

STATE OF TEXAS:

COUNTY OF MILAM:

BE IT REMEMBERED, that on Thursday, the 28th 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

JOHN FISHER, COMMISSIONER PRECINCT NO. 3

JEFF MUEGGE, COMMISSIONER PRECINCT NO. 4

BARBARA VANSAN, COUNTY CLERK

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

**REVIEW FIRST DRAFT OF 2017 BUDGET
DISCUSS 2016 TAX RATE CHANGES
DISCUSS OPTIONS FOR FINANCING THE 2016 BUDGET SHORTFALL
WITH OUTSIDE FINANCIAL COUNSEL**

CALL MEETING TO ORDER & ESTABLISH QUORUM – 1:00 P.M.

Judge –

Allen Westerman with SAMCO is here to talk to about us about a loan.

Sheriff was at a conference Tuesday and was not able to be at our meeting so I invited him today to go over his budget.

Page 2 - \$650,000 to make things balance; 2 additional deputies and make the ticket clerk full time instead of part time.

By the end of the year we will have spent our reserves – we have to settle Luminant lawsuit to get our reserves back up. If we don't get Luminant pay next year we will have to borrow to make it through 2018.

Westerman – we will need your terms of budget & expectations and your reserves & expenditures

Judge – I could say to balance budget, reserve fund - \$825,000

Westerman – anticipated budget needs

I don't know that you want to call it reserve fund because some people think it's for something else.

Judge – page 5 – Acct 471 - \$100,000 housing prisoners

Sheriff – page 12 – are you sure you just want \$650,000 we could hit \$900,000 this year

Judge – if we have to bump it you would be ok with us putting it at \$

Sheriff – could bump traffic but best to leave at what it is – we will soon be full on deputies but never know if they will stay

Judge –on hiring two more deputies. I would feel better if you waited until the lawsuit is settled. I feel the lawsuit will be settled next year. I know couple of the Commissioners are ok to add the two.

Watkins – what you see on news, everyone, everything on news about the policemen

Shuffield – would they call for backup?

Sheriff – no backup; so if we go over the \$650,000 even this year can I go and hire them?

Judge – we have a couple offices here that have been cut, how do you feel?

Vansa – You all know I want my employee back but safety first.

Mueck – same; if something happens and we need them we need to know they will be there for us.

Sheriff – I understand the situation we're in but whatever you think we can do we will.

Muegge – what I would like to see if a good one comes along you get them.

Judge – what I am hearing is ya'll want to put them on.

Shuffield – ok if you're going to pair them up Judge – even you have two guys on the same shift but in different vehicles they can meet up

Chris – like when we got back we had 3 calls at the same time, 2 deputies –

Sheriff – one was a mother & daughter shooting at each other; one suicide attempt

Judge – we took 100,000 expenses; you're not getting

Chris – we're probably going to change from Tahoe's, too expensive on gas

Sheriff – 600% over, is it coming out of my budget?

Danica - \$10,000 reduced out of Sheriffs budget; \$100,000 acct 409; we had to find \$96,000 line item but may have to

Chris – back to the vehicles – we will have to add \$35,000 for each

Sheriff – so if I have it I can use it?

Chris – so we really don't know how much we were short last year?

Sheriff – we know we will have an increase on the food; part time clerk to full time;

I can take that \$7500

Shuffield – move the \$7500 to salary and no questions.

Sheriff – I asked for \$3000 raise for each of my employees; As I told you before I am losing people but you want us to keep housing prisoners.

Fisher – we talked about that.

Judge – I mentioned Tuesday to add money to jailers, they are the ones having to deal with these people.

Muegge – how many employees do you have?

Sheriff – 39 in the jail and 9 in dispatch.

Shuffield – how much is 2 deputies?

Lara - \$116,000 includes clothing allowance

Sheriff – Coryell County is real happy with our service; we have had 3 lawsuits in the last three weeks; I have good people.

Judge – my opinion we have to raise taxes and across the board increase. I don't think we can go the full \$3000 with 50 employees.

Watkins –what are you thinking? \$1000 this year, maybe \$2000 next year

Sheriff – I told my employees last year to hold on and I will do what I can to get them more pay.

Chris - \$2000 this year

Danica - \$1000 this year and \$2000 next year may be easier.

Sheriff – do what ya'll can & I will tell you this, “I will be back”.

Judge – we can't vote today but will take a vote next Tuesday.

Watkins – Fire department money is divided up, why does Buckholts get \$2000

Judge – what I'm doing is what was done when I came in office

Muegge – may be determined by number of volunteers.

Shuffield – how much does Thorndale get?

Muegge - \$15,000

Judge – Cameron & Rockdale get the same \$25,000 each; Milano gets \$15,000; Burlington \$2000; Gause \$3000; Minerva \$2000; Buckholts \$2000

Danica – we have \$90,000 budgeted so we could give \$1000 to Davilla

Muegge – does Davilla get money from Bartlett?

Watkins – I will find that out.

Shuffield – what is the difference between Buckholts, Milano & Gause?

Watkins – I was thinking cut Cameron & Rockdale a little.

Judge – I'm not in favor of cutting Cameron & Rockdale, I was thinking you were going to say pay it in ½. I am like Jeff said see if they (Davilla) are getting any more?

Westerman – Bond attorneys:

Attorney General – you are able to borrow on your anticipated Tax Revenue.

The note would say cannot borrow more than ...

