



MINUTES OF THE CITY COUNCIL WORKSHOP MEETING

A WORKSHOP MEETING OF THE CITY COUNCIL OF THE CITY OF DEER PARK, TEXAS HELD AT CITY HALL, 710 EAST SAN AUGUSTINE STREET, DEER PARK, TEXAS ON JUNE 23, 2025 BEGINNING AT 5:30 P.M., WITH THE FOLLOWING MEMBERS PRESENT:

JERRY MOUTON, JR
SHERRY GARRISON
TJ HAIGHT
TOMMY GINN
JUSTIN LEAGUE
GEORGETTE FORD

MAYOR
COUNCILWOMAN
COUNCILMAN
COUNCILMAN
COUNCILMAN
COUNCILWOMAN

OTHER CITY OFFICIALS PRESENT:

JAMES STOKES
SARA ROBINSON
ANGELA SMITH

CITY MANAGER
ASSISTANT CITY MANAGER
CITY SECRETARY

CALL TO ORDER – Mayor Mouton called the workshop to order at 5:30 p.m.

COMMENTS FROM AUDIENCE – No comments received.

1. DISCUSSION OF THE PROPOSED BUDGET FOR THE CITY OF DEER PARK FOR FY 2025-2026 THAT INCLUDES ALL FUNDS, ALL REVENUES, ALL EXPENDITURES AND ALL DISTRICTS – City Manager James Stokes began the discussion by stating that the budget process included meetings with each department director and departmental staff and began in February and is similar to prior budgets in the past with base budget, PSLO, capital outlay requests and personnel requests. Mr. Stokes stated that the property tax is budgeted to stay the same at .72 cents, there is a decrease in the industrial district revenue and the sales tax revenue collection is staying very conservative. The new water and sewer rates are budgeted to increase 5% to cover costs associated with operating and maintaining our water and wastewater systems and the Storm Water Fund has no change from last year at \$1.95 per ERU. Mr. Stokes also mentioned that the new building Dow Active Complex (DAC) has its own funds with expenditures estimated to be \$2.2M and the revenues estimating at \$1M.

Finance Director Nicole Ganey spoke of the 2025-2026 General Fund, where \$58M is projected to be received. The Industrial District collections, court fines and fees, ambulance fees and sales tax have brought in \$3.5M surplus on the revenue side. Ms. Ganey gave details of the preliminary taxable values of \$4.6B, an increase of 3.29% from last year. The total projected property tax revenue is made up of \$30.9M which includes the debt service portion, of that total, \$21.68M is allocated for maintenance and operation. Council was

reminded that these numbers are preliminary and another certified estimate will be received on July 25th that will be used to calculate the tax rate. The sales tax performance is similar to last fiscal year with an estimated collection of \$8.9M by September 30, 2025. Staff is conservatively estimating a 2-3% decrease in the value of real property and a 10% decrease in value on inventories, budgeting \$14.1M and projected to actually receive \$14.9M. The investment revenue has predicted a two rate cut by September 2025, dropping to 3.75-4.0 %. The General Fund is estimating to earn \$2.6M for the remainder of the FY 2025 and 2.45M for FY 2026. Ms. Ganey also spoke about the Cost of Living Adjustment (COLA) that is based on the regional Consumer Price Index (CPI) for Houston that came in as 1.2%. That should be a budget total cost of \$421,000 for the city. The plan is to move \$4M to the Capital Improvements Fund and \$2M to the Asset Replacement Fund to fund future capital projects, rolling stock and equipment. If no other modifications are made, the estimated ending Reserve Fund Balance is \$51.1M, projecting approximately 325 days of reserves for FY 2025-26.

Assistant City Manager Sara Costlow spoke on the new CIP plan and the need for a long-term CIP plan. Ms. Costlow explained the strategy of establishing a 5-year capital improvement plan for infrastructure redevelopment with the specific goal of including it in the annual budget document. This CIP involves multiple funding sources spread out through multiple years.

