



PRESS RELEASE

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City of Brenham Charts a New Course this Budget Year to Accommodate Growth while Maintaining Exceptional Services to Citizens

After nearly a year of reviewing, researching, and planning for FY20, Brenham City Council and the City Leadership Team have developed a plan that looks at what is needed to accommodate growth and keep the City moving forward to meet community expectations over the next five years. Many challenges and opportunities have been discussed and this multi-year undertaking was not taken lightly.

City Manager James Fisher states, "We are at a pivotal time with growth and development in Brenham. In order to continue providing the same outstanding services to our citizens, we had to think outside of the box and determine what is best long term. Continuing as status quo was not an option if we want to give our citizens the best quality of life Brenham has to offer today and years from now."

As the City charts a new course toward financial innovation and diversification, there were several key aspects taken into consideration:

- We continue to see healthy growth in the ad valorem tax base, our property taxes. This is the source for the City's General Fund, paying for police, fire, streets, parks, recreation, library, and other basic city functions. Due to this growth, the City is able to *lower the tax rate from \$0.5170 to \$0.5140 per \$100 valuation*
- We are setting the stage for vigorous sales tax growth. As this sales tax growth is realized, the City becomes less reliant on property taxes and *citizens can look forward to an eventual decrease in property tax rates*
- Brenham residents and businesses experience *some of the lowest utility rates in Texas*. Water rates have *remained the same since 2008*; residential and commercial electric rates have *remained the same since 2003*; while small and large industrial electric rates had an increase in 2014

FY20 Proposed Change: modest rate change to cover the cost of electric and water services and investment in infrastructure to safeguard continued systems reliability and integrity for today and future generations

- The storms of 2016 highlighted many drainage issues across the community

FY20 Proposed Change: a drainage fee to address current and future drainage improvements to protect residential and commercial properties from potential flooding events. Diligent research revealed many cities have successfully implemented this fee structure, which can only be used for drainage projects and not diverted for any other purpose

- We are one of 72 cities in Texas with municipal-owned utilities and currently charge sales tax on electric and gas to commercial customers only

FY20 Proposed Change: addition of sales tax to residential electric and gas customers

The growth and development diversity of the City may mean an additional \$16 per month (approximately) for the average homeowner; however, the proposed changes also mean benefits to residents: continued exceptional City services and a balanced, stable budget; critical improvements to roads and drainage; and coverage for improvements and investments for electric and water infrastructure and services.

Councilmember Susan Cantey says, “The budget process can be like taking Castrol Oil, really hard to get down. But, a successful result is like a bowl of Cookies and Cream.”

The proposed budget is still in the preliminary stages with the final review by City Council and record vote on August 1, 2019. The community is encouraged to attend the public hearings on Wednesday, August 14 and Thursday, September 5, 2019, to discuss the tax and fee changes. Citizens are also encouraged to set up a time to visit with City Manager James Fisher at jfisher@cityofbrenham.org or 979-337-7590.

Links: N/A

Attachments: N/A

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