

**MINUTES OF THE SPECIAL CALLED CITY COUNCIL MEETING  
CITY OF SPRING VALLEY VILLAGE, TEXAS  
TUESDAY, JUNE 22, 2021 AT 5:00 P.M.  
IN THE COUNCIL CHAMBERS OF CITY HALL  
1025 CAMPBELL ROAD, HOUSTON, TEXAS**

**1. CALL THE ROLL AND ANNOUNCE A QUORUM IS PRESENT**

With a quorum of the Council Members present, the Special Called Meeting of the Spring Valley Village City Council was called to order by Mayor Vajdos at 5:02 p.m.

Members Present:

Mayor Marcus Vajdos  
Mayor Pro-Tem Allen Carpenter  
Council Member Bo Bothe  
Council Member Joy McCormack

Members Absent:

Council Member David Dominy  
Council Member Tom Donaho

**2. DISCUSSION AND DIRECTION CONCERNING:** Modified Budget Policy Assumption for Property Tax Revenues, Salary Increase Scenarios, and Fiscal Year 2021-2022 Draft Budget Summaries for General Fund and Utility Fund.

City Administrator Julie Robinson presented a modified Budget Policy Assumptions for property tax revenues, 2% and 3% salary increase scenarios, and Fiscal Year 2021-2022 draft budget summaries for the General Fund and Utility Fund based on the Council's direction during the May 25 Budget Workshop.

With regard to the Budget Policy Assumption for Property Tax Revenues, Ms. Robinson advised that, after Chief Appraiser Roland Altinger's presentation during the Regular Council Meeting on May 25, 2021, follow-up discussions with HCAD staff, and analyzing the estimated changes in valuation for all of the Major Property Categories, she and City Treasurer Michelle Yi developed and used a modified taxable value that adjusted the Commercial Property Category Valuation to 70% of estimated valuation to calculate the estimated property tax revenues in developing the FY 2021-2022 Draft Budget Summary for the General Fund. After discussion, it was the consensus of the Council that the modified Budget Policy Assumption for property tax revenues as presented by Staff was acceptable and would be used in the development of the draft budget.

As directed by the Council during the May 25, 2021 Budget Workshop, Ms. Robinson presented 2% and 3% salary increase scenarios for Council's review and feedback. There was discussion concerning different bases for salary increases (merit, cost of living adjustments, inflation, competitiveness in the market), changes to the metric for Staff to use in future budget discussions for salary increases, the possibility of considering a step program for employees, and the current update to the City's Pay Classification System that is in progress.

After a lengthy discussion, it was the consensus of the Council to use a 2.5% salary increase scenario for development of the draft budget.

With regard to the funding options for any deficit in the General Fund that may ultimately exist once the draft budget is developed, Ms. Robinson reviewed the two Budget Policy Assumptions that were discussed during the May 25, 2021 Budget Workshop:

- Reducing the transfer from the General Fund to the CIP Fund by the amount needed to balance the FY 2022 Budget
- Possibly designating a portion of the General Fund Fund Balance to offset any property tax revenue losses.

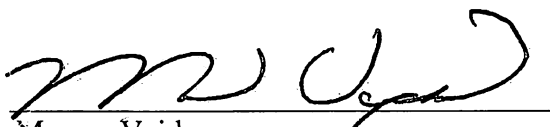
She then advised the Council that, based on Staff's latest actuals and projections for FY 2021, there was a new option for the Council to consider: Utilizing a portion of the anticipated FY 2021 Unassigned Fund Balance to balance the FY 2022 Budget. As of the date of the meeting, the projection of excess revenues over expenditures at the end of FY 2021 was approximately \$321,069. With this amount of excess revenues expected at the end of FY 2021, the deficits in either of the General Fund Draft Summaries for the 2% and 3% Salary Increase Scenarios would easily be offset, and the Council could also consider either a ½ cent or a 1 cent tax rate reduction. Ms. Robinson had anticipated that the Council would want to consider a tax rate reduction based on this information and distributed two different sets of Draft Budget Summaries for the Council's review:


- Possible ½ Cent Tax Rate Reduction Scenario Including a Proposed FY 2022 Tax Rate of \$0.4200 + 2% and 3% Salary Increase Scenarios
- Possible 1 Cent Tax Rate Reduction Scenario Including a Proposed FY 2022 Tax Rate of \$0.4150 + 2% and 3% Salary Increase Scenarios

Following discussion, it was the consensus of the Council for Staff to utilize a property tax rate of \$0.4150 (a 1 cent tax rate reduction) and any FY 2021 excess revenues to offset any deficit in the development of the FY 2022 Draft Budget.

### 3. ADJOURNMENT

Council Member Carpenter made a motion to adjourn the meeting at 5:54 p.m., and Council Member McCormack seconded the motion. Motion carried 3-0.

Signed:   
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Marcus Vajdos  
Mayor

Attest:   
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Roxanne Benitez, TRMC, CPM, CMCC  
City Secretary