\$800,000 capacity could go above if you wanted to add \$60,000 for sheriff.

Cash flow this year; 2017 year;

90 day time frame from when you begin

From what I hear you are not way out of line for Attorney General to say no; very do-able; it happens, lot of things you can do to prevent it.

Since you have it to almost \$800,000 – need to breakdown salaries & revenue outside of R&B; see need for shortfall whoever buys the note.

Judge – figuring \$750,000 principal and \$50,000 interest.

Westerman – if that's what you want we will work with it; can give an idea beyond \$800,000 more or less. We can do a spread sheet.

Judge – is this format good to turn in? We have to file the budget a week from Friday.

Westerman – there could be a finable even after the budget is filed.

Shuffield – anytime during the year could come up & say we need more money.

Westerman – you could in case of an emergency

- **Revenue to pay back**
- **Make sure attorney general is ok with it**
- **Have to work thru details, budgeted needs**
- **Attorney General would not be in favor of – we didn't budget right.**

Judge – Law, Government Code says once you approve it you live with it or could do an emergency budget. If you want to spend money something that's not budgeted.

Westerman – when you know you're going to raise taxes; other means, anticipate revenue normal.

Judge – pay increases – this is the reason we're planning it but not give it until we make sure we have it. We need to put it in.

Shuffield – Payback –we have 3 major flows for taxes

Mueck – November, December, January; You get it in November or December but you can't spend it until January.

Shuffield – when would we have to make first payment.

Westerman – will have to work with the attorney.

Judge – I think we need to pay it back quickly. When do we need to start the ball rolling to get the paper started?

Westerman – you want money in bank no later than November 15. I will have the pricing to you buy October 15. Make sure all paperwork, documentation is in place. Short term note. Backing it up to when you actually need it. We have to get bids.

Judge – when do we get paid n November?

Watkins – longevity comes out in November.

Danica – 2nd Friday in November

Judge – make sure it's in the bank by the 2nd payday in November.

Watkins – is a 90 day loan all we need?

Judge to Westerman – would you want to go any less?

Westerman – no

Mueck – Mortgage companies pay by January 31st.

Vansa to Westerman – I know these guys may not want me asking but wondering if there are any grants that you know of that would help with election equipment? Ours had some problems in March and we had them serviced. The equipment has a life span of 10-15 years. We got our equipment from HART years back when the state mandated HAVA equipment and we didn't have to pay, but now HART is telling us they will not be updating much longer but will service our equipment as long as we need them to but without upgrades we may be put in a bind. I have told the Court we may not have money but the elections do not stop.

Westerman – I will talk to the Bond attorney to see if there is anything out there.

Judge – our entities have voting equipment and we need to notify them. I think we need to wait and plan for it in the 2018 budget.

Vansa – 2018 is fine with me if the equipment works but if it doesn't then we have problems. I personally think it needs to be done now.

Judge – we need to wait until 2018.

Vansa – I am ok with waiting but if it crashes we have more serious problems then no money.

Muegge – 2017 no elections

Vansa – 2017 we have the November amendment election, we have an election every year.

Judge – what’s it costing to do this - \$1500 to \$2000? Westerman \$5000 max.

Westerman – we could roll it in with the loan.

Judge – what if at the end of 2017 and it’s not settled we will need to borrow again?

Westerman – you would be ok.

Judge – what if we lose - \$2 \$3M debt to pay back, we would need to refinance. Can a county do that?

Westerman – With your intention to pay back & it didn’t happen you may have to make a loan. I think it is what people anticipate to be done. You would need to tell them you lost the lawsuit.

Judge – On top of that we would have to raise taxes.

Judge to Shuffield – like you said we need a long term plan.

Westerman – I will talk to the attorneys, dealing with the facts.

Shuffield – it’s not like we misused the funds

Westerman – we need a detailed approach, more information

Judge – I think we can show some frugal backup with laying employees off. One thing we didn’t talk about is these guys have Road & Bridge money but I think we need to leave the money in their reserves. The money in the General Fund that is w/o

If you wanted to reach into that fund – they wouldn’t do it.

Shuffield - \$800,000 – does it cover our loss (Commissioners \$200,000)

Judge – they (Commissioners) have cut short \$200,000 but do have FEMA & TIF money for roads

Shuffield – FEMA is in one hand & out the other.

Muegge – TAC says money for R&B has to stay where it comes from.

Judge – Why didn’t you use the money you have? You have \$2M in reserves.

Westerman – we will do what we can to help.

Judge – Do you feel adequately to go forward for us?

Westerman – yes I do. We are flexible to do what we can.

Judge – you will give our local banks an opportunity?

Westerman – yes, Classic Bank & Citizens National Bank.

ADJOURN – Motion by Commissioner Muegge, seconded by Commissioner Shuffield to adjourn @ 2:25 P.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 8th day of August 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 July 28 2016.

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

STATEMENT OF APPROVAL

**REVIEW FIRST DRAFT OF 2017 BUDGET
DISCUSS 2016 TAX RATE CHANGES
DISCUSS OPTIONS FOR FINANCING THE 2016 BUDGET SHORTFALL
WITH OUTSIDE FINANCIAL COUNSEL**

July 28 2016

Commissioner of Precinct No. 1

Commissioner of Precinct No. 3

Commissioner of Precinct No. 2

Commissioner of Precinct No. 4

**Minutes from the July 28 2016 Milam County
Commissioners Court meeting ends on**