

CITY OF IVANHOE
BUDGET WORKSHOP #2

MINUTES

September 7, 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 page.

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

Mayor Bennett noted that the budget is balanced, based on the .658¢ tax rate for maintenance & operations that was generally agreed on by Council during the August 31st workshop. Including the Interest & Sinking tax rate gives a total of .822¢ compared to the current total of .9091¢. The alternative M & O rate is .6717¢ per hundred dollar value (voter approved tax rate). The Appraisal District had sent an increase figures for appraisal work in 2022; \$27261 which is about \$2,000 more than was initially provided meaning the proposed budget has to be increased in that line item. She then opened the floor for comments and questions on the proposed FY-2022 budget.

Councilman Herrington asked what interval does the Appraisal District for re-evaluating property values. Mayor Bennett responded that it supposed to be every three years. Councilman Herrington expressed that he thinks the base land value is about 50% of true value. He then asked why the American Recovery Plan Act funds were included in the budget. Mayor Bennett clarified that since the city will receive the funds they have to be accounted for for audit purposes, even if they are not spent. Right now there is uncertainty as to what qualifies for expenditure of those funds.

Councilman Warren voiced that he is not in favor of increasing the tax rate by 8% over the no new revenue rate (.6717¢). Mayor Bennett clarified that the increase is based on certified values and there is a discrepancy between the chief appraisers figures and the tax assessor/collector's. Councilman Herrington responded to Councilman Warren' comment that there is a difference between an increase in the tax rate and tax revenue; the .822 voter approval rate means the tax rate is going down because property values have gone up.

Mayor Bennett noted that the public hearing on the FY-2022 budget will be on September 28th, and the Council will have to adopt the budget and then set the tax rate on September 29th.

Councilman Warren expressed support for a over 65 tax exemption of \$5,000, and said it is the only way he will support any tax rate increase.

Councilman Craven commented that Council needs to determine amounts in the budget line items and asked if there was agreement to increase funding to the Marshal's Dept. and Code Enforcement. Mayor Bennett reminded Council that with the balanced budget any increase to line items will result in decreasing amounts in other line items. She observed that the largest increase in the budget was for the Marshal's Dept.

Marshal Terry Riley informed Council that his departments call volume increased from 30 to 40 calls per month last year to about 200 in July between himself and Deputy Marshal King.

Mayor Bennett said a potential budget line item for reduction would be in the Public Works payroll.

Councilman Herrington said the possibility of using ARPA funds should be determined; if those funds can be used for code enforcement, then the local funds in the budget can be freed up for other parts of the budget. He added that a separate line item needs to be put in the budget for Information Technology in the Admin. Dept., the Public Works Dept. and the Marshal's Dept.

Councilman Craven questioned how much increase occurred in the Marshal's line item. Mayor Bennett responded the hours were increased from 64 to 80 hours per week.

Mayor Bennett said she would make the changes that were discussed in the proposed budget and send it out for Council review.

Agenda Item #2 – Review of tax rate options

Discussion was included in agenda item #1.

Agenda item #3 – Executive session

Not needed.

Agenda Item #4 – Adjourn

Councilman Blackstone made the motion to adjourn with a second by Councilman Herrington and the meeting was concluded at 7:11 PM.

Respectfully submitted,

C. D. Woodrome, City Secretary

Approved by Council September 16th, 2021

Cathy Bennett, Mayor