

Tax Increment Reinvestment Zone Number One

A regular meeting of the Tax Increment Reinvestment Zone Number One Board of Directors was held on February 6, 2025, beginning at 11:00 a.m. in the Brenham City Hall, City Council Chambers, at 200 W. Vulcan Street, Brenham, Texas.

Members present:

Atwood C. Kenjura
Clint Kolby
Shannan Canales
Adonna Saunders
Albert Wright
Leah Cook
Gary Crocker
Tom Whitehead

Members absent:

Dr. Paul F. LaRoche, III

Others present:

City Manager Carolyn Miller, Assistant City Attorney Joseph Halbert, City Secretary Jeana Bellinger, Chief Financial Officer Julie Flagg, Finance Director Stacy Hardy, and Economic & Community Development Director Teresa Rosales.

Citizens present:

None

Media Present:

None

- 1. Call Meeting to Order**
- 2. Public Comments**

There were no comments heard from the public.

3. ACTION ITEM(S)

a) Consider Approval of the Minutes from the October 13, 2022, TIRZ Board Meeting

A motion was made by Shannan Canales and seconded by Adonna Saunders to approve the minutes from the October 13, 2022, TIRZ Board meeting.

Vice Chairman Kolby called for a vote. The motion passed with the Board voting as follows:

Vice Chairman Clint Kolby	Yes
Secretary Adonna Saunders	Yes
Shannan Canales	Yes
Leah Cook	Yes
Gary Crocker	Yes
Atwood Kenjura	Yes
Dr. Paul F. LaRoche, III	Absent
Albert Wright	Yes
Tom Whitehead	Yes

b) Consider Appointment of a Vice-Chairman and a Secretary for the Tax Increment Reinvestment Zone No. 1 Board of Directors, Each for a Term of One-Year

City Manager Carolyn Miller presented this item. Miller explained that this agenda item is for the appointment of a Vice-Chairman and a Secretary, each for a 1-year term, as outlined in Article 3 of the Bylaws. Miller stated that the Vice-Chairman shall exercise the powers of the Chairman during that officer's absence or inability to act. Miller stated that the Secretary shall keep the minutes of all meetings of the Board, and he/she shall have charge of such books, records, and documents of the Board.

Miller advised that currently Clint Kolby is the Vice Chairman and Adonna Saunders is the Secretary.

A motion was made by Adonna Saunders and seconded by Shannan Canales that Tom Whitehead be appointed Vice-Chairman of the Tax Increment Reinvestment Zone (TIRZ) No. 1 Board.

A motion was then made by Albert Wright and seconded by Atwood Kenjura that Adonna Saunders be appointed Secretary of the Tax Increment Reinvestment Zone (TIRZ) No. 1 Board.

Vice Chairman Kolby called for a vote. The motion passed with the Board voting as follows:

Vice Chairman Clint Kolby	Yes
Secretary Adonna Saunders	Yes
Shannan Cannales	Yes
Leah Cook	Yes
Gary Crocker	Yes
Atwood Kenjura	Yes
Dr. Paul F. LaRoche, III	Absent
Albert Wright	Yes
Tom Whitehead	Yes

c) Consider Resolution No. TIRZ-2025-01 Providing for a Recommendation to the City of Brenham City Council Related to the Tax Increment Reinvestment Zone No. 1 Funding Correction Due to Revised Property Valuations

Chief Financial Officer Julie Flagg presented this item. Flagg explained that during a software upgrade in 2024, Washington County Appraisal District (WCAD) discovered that previously reported TIRZ values were incorrect. Flagg explained that there were two primary issues that contributed to this: 1) business personal property was mistakenly included in the TIRZ and 2) due to previous software limitations, the incremental value was calculated in aggregate, instead of on each property separately.

Flagg explained that it took several months for WCAD to sort through this issue and to provide the City with corrected TIRZ valuation reports for each year. Flagg advised that the total funding difference over the five-year period was an overfunding of the TIRZ Fund by \$399,950.00. The City's consultant, Petty & Associates, advised that the previous five years of TIRZ funding should be trued up by adjusting this year's funding for the difference. Flagg advised that this true-up will result in a lower amount of revenue for the TIRZ fund than the budgeted amount of \$731,236.00. Flagg stated that budgeted expenditures are only \$118,605.00 and, even with the reduction in revenue, there will be a revised budgeted net increase in fund balance of \$212,681.00.

A motion was made by Adonna Saunders and seconded by Shannan Cannales to approve Resolution No. TIRZ-2025-01 providing for a recommendation to the City of Brenham City Council related to the Tax Increment Reinvestment Zone No. 1 funding correction due to revised property valuations.

Vice Chairman Kolby called for a vote. The motion passed with the Board voting as follows:

Vice Chairman Clint Kolby	Yes
Secretary Adonna Saunders	Yes
Shannan Cannales	Yes
Leah Cook	Yes
Gary Crocker	Yes
Atwood Kenjura	Yes
Dr. Paul F. LaRoche, III	Absent
Albert Wright	Yes
Tom Whitehead	Yes

d) Consider Resolution No. TIRZ-2025-02 Providing for a Recommendation to the City of Brenham City Council Related to a Decrease in the City Tax Increment for the Tax Increment Reinvestment Zone No. 1 Funding

Chief Financial Officer Julie Flagg presented this item. Flagg explained that the current City Tax Increment used to calculate the TIRZ funding is 50%, which means 50% of the property tax revenue generated by the incremental value of properties within the Zone is deposited in the TIRZ Fund, instead of the General Fund.

Flagg stated that the actual cumulative City tax contribution for the first five years was \$1,164,353.00, or 67% greater than anticipated. Flagg explained that the Texas legislature passed Senate Bill 2, which essentially capped increases in city property tax revenue on existing properties at 3.5% per year, versus the previous limit of 8%. Flagg explained that the cap on property tax revenue coupled with Brenham's historic population growth has put increasing pressure on the General Fund.

Flagg further explained that Fire Station No. 2 is scheduled for completion during FY2025-26, and the growing population creates a need for increased public safety personnel, including a fire inspector/assistant fire marshal and additional police officers. The estimated cost for these public safety expenditures is \$349,500.00, as detailed below.

General Fund Public Safety Cost Increases	
Fire Station #2 O&M	
> Utilities, phone, sanitation	\$85,000
> Janitorial/Grounds	8,000
> Insurance	10,000
> Miscellaneous	7,500
Fire Inspector/Asst Fire Marshal	84,000
2 New Police Officers	155,000
Total Estimated Cost	\$349,500

Flagg explained that taking into consideration the TIRZ funding is greater than projected and the anticipated increase in public safety costs, staff recommends that the City Tax Increment be reduced to 25%, beginning in FY2025-26.

A motion was made by Atwood Kenjura and seconded by Adonna Saunders to approve Resolution No. TIRZ-2025-02 providing for a recommendation to the City of Brenham City Council related to a decrease in the City Tax Increment for the Tax Increment Reinvestment Zone No. 1 funding.

Vice Chairman Kolby called for a vote. The motion passed with the Board voting as follows:

Vice Chairman Clint Kolby	Yes
Secretary Adonna Saunders	Yes
Shannan Cannales	Yes
Leah Cook	Yes
Gary Crocker	Yes
Atwood Kenjura	Yes
Dr. Paul F. LaRoche, III	Absent
Albert Wright	Yes
Tom Whitehead	Yes

The meeting was adjourned.

Clint Kolby

Vice Chairman

Adonna Saunders

Secretary