

STATE OF TEXAS:

COUNTY OF MILAM:

BE IT REMEMBERED, that on Monday, the 22nd day of August A. D. 2016, the Commissioners' Court of Milam County, Texas, convened in PUBLIC HEARINGS 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

JEFF MUEGGE, COMMISSIONER PRECINCT NO. 4

BARBARA VANSA, COUNTY CLERK

Others absent, to-wit

JOHN FISHER, COMMISSIONER PRECINCT NO. 3

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

MILAM COUNTY 2017 BUDGET AND TAX RATE

Judge Barkemeyer officially opened the Public Hearing on the Milam County 2017 Budget and Tax Rate at 9:00 A.m.

RICHARD WILKERSON – I have lived in Milam County for 38 years. I would like to know what is the purpose for the tax increase? It is a hardship on us and we feel it is unfair. We feel the government, city, County & National does not understand. You work for us and need to keep in mind when you increase taxes we have to take from another place. You don't think this way but some people believe you do. If you can do without anything, you work with the public and it affects all of us. Your proposals affect everyone differently. Just one of my concerns

JUDGE – I am having public meetings to inform you of what we are doing.

- **Some Officials have been at the meetings – myself, Sheriff, Commissioners, Justice of Peace, County Clerk, Tax Assessor**
- **Statement in newspaper about the tax rate**
- **Luminant paid in about \$2M less on what they were taxed, appraised**
- **County's revenue is \$4.5M less**

RICHARD WILKERSON – Can we (County) do like families? We have to take it from somewhere else. We don't have an endless source, we may have to sell something. Like we are supposed to have healthcare but the law makers don't abide. I see your need but don't believe in your way of fixing.

JUDGE – You elected us to make decisions for you and we are doing what we think is the best at this time. We will have to take drastic measures if we don't get taxes from Luminant and people will not be happy then.

RICHARD WILKERSON – the Government lives one week

JOE CLARK – Why can't we use the money we have?

JUDGE – Where is it at?

JOE CLARK – use the money you got, then borrow. You have enough to make it until next year sometime.

JUDGE – if you want to mix apples & oranges – it's next year's revenue, we chose not use it for next year, we are trying

RICHARD WILKERSON – Can't count your eggs before they are hatched.

JOE CLARK – You have money in the Road & Bridge and escrow.

COMMISSIONER SHUFFIELD - \$800,000 we have will be spent plus the money we borrow; if we don't get settlement next year we will have to borrow more. We are trying to look at 2018 and it could get real bad. If we use our tax money it will hurt us on our Bond ratings. We haven't come to a conclusion.

JOE CLARK – our taxes go up \$300 and you are giving raises.

JUDGE – we are not giving raises and I want you to stop saying that.

JOE CLARK – ya'll are giving raises to some in September.

JUDGE – We have to keep our Sheriff's Department people paid. The jail is running at full capacity and the staff is underpaid. We have to keep the jail staffed.

RICHARD WILKERSON – we understand the intensity, sometimes fear guides us in the wrong direction.

JUDGE – Not fear

COMMISSIONER SHUFFIELD – we have to consider all options, it is not fear.

RICHARD WILKERSON – sometimes better options is what we have always done. I don't see much difference in what the County is doing and what our Government is doing. Our people aren't spending money because they have to save, you have look for other opportunities. I think our County needs to save for hard times. What you feel pressured to do may not be the right thing. Our County is not doing something right if you have to keep borrowing.

DAVID MCCLAREN – What do you think the difference will be this time next year? Dave is doing a good job, he is bringing in money with the jail and roads. Couple years ago there was an article you wrote and here we are facing again.

I think you all know years down the road the equipment will be combined, possibly going down to two commissioners.

JUDGE – we don't know how we will come out with Luminant. Our strategy is to give Wayne Fisher all the time he needs to properly do the right thing for us – he is working on the process for appeal. We are trying not to drastically cut County services, that's why we are borrowing money. When we hit next year and we are in this same position, at this time we will be \$3M short. We only owe about \$4M debt.

