

STATE OF TEXAS:

COUNTY OF MILAM:

BE IT REMEMBERED, that on Tuesday, the 25th day of July A. D. 2016, the Commissioners' Court of Milam County, Texas, convened in Special Meetings in the Commissioners' Courtroom, Milam County Courthouse, 102 S. Fannin, Cameron Texas, with the following members of the Court present, to-wit:

DAVID BARKEMEYER, COUNTY JUDGE

RICHARD "OPEY" WATKINS, COMMISSIONER PRECINCT NO.1

DONALD SHUFFIELD, COMMISSIONER PRECINCT NO. 2 (10:05AM)

JOHN FISHER, COMMISSIONER PRECINCT NO. 3

JEFF MUEGGE, COMMISSIONER PRECINCT NO. 4

BARBARA VANSAN, COUNTY CLERK

Others present, to-wit:

Allen Westerman, SAMCO Representative

Danica Lara, County Auditor

Franklin Stewart, Concerned Citizen

And the proclamation having been made the Court was in session, the following business came on to be considered:

**WORKSHOP WITH COUNTY FINANCIAL ADVISOR SAMCO TO DISCUSS
COVERAGE OF THE COUNTY'S YEAR END GENERAL FUND
FINANCIAL SHORTFALL AND FINANCING OF POTENTIAL 2017
WORKING CAPITAL NEEDS, AND THE IMPACT OF THE DROP IN THE
TAX BASE ON THE COUNTY'S BOND RATING**

CALL MEETING TO ORDER & ESTABLISH QUORUM – 10:00 A.M.

Judge –

Allen Westerman with SAMCO is here to consult in this meeting with us regarding the shortfall we will have at the end of 2016 we talked about borrowing \$800,000; feedback from the community and they felt we shouldn't do it; we also talked about a line of credit, Ricky Williams & SAMCO said we were not allowed to do it.

We can use the money from taxes that will come in for next year.

We will need no more than .5M, probably \$300,000; I really don't think we need \$300,000.

Danica Lara - approximately \$100,000 for longevity and overtime pay.

Judge – I authorized \$20,000 for roof repair at the One Stop Center. We are not allowed because Government borrowing guidelines for a line of credit. Luminant has come out of bankruptcy and making attempt for settlement. We may know soon where we are heading and will probably need a loan for General Fund in 2018. Diane said they are trying to tie 2015 & 2016 together. Impact on our ratings, bond triple B.

Westerman – Discussing shortfall listed on page 7 of the handout he provided.

Danica provided me with a spreadsheet this morning that I will review. Some people have done 2nd tax note. Revolving lines of credit not available to Milam County because of the amount and or size or county. Citizens would not get to vote on this.

Shuffield – on page 2, what is this about the 90% collected?

Westerman – they go with the highest debt year in the past 7 years. Amount paid by contracted obligation; trying to do what you are doing. The region gets a bit nervous when the Audit doesn't come out when it should.

Judge – what do we need to do about this?

Lara – normally we get it in September, we've always asked for the Auditor to come sooner.

Westerman – I think you are being straight forward with the community. If anything new, you go back to legislature, Tax Anticipation Notes.

Judge – I talked to Rickey Williams about our situation and he is familiar with it.

Westerman – right now because you don't have a lot of debt out there you are not looked at.

Judge – how are we compared to other counties?

Westerman – some have no debt; some have more.

Judge – maybe prepare a Resolution

Westerman – policy: 3 months reserves; not saying do it now because you have a big hill to climb. Anticipating utilizing 2017, shortfall, we may need to borrow money; may not want to state amount because people sometimes hold you to the amount.

Hope it is resolved in 2017.

Judge – kinda what I did with the \$800,000?

Shuffield – yes, but if you ask for \$500,000 then have to go ask for additional \$300,000 or any more they don't like that either.

Judge – I do a newspaper article and getting more readers – put out information so that our people won't be blindsided, a big surprise to them when actual shortfall arrives.

