City Council
Workshop Meeting Minutes
June 15, 2026

OPENING AGENDA

1. Call Meeting to Order.

The City Council Workshop Meeting of the City of Montgomery was called to order by Mayor Sara Countryman at 6:00 p.m. on June 15, 2026, at City Hall 101 Old Plantersville Rd., Montgomery, TX and live video streaming.

With Council Members present a quorum was established.

Present: Mayor Sara Countryman
Council Member Carol Langley
Council Member Casey Olson
Mayor Pro-Tem Cheryl Fox
Council Member Stan Donaldson

Absent: Council Member Jeff Glaser

2. Invocation.

Council Member Stan Donaldson led the invocation.

3. Pledges of Allegiance.

Mayor Sara Countryman led the pledges of allegiance.

4. Citizen Comments.

No citizen comments presented for this meeting.

WORKSHOP AGENDA

5. FY27 Departmental Budget Discussions

Finance Director Maryann Carl opened with an introduction, explaining that the format for the evening would differ from prior workshops. Instead of presenting detailed line items, staff are still gathering expense data such as computer costs and insurance, so the focus would be on overall anticipated changes and departmental needs. Routine and consistent expenses, such as copiers and other standard costs, were noted as remaining largely unchanged year over year. The intent for this session was to highlight areas where adjustments or new requests are expected.

Director Carl outlined several general budget considerations still under evaluation. Property and liability insurance premiums are being reviewed, and efforts are underway to more accurately allocate computer technology costs based on usage. She noted that she and City Secretary Ruby Beaven have met multiple times and have received information from OCS, bringing those estimates close to completion. Health insurance was also discussed, with a meeting scheduled with the Texas Health Benefits group to review utilization. She explained that the current plan year begins January 1, but rates are typically not received until late

August, which complicates budgeting. To address this, staff are exploring a potential transition to a nine-month plan year, aligning renewal timing to allow more accurate forecasting. This approach would maintain the same monthly premiums but prorate deductibles over the shorter period before returning to a standard 12-month cycle. Historical context was provided regarding past renewal cycles, noting changes that occurred after COVID that shifted many plans to a January 1 renewal.

She also stated that certified property values are expected at the end of July, with tax rate calculations anticipated in early August. In response to a question, it was clarified that a nine-month health plan would not increase costs overall, as premiums would remain consistent on a monthly basis, with only deductibles adjusted proportionally.

The discussion then shifted to the general fund, beginning with administration. Director Carl noted that the financial snapshot provided did not yet include new ideas or requests being discussed and emphasized that no impact figures were currently reflected. Clarification was provided that the figures referenced related to adopted numbers and initial requests, particularly the final columns showing FY26 first round requests and percentage changes. Based on current data, and assuming payroll remains unchanged, administration expenses are projected to be approximately two percent lower.

Administration:
City Administrator Brent Walker introduced administrative budget considerations, beginning with replacement of the vehicle currently used by Ms. Tilly, noting it is an aging police vehicle with recurring issues. The proposed replacement would be budgeted in the general fund rather than the police department, with the possibility of being shared with a future code enforcement hire, as staff is evaluating adding another code position but does not yet want to acquire multiple vehicles. Discussion then shifted to information technology needs. Staff outlined challenges with the current third-party provider, OCS, including delays in service response and the increasing complexity of managing multiple systems across departments, especially with upcoming expansion into a new facility with added technology and cameras. Options under review include continuing with contracted services, bringing in a hybrid on-site technician through a vendor, hiring a dedicated in-house IT coordinator, or issuing a request for proposals to evaluate alternative providers. Council discussion highlighted cost comparisons, service expectations, and whether a hybrid or full-time resource would provide better value and responsiveness given the city's size. Staff emphasized that no decision has been made and further analysis, including cost comparisons and service levels, will be brought back.

During budget framing, staff explained that the process is in the early stages, focused on gathering departmental requests rather than finalizing expenditures. Revenue projections remain uncertain pending certified property tax estimates, though current projections show modest sales tax growth of approximately 3 percent based on historical trends. Staff stated that even with current assumptions, the budget remains positive. The building inspection function was also discussed, with clarification that increases in inspection-related expenses would be offset by corresponding increases in permit fee revenues. Concerns were raised regarding the effectiveness and responsiveness of current IT services, including contractual obligations, service-level expectations, and installation costs. Staff reiterated the need to evaluate whether existing vendor arrangements or new structures would best address operational gaps.

Building Official Rick Hanna presented proposed increases to building inspection fees due to rising operating costs. Structural inspection fees would increase from $100 to $150, and mechanical, electrical, and plumbing inspections from $50 to $75. The increases would be passed through to applicants, maintaining the principle that the inspection program remains revenue-neutral. Reinspection fees would also increase significantly, from $75 to $200 for building inspections and $100 for trade inspections, in part to discourage repeated failed inspections. The overall impact on homeowners was described as modest despite the percentage increase. The timing of implementation is proposed for October 1 to align with the fiscal year, with advance notification to permit applicants.

Staff also discussed the addition of a code enforcement staff member to support Ms. Tilly, clarifying that while the position would be funded in the general fund, code-related salary allocations would remain within the code department structure.