DAVID MCCLAREN – that's why you don't want to hurt your rating.

JUDGE – Westerman says we cannot refinance \$4M debt. Part of the reason we are increasing our tax rate. We will have to cut road & Sheriff's people. We will have to cut some of the things we don't want to. Things we cannot cut is Indigent Health and Indigent Defense. You mentioned may have cut Elected Officials. We will figure it out.

RICHARD WILKERSON – Luminant evidently thinks they are paying too much like us.

COMMISSIONER SHUFFIELD – The Appraisal District brings in a company to set the values.

MIKE BURLESON – What he's been saying is "Ad Valorem Taxes" are the only source they have for revenue & control of.

Longterm fear of this situation, lawyers from both sides would tell you the same thing; the appeal process could take awhile. Couple of points, not arguing with anyone – tough decisions down the road and there are other services that can be worked in. I think we are short on long term planning. I think we should put a hold on for 6 months.

I think a committee should be appointed to come up with some of the problems like ya'll did when the jail was being built. Get recommendations.

I know all the elected officials are underpaid. I don't think there is anybody who can't wait six months for a pay increase. Look for a solution.

I really feel strong about the \$3M in reserves – suggest putting all in one pot and split it between the four precincts. \$800,000 loan + interest and you are looking at an additional \$50,000.

JIM HENRY – What if Luminant shuts down like Alcoa did? We need to find some businesses to come in.

JUDGE – it can happen – we have done strategic planning and have talks going on presently, hoping it comes. Going up on taxes is like shooting us in the foot.

DAVID MCCLAREN – You can't give tax breaks to every business coming in.

JUDGE – then they change their mind.

RICHARD WILKERSON – Everybody who worked at Alcoa expects big wages and I do have friends who worked there.

JUDGE – You are right about Luminant getting shut down, it is a distinct possibility. The Government could close Luminant down.

DAVID MCCLAREN – I am in support of Mike Burlison. We need a committee to see about our growth.

JUDGE – we talked about this in Rockdale the other night. You have to find an individual or entrepreneur who would want to support Milam County financially. I am personally working on some of these.

DAVID MCCLAREN – we have two things – water & location

JUDGE – Railroad has agreed to a

ROBERT JEKEL – is there something or a common thing that changes prospective businesses minds?

COMMISSIONER WATKINS – truckers use the interstate

JUDGE – I can't think of anything. It's just a competitive thing.

DAVID MCCLAREN – when we lost the Rail Road hump yard that would have started around Buckholts & end in Bell County towards Rogers.

WAYNE HORKHEIMER – gave handout to Judge & Commissioners – Judge says I vote no. Horkheimer –

Milam County Government Wants to increase tax rate 4.8 cents from 65.2 cents to 70 cents per \$.1 00 valuation

First Budget Meeting 0900 on 31 August 2016

Second Budget Meeting 0900 on 07 September 2016

Final Budget Vote on 12 September 2016 at 1000 AM

Our 4.8 cents X Milam County taxable property value = \$805.050 for them

Vote Yes to let them take your money

Vote No to keep your money

Attend meetings or Vote by telephone or email

County judge David L. Barkemeyer at 254-697-7000 or email
dbarkemeyer@milamcounty.net

Commissioner 1 Richard "Opey" Watkins at 254-593-3171 or email mcpct1@farm-
market.net

Commissioner 2 Donald Shuffield at 254-697-7054 or email
dshuffield@milamcounty.net

