

**MINUTES
CITY OF ALVIN, TEXAS
302 W. HOUSE STREET
CITY COUNCIL WORKSHOP MEETING
THURSDAY, AUGUST 6, 2026
5:30 PM**

CALL TO ORDER

BE IT REMEMBERED that, on the above date, the City Council of the City of Alvin, Texas, met in Workshop Session at 5:30 PM in the Council Chambers at the City Annex, with the following members present: Mayor Gabe Adame; Mayor Pro-Tem Keko Moore; Council members: Ashley Davis, Richard Garivey, Meagan DeKeyzer, Scott Salter, Chris Vaughn and Martin Vela.

Staff members present: Junru Roland, City Manager; Dixie Roberts, Assistant City Manager/City Secretary; Mark Swaim, City Attorney; Michael Gibbs, Director of Finance; Dan Kelinske, Parks and Recreation Director; Michelle Segovia, City Engineer; Brandon Moody, Director of Public Services; Paul Chavez, Economic Development Director; Kendall Hunting, Fire Chief; Ron Schmitz, Director of EMS/ Emergency Management Coordinator and Robert E. Lee, Police Chief.

WORKSHOP BUSINESS

Discuss the FY 2026-2027 Proposed Annual Budget.

Junru Roland, City Manager, presented this item before City Council with explanation, including the City's budget adoption responsibilities, proposed tax rate, major revenue and expenditure changes, fund balances, utility rates, capital projects, and the budget adoption schedule. Mr. Roland reviewed the City Council's responsibilities and statutory requirements related to budget adoption. It was noted that the public hearing on the budget is scheduled for August 20, 2026, and Council is scheduled to vote on adoption of the budget on September 3, 2026.

Mr. Roland presented highlights of the proposed budget, including a 0.05% increase in certified taxable values, a proposed property tax rate of \$0.700635 per \$100 of taxable value, projected 3% growth in sales tax revenue, health insurance savings, a reduction in the City's required TMRS contribution rate, a \$32.5 million revenue bond issuance, a 13% increase in water and sewer rates, a 6% contractual increase in sanitation service costs with no proposed change to sanitation rates, and funding for one Construction Inspector position. A 3% market adjustment for full-time employees was also included in the proposed budget. He also reviewed items that were not included in the FY2027 Proposed Budget, including \$150,000 for the Business Incentive Program; approximately \$208,000 in Recreation Center equipment, including life cycle bikes, treadmills, ellipticals/striders, stair climber, and cable machine; a \$492,583 transfer to the Vehicle Replacement Fund; and \$161,205 for the Parks Master Plan.

Mr. Roland reviewed the certified property values and related adjustments to the proposed budget. The certified values resulted in an estimated \$49,096 net increase to the General Fund, including increased property tax revenue and a reduction in payment-in-lieu-of-taxes revenue. He also summarized the 2026 Trigger Tax Rates, the proposed property tax rate and applicable benchmark rates. The proposed rate of \$0.700635 is above the No New Revenue Rate of \$0.660463 and below the Voter Approval Rate of \$0.818411. He went on to explain the related public hearing and tax-rate adoption requirements.

The General Operating Fund was reviewed, including proposed revenues and expenditures and the City's approach to maintaining a balanced budget without anticipating the use of reserves. Mr. Roland reviewed adjustments made to the originally submitted budget, which resulted in a balanced budget. He also highlighted the \$8.2 million in reserves, noting that this is the lowest reserve balance in a decade. He cautioned that a single significant event could substantially deplete these funds. However, the balance remains in compliance with the City's current policy requiring reserves equal to 25% of operating

expenditures, or approximately four months of operating funds. He further reviewed General Operating Fund revenues and expenditures, noting that personnel services represent the largest expenditure category as the City is service-oriented. The proposed budget includes a 3% personnel adjustment, no major changes to materials and supplies, and adjustments to contractual services, capital outlay, and transfers for projects such as the Hike & Bike Trail repair.

The Utility Operating Fund was presented as a balanced budget with proposed revenues and expenditures of approximately \$21.1 million and working capital of approximately \$5.4 million. Staff reviewed the proposed 13% water and sewer rate adjustment and explained that the additional revenue is needed to support operations and maintenance, infrastructure replacement, TCEQ compliance, and annual debt payments. Mr. Roland reviewed the proposed water and sewer rate structure and noted that a 5,000-gallon residential monthly bill would increase from approximately \$110.81 to \$125.22, before consideration of senior discounts or average billing. The proposed \$32.5 million revenue bond issuance includes approximately \$26 million toward the \$86 million Wastewater Treatment Plant expansion project. He also reviewed the Sanitation Fund, EMS Fund, Hotel Occupancy Tax Fund, and special project funds, including projected revenues, expenditures, fund balances, and proposed capital expenditures.

Mr. Roland reviewed proposed capital projects, including street and drainage improvements, utility projects, sales tax-funded projects, and the FY2027 proposed bond projects. Major proposed projects include the Moller Storm Sewer and Pavement Improvement project, FM 528 Extension design, sidewalk and pavement programs, Johnson Street improvements, waterline improvements, Lift Station 23 expansion, Lift Station 33 expansion, Lift Station 3 rehabilitation/expansion, and Wastewater Treatment Plant design.

Mr. Roland concluded his review with a summary of the FY2027 budget calendar, including the August 11 and August 20 Council work sessions, the August 20 budget public hearing, September 3 tax rate public hearing as well as the actual vote to adopt the budget and tax rate, and the October 1 start of the 2026-2027 fiscal year.

ADJOURNMENT

Mayor Adame adjourned the meeting at 6:44 p.m.

PASSED and APPROVED the 20th of August 2026.

ATTEST:

Gabe Adame, Mayor

Dixie Roberts, City Secretary