

**MINUTES OF THE SPECIAL MEETING
OF THE CITY COUNCIL
OF THE CITY OF BUNKER HILL VILLAGE, TEXAS
JULY 15, 2026**

I. CALL TO ORDER

Mayor Brown called the meeting to order at 10:00 a.m. on Zoom and in the Council Chambers of City Hall, 11977 Memorial Drive, Houston, Texas.

Present

Mayor Keith Brown
Mayor Pro-Tem Susan Schwartz
Councilmember Carl Moerer
Councilmember Hunter Cameron
Councilmember Andrew Poor

Staff in Attendance

Gerardo Barrera, City Administrator
Susan Grass, Finance Director
Elvin Hernandez, Public Works Director
Mallory Pack, City Secretary

Absent

Councilmember Eric Thode
Loren Smith, City Attorney, Olson & Olson

II. PLEDGE OF ALLEGIANCE

This item was not presented at the direction of Mayor Brown.

III. CITIZENS' COMMENTS

There were no public comments.

IV. DISCUSSION, FEEDBACK, AND DIRECTION ON THE PROPOSED FISCAL YEAR 2027 BUDGET AND 2026 TAX RATE – Susan Grass, Finance Director

Staff presented the proposed FY 2027 budget, including the proposed 2026 tax rate, utility rates, details on all funds, and the City's Five-Year Capital Improvement Plan (CIP).

Tax Rate

Staff recommended maintaining a flat tax rate of \$0.2710. Preliminary values show a 9.22% increase in values over 2025. The certified tax roll is expected to be received on July 25, 2026.

General Fund

The General Fund includes a 21% increase in funding over the FY 2026 Adopted Budget for the Memorial Villages Police Department (as approved by the Police Commission and City Council) and a 1% increase over the FY 2026 Adopted Budget for the Village Fire Department (as approved by the Fire Commission and City Council). Public safety expenditures are projected to increase by 13% in FY 2027.

Staff recommended a 2% Cost of Living Adjustment (COLA) and a 4% salary/ merit pool increase for city personnel. Due to a 51% increase in healthcare costs for the 2026-2027 plan year resulting from major claims to the health insurance plan, staff presented a 15% increase in healthcare expenditures for FY 2027.

In accordance with the City's Financial Management Policy, General Fund Maintenance & Operations (M&O) expenditures will not exceed the 4% cap on total operating expense increases when public safety expenditures are excluded from the calculation.

Utility Fund

Staff recommended a 6% increase to residential, non-residential, and irrigation utilities based on the average residential utility bill of 45,000 gallons of water usage. In addition, the proposed budget includes a 4% increase in solid waste and recycling rates. Staff noted that utility rates are intended to be self-supporting.

City Administrator Barrera requested feedback and direction from City Council regarding a service fee for credit/ debit card transactions. He explained that the City currently absorbs all credit card processing fees for payments such as utilities, building permits, and other services, and that these costs must therefore be accounted for during the budget process.

Council was in favor of exploring the use of credit card service fees and how such fees would be implemented. Mayor Brown directed staff to place credit card processing fees on the August City Council agenda for additional discussion and consideration.

Mayor Brown recessed the meeting for lunch at 11:25 a.m.

Mayor Brown reconvened the meeting at 11:43 a.m.

Capital Project Funds

Staff presented the proposed FY 2027 Capital Improvement Program (CIP) projects.

The General Fund CIP includes street, drainage, facility, and public safety projects. Priority projects include the reconstruction of Memorial and Gessner, localized drainage improvements, and the asphalt overlay of Forest Glen.

The Utility Fund CIP includes water and wastewater projects. Priority projects include improvements to the City's water infrastructure identified in the water modeling study, such as Water Line Replacement Package 1 and the construction of a new groundwater storage tank at Taylorcrest Water Plant No. 1. Staff also reviewed the City's top 10 water and wastewater lines recommended for replacement.

Staff presented the 2027 CIP calendar to show the anticipated timing and coordination of these projects throughout the year. City Administrator Barrera noted that the calendar is subject to change but is intended to serve as a planning tool and roadmap.

City Administrator Barrera informed Council that a Special Meeting would be scheduled for August – following receipt of the certified values – to set the proposed tax rate and file the proposed budget.

Council requested that staff present additional tax rate options to evaluate the potential budgetary impacts of alternative rates. Staff confirmed that tax rate options of \$0.273 and \$0.275 would be presented at the Special Meeting in August.

Council recognized and thanked Finance Director Grass for her work and thoughtful preparation in developing and presenting the proposed FY 2027 Budget.

No action was required for this item.

V. CONSIDERATION AND POSSIBLE ACTION TO APPROVE A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BUNKER HILL VILLAGE, TEXAS, AUTHORIZING THE FILING OF AN APPLICATION FOR FINANCIAL ASSISTANCE FROM THE TEXAS WATER DEVELOPMENT BOARD; AND MAKING CERTAIN FINDINGS IN CONNECTION HEREWITH – *Elvin Hernandez, Public Works Director*

Established under H.B. 500 during the 89th Texas Legislative Session, the Texas Water Development Board (TWDB) Water Supply and Infrastructure Grant Program provides a one-time opportunity for a limited number of Texas communities to receive funding to implement water supply and infrastructure improvement projects.

City staff is working with the City Engineer, IDS Engineering Group, to apply for eligible projects identified in the City's Five (5) Year Capital Improvement Plan (CIP). The request is for up to \$7,500,000 that will include replacement of approximately 26,500 linear feet of cast iron and asbestos cement pipe, including appurtenances (i.e., valves, hydrants, etc.).

TWDB commitments to projects will start in Fall 2026. The submittal deadline is July 31, 2026. If awarded, the funds must be utilized and projects closed out by 2031.

The City Engineer has reviewed and will certify the application upon approval of the resolution required for the application. Staff will provide updates accordingly.

A motion was made by Councilmember Moerer and seconded by Councilmember Schwartz to approve Resolution No. 07-15-2026, authorizing the filing of an application for the Texas Water Development Board Water Supply and Infrastructure Grant.

The motion carried 4-0

VI. ADJOURN

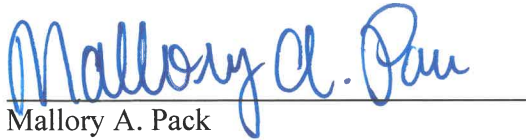
Mayor Brown adjourned the meeting at 12:51 p.m.

Approved and accepted on August 18, 2026.



Keith Brown
Mayor

ATTEST:



Mallory A. Pack
City Secretary