Commissioner 3 John Fisher at 512-446-2580 or email jlfpct3.Fisher@aol.com

Commissioner 4 Jeff Muegge at 512-898-2115 or email jmuegge@milamcounty.net

August 22, 2016

For All Milam County Residents

Subject: Milam County Proposed Draft Budget and Tax Rate for Calendar Year 2017

1. The time has come for all Milam County Taxpayers to stand united and stop the five Milam County Commissioners Court members from increasing the tax rate 4.8 cents from 65.2 cents to 70 cents per \$100 valuation for a total increase of about \$805,050 (7.34 percent).
2. The tax rate could be reduced 1.2745 cents from the 65.2 cents to the effective tax rate of 63.9255 cents per \$100 valuation and allow the Taxpayers to keep an additional \$200,000.
3. Milam County is already facing an annual \$2 million loss of property tax revenue for 2016 and 2017 from the Luminant lawsuit. Luminant is the largest taxpayer in Milam County.
4. The Milam County Appraisal District significantly increased the appraised property values for business, home, and land owners. My taxable value increases will cost me 19% more taxes.
5. The draft budget proposes borrowing over \$800,000, giving a 2% pay raise to all County employees for about \$200,000, adding two deputies for \$114,000 plus some other jobs.
6. Special pay raises for 52 employees (from \$1,000 to \$4,270 each) for \$20,440 effective in September 2016 were approved 8 August 2016. This pay raise will cost \$56,160 for 2017.
7. The draft budget includes an increase of \$600 per employee from \$7,800 to \$8,400 for health insurance premiums. This is a pay increase for each Milam County employee. I pay my own health insurance which increases each year. Many taxpayers can't afford health insurance.
8. The draft budget includes \$102,000 for travel without any requirement to justify that travel was for County work. This includes County Judge for \$3,500, Veterans Service for \$2,500, District Court for \$300, four

Justices of the Peace for \$15,200, County Attorney for \$2,000, four Constables for \$60,000, Agricultural Extension Service for \$11,000, and Sheriff (hidden in pay) for \$7,500.

9. County Sheriff Operations will increase \$176,520 from \$1,412,007 to \$1,588,527. County Sheriff Jail will increase \$140,790 from \$3,070,854 to \$3,211,644. Housing inmates income is budgeted at \$730,000 and housing prisoners expense is budgeted at \$100,000. How much money are we really making or losing by housing prisoners from other counties?
10. During budget meetings, the Sheriff requested a \$7,000 pay increase to put him up with the Rockdale chief and a \$3,000 pay increase for each of the 66 employees for about \$230,000.
11. Thefts of funds occurred in two Milam County offices in the past year. The Internal Auditor did not check or report internal control weaknesses. Milam County needs an internal auditor with credentials, independence and ability to perform audits and review the budget.
12. Conclusion: All Milam County Taxpayers will be penalized and forced to pay over \$805,050

(7.34 percent) more property taxes if three of the five Commissioners Court members vote to approve the draft budget. What actions will you take to improve Milam County operations and reduce costs before your business, home, and land are sold at a tax foreclosure sale?

W~~

Submitted by Wayne Horkheimer
Taxpayer/Rancher/Retired Federal Auditor
Cameron, Texas 76520

1

- **A lot of people can't be here today because people have to work and other things.**
- **I believe people are scared of the Government. Some people called Precinct 2 and no one would answer.**
- **Pay raises for 52 people. Judge keeps saying modest \$20,000.**
- **The \$20,000 for 4 months turns into \$56,000.**
- **Lawsuit – you have two sides telling you they are going to win. I don't think the Appraisal District will win \$100%**
- **I built my dream retirement home in 2004.**
- **Approximately 1200 to 1300 protest on property according to Diane White at the Appraisal District.**

DON DAVENPORT – What is the validity of the Yes or No vote?

WAYNE HORKHEIMER –

- **Draft budget proposes an \$800,000 loan.**
- **Proposed 2% pay raises amount to \$200,000 – need to consider furlough, implement pay freezes and hiring freeze**
- **I'm not saying a person doesn't deserve pay increase**
- **Mike brought up reserves of \$3M in the four precincts & I have confirmed it – my recommendation is to use it before you go borrow the money.**

- **52 employees – special pay raise \$1270 increase requested by a supervisor but the employee got a \$4270 pay increase.**
- **This \$20,000 pay raise will turn into \$56,000 next year**
- **Health Insurance - \$600 increase paid by the County & us taxpayers**
- **Minimum wage is only \$7.50 per hour.**

ROBERT JEKEL – I had to ask my employees to pay part of their insurance or go to a cheaper plan. It seems like the County has a Cadillac plan. Maybe it should be less or let employees pay some of it.