Finance Director Nicole Ganey spoke of the prerequisites for the new CIP, being priority level and funding capacity. The projects were mapped out and priority was placed on the water and sewer projects and theater renovation project. There is capacity in the tax rate to take on the debt for these projects with the intention to fund them with the CIP fund, water and sewer fund along with the Community Development Corporation fund.

City Manager Stokes reminded Council that negotiations for the Industrial District agreements will take place in 2026 and emphasized that plans are to try and have preliminary discussions this fall with the plant facility representatives to figure out who will be organizing and taking the lead on the negotiations for those agreements. Mr. Stokes also spoke on the possibility of an annexation move and indicated there is funding set aside if it is needed to hire an attorney to take on the task of working with the city should that be the case.

Human Resources-

Human Resources Director Sandra Wilson spoke on the requests for a comprehensive compensation and benefits information salary study estimated at a cost of \$50K. The last salary survey was done in 2023 and the best practice is to have a comprehensive salary study done every 3-4 years. Ms. Wilson stated that in the budget is a request to continue with the Next Level Prime program for a second year with an estimated cost of \$202K.

Finance Department-

Finance Department Director Nicole Ganey spoke on the request for the property tax and sales tax dashboard programs from HGL with an annual cost of \$14,500 for both programs.

Police Department-

Police Chief Greg Grigg spoke on the request for 2 DOT patrol officers along with their vehicles at an estimated cost of \$588,555 which is part of the CCPD budget and the purchase of highwater vehicles estimated at a cost of \$38,500 each.

Emergency Services-

Emergency Service Director Jamie Galloway spoke of the request to do an ISO survey which is recommended every 10 years and the purchase of a CTEH air monitoring system equipment. This system includes 4 live air monitors and a live dashboard with the capability of receiving instant information at a cost of \$81,000. Mr. Galloway also spoke of one of the capital items, a chassis, that is for the replacement for Medic II.

Public Works-

Public Works Director David Van Riper discussed the Engineering Division request of funds for drainage projects to take care of the regrading, surveying and resloping areas in older neighborhoods to help drain properly at an estimated cost of \$210,000.

The Public Works Division is requesting funds for restriping and a sanitary sewer evaluation to help with the upgrade to the sanitary sewer collection system at a cost of \$330,000. Mr. Van Riper spoke of the request for a garbage truck for the Fleet Division at a cost of \$300,000 and a dump truck for Streets and Drainage Division at cost of \$175,000. Another request is for smart cover manhole lids at a cost \$112,000, a new well for Coy Street, that item is in the CIP at a cost of \$340,000 for the design of the well only and the request for \$150,000 for a water model needed for the water treatment plant to analyze pressures of the water system.

Parks and Recreation-

Parks and Recreation Director Kenny Walsh discussed the funds requested within the Parks and Recreation Department that includes a tennis court surface refresh at a cost of \$140K, a concrete track around the pickleball park at a cost of \$200K, DecraLite for year round RGB lighting for City Hall and DAC at a one-time cost of \$48K, an increase for contract labor for mowing at a cost of \$165K, repairs for Patrick's Cabin roof at a cost of \$55K and vehicle replacement for the Maxwell Center field trips and outings at a cost of \$83K.

The Golf Course is requesting \$40K to replace cart barn lights to LED.

Community Development Corporation has requested items that include additional parking at the adult sports complex at an estimated cost of \$1.4M and restroom renovations at the adult sports complex at an estimated cost \$750K.

Mayor Mouton asked about a laydown yard for debris and also asked if the \$1.4M for the parking lot included the construction of the laydown yard. Mr. Walsh explained that additional funds would be requested for a laydown yard but it is not included in the \$1.4M for the additional parking at the adult complex.

Mr. Walsh continued with the funds requested for the Spencerview Athletic Complex enhancement project that includes an arch sign at a cost of \$48K.

Assistant City Manager Sara Costlow thanked staff for their hard work on their budget items and presentations to Council and emphasized that the electronic version of the budget is available upon request.

ADJOURN – Mayor Mouton adjourned the workshop meeting at 6:40 p.m.

ATTEST:

APPROVED:

Angela Smith, TRMC, CMC
City Secretary

Jerry Mouton Jr.
Mayor