Muegge - \$3M debt service on jail

Westerman – M&O side of tax collection look at jail and tax

Judge – Rickey Williams said a working capital loan – you are borrowing against your ability to tax.

Max up to 7 years / up to 80cents

- **Will have to put in budget**
- **Think of cutting some things out of our General Fund budget**
 - **We have already cut 7 plus employees**
 - **Can't cut out of the jail because it has to be a certain ration**

Westerman – does the attorney consult with you regarding Luminant?

Shuffled – I think we're getting more from the public than luminant. Coal fire plant only a tool to bargain with.

Judge – I think Wayne Fisher is as good as we can get, he also has Milam County property.

There is talk about solar plants coming in.

Do we need to be doing anything now on a loan for next year? Hope it won't be more than a \$1M.

Westerman – I will get with Danica – nothing be done right now – need to see how money fits into plan down the road, impactful. We will get more clarification

Watkins – waiting on the audit

Lara – 2015

Judge – we need to look close at when we will run out of money next year. One thing that will affect next year is how much we will use this year. We won't get more than \$700,000 from Luminant in January.

Shuffield – I would like to see us having some workshops.

Watkins – we can't keep borrowing money.

Judge – struggle like with health department.

Shuffield – we need to figure out what we want to operate on, A guess or definite?

Muegge – you heard Granger Bank got robbed?

Judge – Rickey Williams said because Classic is our bank we wouldn't have to out for bid.

Westerman – You want to make sure the bank is doing what's best for you; housing structure; interest rate.

Judge – Rickey said less than \$750,000 = tax exempt; over \$750,000 taxable.

We don't know where we will end up.

Westerman – too many unknowns.

Judge – if low go locally; if not go out for bids.

Westerman – bids – they know how they work

Judge – using next year's tax money or anything we're doing – any advice how the financial would review Milam County?

Westerman – ending balance may be \$300,000 not \$800,000; used only small amount 2017 to finish 2016; as you go forward in 2017, don't have to borrow money.

Judge – I am hearing Allen say – General fund in terms of reserves as a rule of thumb we should have \$2.5M in General Fund reserves. I have been criticized for having \$800,000 in Reserve account; but will have to use it. We have gone from Triple A to Triple B Bond.

Shuffield – if we ever get capital murder in this county & we could. We do have an insurance policy for this but could still have trouble. Getting back to the reserves, that's why we have it.

Judge – I had a judge ask me if we're going to use our reserves to balance out budget?

Westerman – different entities – we are able to self fund small projects. There are benefits. You have too many moving parts to worry about it at this time. You think about the places on the East Coast of those who were affected by the weather.

ADJOURN – Motion by Commissioner Muegge, seconded by Commissioner Shuffield to adjourn @ 11:13 A.M. This motion having been put to vote prevailed, the vote being unanimous.

The above and foregoing Minutes examined and approved in Open Court this 14th day of November 2016.

County Judge, David Barkemeyer

County of Milam:

State of Texas:

I, Barbara Vansa, County Clerk, Milam County, Texas, attest that the foregoing is a true and correct accounting of the Commissioners' Court authorized proceedings for November 14th 2016.

**County Clerk and Ex-Officio Member of
Commissioners' Court, Milam County, Texas**

STATEMENT OF APPROVAL

OCTOBER 25 2016

**WORKSHOP WITH COUNTY FINANCIAL ADVISOR SAMCO TO DISCUSS
COVERAGE OF THE COUNTY'S YEAR END GENERAL FUND
FINANCIAL SHORTFALL AND FINANCING OF POTENTIAL 2017
WORKING CAPITAL NEEDS, AND THE IMPACT OF THE DROP IN THE
TAX BASE ON THE COUNTY'S BOND RATING**

Commissioner of Precinct No. 1

Commissioner of Precinct No. 3

Commissioner of Precinct No. 2

Commissioner of Precinct No. 4

**Minutes from the October 25 2016 Milam County
Commissioners Court meeting ends on**