD 1.800.RELAY TX, 1.800.735.2989.