WILLIE WHITFIELD – How much do they get per hour?

HORKHEIMER –

- **We need to compare to others places in Milam County not other counties.**
- **I know lot of people who were affected with the tax increase, some have back taxes and can't pay so how are they expected to pay when taxes are going up?**
- **Travel - \$4200 found after putting my letter together – no requirements on miles driven – some officials are given travel allowance but drive a government vehicle – why do county employees get travel allowance?**

JUDGE – to supplement their salary & vehicle allowance.

WAYNE HORKHEIMER –

- **Some officials get a government vehicle and travel allowance**
- **Sheriff requested a significant increase of \$7000 increase to be comparable with the Rockdale Chief of Police. If we don't have to give why wouldn't he say I'm going to take a \$10,000 pay cut to be comparable to the Cameron Police Chief.**
- **Theft of funds from two county offices in the past year of reported thefts.**
- **Major concerns – I gave my letter to Cameron & Rockdale paper – I got calls, responses from people, I firmly feel the courthouse would have been full but it's not my fault that some people are not here**
- **It has been an improvement from the past six years, since the last Judge.**
- **I would have expected KRXT to be here, we have Barbara here to put it on the internet**
- **Milam County is doing better. Wish we were the best of 254.**
- **The Judge said earlier I will say something if the media is not here.**
 - **Horkheimer said if you tell the truth it doesn't matter if the media is here or not.**
- **Asking the Judge & Commissioners if their phone number & email address is correct on the handout –**

- **Shuffield** – I have given out my cell # and put it in the paper. It is 697-1018. I have a part time secretary and she works on Tuesdays & Thursdays.
- **Watkins** – I have an answering machine and I return all calls.
- **Judge** – all the time
- **Muegge** – it's good
- **Email addresses all good**
 - **Watkins** – I have two

JUDGE – speaking of the truth – I try to make it clear as possible as to what we are doing. I have said over & over the 2% pay increase depends on the Luminant lawsuit outcome. You (Horkheimer) put out erroneous information. I try my best to properly explain in the papers and meetings – it is detrimental for you to go behind me and say something different. And the voting – I had one lady ask me about the letter. We have 12-15,000 voters. A lady across the street from me came to me and said one of your people said to vote. This totally frustrates me. Wayne this misleads our people – I try to do a job and you are out giving wrong information.

WAYNE HORKHEIMER – Truth is in the budget

SHERIFF to Horkheimer – why don't you run for office?

HORKHEIMER – I am not a politician.

EARNEST TAYLOR – Commissioner 1 has an answering machine; my Commissioner 2 said he's not getting one, if we can't get your office what are we supposed to do?

SHUFFIELD – I have put my number in the paper & I have a secretary who works Tuesday & Thursdays; if it is an inconvenience you can call the judge's secretary and she can give you my cell phone number.

WATKINS – You can also call the Sheriff's department. Especially if there is an emergency they can contact us.

RICHARD WILKERSON – Talking about businesses, McLane tried do something here, but moved to Temple and I never heard what happened. Seems like we aren't doing something right, maybe we need a change.

SHUFFIELD to Judge – Does Karen need to do her report?

KAREN BERRY DISTRICT CLERK - yes

JUDGE to Vansa – do we need to close this hearing?

VANSA – I would think so.

Judge Barkemeyer closed the Public Hearing on the 2017 Budget and Tax Rate at 10:25 A.M.

Motion by Commissioner Muegge, seconded by Commissioner Shuffield to adjourn. This motion having been put to vote prevailed, the vote being unanimous.

The above and foregoing Minutes examined and approved in Open Court this 12th day of September 2016.

County Judge

**State of Texas:
County of Milam:**

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 August 31, 2016.

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

STATEMENT OF APPROVAL

August 31, 2016

Commissioner of Precinct No. 1

Commissioner of Precinct No. 3

Commissioner of Precinct No. 2

Commissioner of Precinct No. 4

**Minutes from the August 31, 2016 Milam County
Commissioners Court Public Hearing regarding the
Milam County 2017 Budget and Tax Rate ends on**