



**City of Montgomery
City Council
Workshop Meeting Minutes
August 11, 2025**

OPENING AGENDA

1. Call Meeting to Order.

The City Council Workshop Meeting of the City of Montgomery was called to order by Mayor Countryman at 6:00 p.m. on August 11, 2025, at City Hall 101 Old Plantersville Rd., Montgomery, TX and live video streaming.

With Council Members present a full quorum was established.

Present:	Mayor	Sara Countryman
	Mayor Pro-Tem	Cheryl Fox
	Council Member Place 1	Carol Langley
	Council Member Place 2	Casey Olson
	Council Member Place 3	Tom Czulewicz
	Council Member Place 5	Stan Donaldson

2. Pledges of Allegiance.

Mayor Countryman led the pledges of allegiance.

PUBLIC FORUM

No citizen comments presented for this meeting.

WORKSHOP AGENDA

3. Review and Discussion on the Proposed FY2026 Tax Rate.

Finance Director Carl addressed the Council on the Proposed FY 2026 Tax Rate. The calculated No New Revenue Rate is \$0.3663/\$100 and the Voter-Approval Rate is \$0.4537/\$100. The discussion centered around the city aiming to maintain the current rate reflecting a conservative approach amid a significant 14.88% increase in taxable property values from 2024 to 2025. Finance Director Carl stated since FY2020, council has maintained a tax rate of \$0.4000/\$100 and stated staff used this rate to calculate the proposed revenue for the FY26 Budget. The council appreciates the good news of keeping the tax rate stable, which benefits residents, especially as infrastructure and public services are prioritized. They also touched on property disputes, upcoming updates on properties under review, and the potential impacts of ongoing lawsuits related to MCAD at the county level, acknowledging the complexities and regulatory challenges involved. Overall, the city is focused on balancing growth, service delivery, and fiscal responsibility while monitoring external legal and administrative developments.

4. Review and Discussion on the Proposed FY2026 Annual Budget.

The Proposed FY2026 Annual Budget covers significant updates, including adjustments to revenue projections, primarily from increased ad valorem taxes, permits, and unanticipated income, alongside detailed expense planning such as wages, insurance, and contractual obligations. Based on the feedback from Council during the last workshop, the adjustments in pay presented in the Hybrid model from Evergreen have been incorporated. In addition, a 3% COLA and a merit pool of 5% funded at 75% has also been included. The retirement contributions in the budget reflect the increase from 7% to 8%. Notably, the implementation of the hybrid model has led to modifications in personnel wages, benefits, and overtime budgets, with discussion on the organizational structure of code enforcement and its reporting lines. The discussion also emphasized the importance of maintaining enterprise fund sustainability, especially for water and sewer, while balancing the tax rate and utility rates to support debt service and infrastructure projects. Insurance costs, especially property, liability, and crime, have increased based on actual rates, and impact fees show strong revenue potential aligning with upcoming development. Overall, the budget reflects cautious conservatism, strategic adjustments, and an eye toward growth and financial health, with further analysis planned for water rate impacts and utility fund sustainability.

5. Discussion and update review of Evergreen Solutions Compensation Study.

The discussion centered around the complexities of implementing a fair and effective compensation structure, emphasizing the use of a pay grade system that clearly defines employee levels based on job descriptions and responsibilities, promoting transparency and consistency. Discussion on the balance between merit-based raises, which reward performance, and cost-of-living adjustments (COLA), which ensure wage parity across employees, acknowledging that merit increases can incentivize performance but may create disparities if not managed carefully. The conversation also critiques the Evergreen Solutions study, suggesting it lacked thorough regional benchmarking and that some recommendations may not accurately reflect the city's market position, prompting a desire to adopt a more data-driven, transparent approach—using pay grades, clear job descriptions, and a structured process—to fairly adjust wages, close gaps, and maintain employee morale while balancing fiscal responsibility. Notably, particular discussion was held on the Public Works Director and the City Secretary pay grade line being adjusted from 114 to 112.

COUNCIL INQUIRY

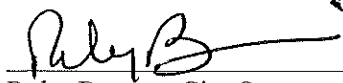
No Council Inquiry presented for this meeting.

CLOSING AGENDA

6. Adjourn.

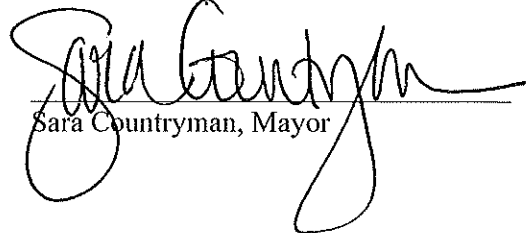
Motion: Council Member Czulewicz made a motion to adjourn the Workshop Meeting of the City of Montgomery at 7:32 p.m. Council Member Fox seconded the motion. Motion carried with all present voting in favor.

ATTEST:


Ruby Beaven, City Secretary



APPROVED:


Sara Countryman, Mayor