

CITY OF IVANHOE
BUDGET WORKSHOP #1
MINUTES

AUGUST 31, 2021 6:00 PM

Meeting was called to order by Mayor Bennett at 6:00 PM. A Quorum was established with all Council members present. The meeting was livestreamed via the city YouTube channel.

Agenda Item #1 – Budget workshop on proposed FY-2022 budget and possible tax exemptions

Mayor Bennett presented the proposed FY-2022 budget to Council and informed Council it is a work in progress. She explained the budget options presented include a column based on the no new tax revenue rate of 62.56¢ per hundred dollar valuation, and the roll back rate (voter approved rate) of 65.8¢. The income from ad valorem taxes increased from the previous year's estimated 89% collection rate to 90%.

Mayor Bennett proceeded to review the budget line item by line item, but explained that a direct comparison of estimated expense with last year's budget is difficult because the FY-2022 budget has been expanded to provide a better indication of how money is spent.

Councilman Herrington introduced Guest IT specialist Mr. Vance Townsend to present a high-level proposal for assessing the needs/recommendations for the city to upgrade the city's computer operations to meet the cyber security and functional processing requirements now and over the next 5 to 10 years. Mr. Townsend said the review would provide a cause and effect review of the organizational responsibilities identified and policies that need to be put into place based on risk assessment and business continuity. He concluded his presentation by responding to Council questions: The assessment is estimated at \$2500 which will provide a roadmap to begin the upgrade process with additional costs in the future (amount varies depending on the solutions that the Council decides to pursue). Council also considered that American Recovery Plan Act funds can possibly be used for the assessment and future work.

Agenda Item #2 – Review of tax rate options

Mayor Bennett informed Council that she had discussed the various tax exemptions that Council can provide. July 1st was the deadline to approve any homestead exemption. The Council can still adopt an over 65 exemption. Councilman Blackstone observed that the minimum homestead exemption is \$5,000. Councilman Herrington observed if the Council provides the same \$11,500 homestead exemption as the county it equates to approximately \$72 tax break for homeowners who qualify. The loss of ad-valorem income to the city would be about \$18,000. Mayor Bennett commented that the Tyler County Tax Assessor and Chief Appraiser would have to do the calculations and the Council will need to have a follow up budget & tax rate workshop. She polled the Council for a date, then called the workshop for September 7th at 6 PM.

Agenda item #3 – Executive session

Not needed.

Agenda Item #4 – Adjourn

Councilman Warren made the motion to adjourn, seconded by Councilman Herrington and the meeting was concluded at 7:13 PM.

Respectfully submitted,

C. D. Woodrome, City Secretary

Approved by Council August 16th, 2021

Cathy Bennett, Mayor