Police:
Police Chief Anthony Solomon presented proposed budget items, including the addition of public safety officers (PSOs) and a records clerk, positions that have been discussed for over a year. While included in the upcoming budget, hiring would be delayed approximately seven to nine months to align with training schedules and anticipated readiness of the new facility. The records clerk would likely be onboarded earlier. Training requirements, including academy and internal training, were outlined. Questions were raised about workspace availability should the building timeline shift; the Chief explained that initial training would occur offsite or in shared spaces, limiting the need for dedicated office space in the interim.

The department confirmed the use of employment contracts, including three-year agreements with repayment provisions for training costs if employees leave early. Discussion included potential enforcement of repayment through wage garnishment and acknowledgment that other agencies may cover such costs when hiring trained personnel. Retention trends were reported as positive, with more applicants than departures.

Budget clarification included restructuring of previously allocated funds for vehicle upfitting and reallocation toward technology needs such as body cameras, dash cameras, and reporting systems. Personnel cost estimates for PSOs and the records clerk were provided, with salaries remaining competitive relative to surrounding agencies. The Chief emphasized ongoing incremental pay increases compared to larger, less consistent salary adjustments elsewhere.

Public Works:
Public Works Director Mike Muckleroy presented the budget with vehicle replacement plans, including replacing two aging trucks and evaluating the acquisition of a small dump truck, either through purchase or lease, pending cost analysis. Staff also demonstrated a newly implemented road assessment system using AI to evaluate pavement conditions. The system generates color-coded condition maps and identifies issues such as cracking and potholes through video analysis, which will be used to prioritize repairs and coordinate with engineers.

A proposed annual allocation of $500,000 for road maintenance was discussed, with priority projects including Buffalo Springs Drive and Plez Morgan. Staff emphasized coordination with the county to reduce costs when possible and proposed establishing a capital transfer structure to carry forward unspent funds and ensure consistent long-term road funding. Council discussed the importance of maintaining a multi-year road maintenance plan and possibly formalizing dedicated funding for streets.

Director Muckleroy presented a comprehensive proposal to renovate Cedar Break Park, including new playground equipment, fitness areas, a pickleball court, and infrastructure improvements such as curbing and surfacing. The total estimated cost is approximately $791,000, with potential savings through cooperative purchasing and possible grant reimbursement. The project would replace aging equipment and is expected to take approximately six to eight weeks to complete, requiring temporary closure of affected areas.

Council expressed general support and noted the investment would not be recurring annually.

Court:
Court Administrator Kimberly Duckett requested an increase in compensation for prosecutors from approximately $450 to $600 per court session, noting that typically one prosecutor is present unless caseloads require two. Judge compensation was briefly reviewed. Discussion also addressed future implementation of magistration procedures associated with holding cells in the new facility. Staff indicated this is under review and may be incorporated in a future budget cycle depending on timing of facility completion. It was noted that current magistrate functions can be handled by authorized officials until a formal system is implemented.

Water & Sewer Fund / Debt Service Fund / Capital Projects Fund:
Finance Director Maryann Carl reviewed the Water and Sewer Fund, noting increases tied primarily to rising debt service associated with recently issued certificates of obligation. It was explained that the debt service has two key components: revenue generated through prior utility rate adjustments and supplemental funding from impact fees until additional development increases the number of utility customers. Staff clarified that the current financial strategy spreads the burden so that the full cost is not placed solely on the Water and Sewer Fund in the upcoming fiscal year.

A detailed overview of the Debt Service Fund was provided, including principal and interest obligations for each issuance and their respective maturity timelines. It was confirmed that certain tax notes and agreements, including those tied to development projects such as "the shops," are nearing completion, while others extend into the late 2030s. Staff emphasized that portions of debt service will continue to be supported through impact fees, helping offset operational strain on utility revenues.

In discussing broader financial strategy, staff highlighted the city's strengthened fund balance over recent years. It was noted that council could consider using a portion of these reserves for one-time capital expenditures, particularly for large projects or grant matches. This approach would be similar to a prior use of surplus funds in the Water and Sewer Fund to offset debt service. Staff confirmed that such use would not violate reserve requirements, as the city currently maintains approximately ten months of reserves, well above policy thresholds. It was reiterated that this option is discretionary and would only apply to targeted, non-recurring expenditures.

The Capital Projects Fund was introduced as a major focus for the next budget workshop. Staff indicated that WGA will present project details in a revised, more narrative format to improve clarity and transparency compared to prior spreadsheet-heavy presentations. This will include descriptions of each project, funding sources, and projected timelines to help council better evaluate priorities. The next workshop, scheduled for mid-July, will provide more detailed and refined capital planning information.

CLOSING AGENDA

6. Council Inquiry

Council raised questions about an unresolved "black hole" responsibility issue related to a flagpole and associated maintenance obligations. Staff reported no formal agreement could be located with involved parties, and current partners expressed unwillingness to continue funding maintenance. It was informally noted that there may be potential for a replacement or upgraded flag installation as part of nearby development efforts, though no formal action or budget allocation was proposed at this time. Staff concluded by inviting additional questions or items for consideration as the budget process continues.

7. Items to consider for placement on future agendas.

No items to consider at this time.

8. Adjourn.

Motion: Mayor Pro-Tem Cheryl Fox made a motion to adjourn the City Council Meeting at 7:41 p.m. Council Member Casey Olson seconded the motion. Motion carried with all present voting in favor.

APPROVED:

Sara Countryman, Mayor

ATTEST:

Ruby Beaven, City Secretary

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