

## City Manager Update (8-8-25)

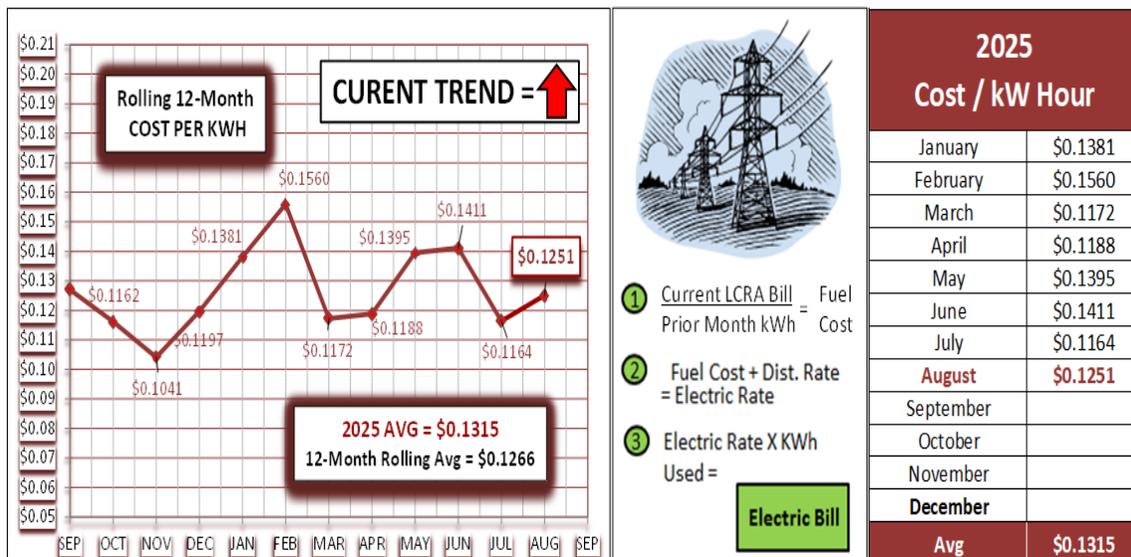
TGIF! It is hard to believe that it is August already and the kids are getting ready to go back to school. Classes will begin **Wednesday, August 13, 2025** with Labor Day, Halloween, Veteran’s Day, Thanksgiving, Christmas, and New Year’s just around the corner.

Speaking of Holidays, I would like to request all downtown business owners to remove and/or replace the faded US flags (on wooden staffs) that were put in planters along Main Street the week of July 4<sup>th</sup> in recognition of Independence Day. The flags are faded and need to be retired. According to the US Flag Code, American flags that are too worn-out or damaged to be displayed should be destroyed with dignity. Throwing a flag in the trash is considered disrespectful. VFW Post 1309 in Smithville has an [American Flag Drop-off Box](#) and they regularly conduct flag retirement ceremonies in a partnership with Boy Scout Troop 183. Should the business owners on Main Street be unable to fulfill this request, the city will remove any faded, wooden-staffed US flags that remain in planters on the morning of Friday, August 15<sup>th</sup> and will ensure proper retirement.

Here is a list of significant accomplishments, events, issues, and planned activities since my last update:

- 1) TXDOT Mowing Completed** - TXDOT contractors finished mowing Hwy 71, Loop 230, and most of the arterial roadways last month to include SH95, FM 2571 and FM 2104. TXDOT only mows the Right-of-Way (ROW) twice a year (typically July and November) unless a line-of-sight hazard exists. Unfortunately, line-of-sight hazards must be called into the district office to resolve and it is often easier to have City crews just take care of the issue. Since TXDOT only mows twice a year, the city hired a local contractor to help keep the Loop 230 and the Hwy 71 triangle (by the airport) mowed on a regular basis. This has helped the eastbound entrance to our community look more attractive and well-maintained. The same contractor also mows around the crepe myrtles at the airport and on Charleston Blvd.
- 2) Residential Cost Per Kilowatt Hour (kWh) Calculated** - An analysis of LCRA billing data was conducted to determine residential cost per kilowatt hour (kWh) in AUGUST. Fuel costs vary month to month and are based upon utility generation, transmission, line loss, and service fees. The cost per kWh for residential customers in AUGUST will be \$0.1251. This represents a **7.48% INCREASE** compared to the JULY cost per kWh of \$0.1164. Fuel costs are typically higher during the summer months and the higher temperatures will increase both consumption and demand. Utility customers can make payment arrangements if their account is not over 30-days past due. Under no circumstance will the City disconnect power to an occupied residence when the temperature is above 100° F. The Texas Public Utility Commission (PUC) provides energy conservation tips → <https://www.puc.texas.gov/consumer/facts/Save.aspx> to help reduce consumption which in turn will help citizens save money. Below you will find a “rolling” 12-month residential cost per kWh and a fuel cost comparison chart. The average annual cost per kWh is between 12-13 cents with the monthly cost for a family of 4 (based on 1,200 kWh usage per month) being approximately \$156.

### City of Smithville Residential Cost Per kWh - AUGUST



Note: Fuel & Power Cost Recovery Factor + City Distribution Fee\* (\$0.0550) = Cost / kWh

\*Residential Distribution Fee = \$0.0550/kWh (Effective October 1, 2023). Non-Resident (i.e., service outside city limit) Distribution Fee = \$0.0650/kWh

**3) Mutual-Aid VFD Response to Structure Fire at 201 Harris Street -**

A heartfelt **THANK YOU** is in order to the Heart-of-The-Pines (HOP) and Smithville Volunteer Fire Department (SVFD) for their mutual-aid response to a residential structure fire at the corner of 201 Harris and SE 2<sup>nd</sup> Street on Tuesday, July 29, 2025 (SEE PHOTOS). There was one resident occupying the property who was able to exit the structure without injury. Response time was within 10-minutes despite a train blocking access and the fact that the SVFD was already working a pin-in accident at the hospital. The cause of the fire (as verified by the resident) was determined to be a BBQ grill on the porch. No surrounding properties were impacted. However, the home is a total loss. A local church is organizing an on-line fund-raising campaign for the displaced resident (**Mr. Charles McPeters**) that will be made public as soon as it is ready. In the meantime, Mr. McPeters has been working with Bastrop County Victim Services and staying with relatives. On a side note, the City Hall staff has donated money to cover Mr. McPeters’ utility bill. Any residual funds will be given to him directly. The home at 201 Harris itself had historic significance and was originally owned by Dr. Charles Clinton Owens, a native of Akins, South Carolina (see photo below). Dr. Owens graduated from McHarry Medical College in Nashville, TN in May, 1910 and began medical practice in Lawton, OK in June, 1910. While in Lawton he married Mary E. Baker who was an elementary teacher for 12 years at Douglas HS. In April, 1912 they moved to Smithville and set up his medical practice in the C.C.



Mize and McDade Drug Store building at 218 Main (currently Mosaic Art & Home). He was a family physician who delivered babies, treated general ailments and did minor surgeries. He was patronized by both blacks and whites. Both knew him to be an honest, kind, and caring person and doctor. Dr. Owens died Feb 10, 1958 and was buried in Lawton, OK. His four children graduated from the Smithville Colored High School. The two sons became medical doctors and both daughters became teachers. Source: A Black History of Smithville, TX by Nancy Gosch. If interested in more Southside History, visit the [West End Park](#) FB Page. One last interesting note, the City published a [FB Post](#) documenting the mutual-aid response and giving kudos to the volunteer firefighters for their efforts. To date, this post has received over 115,000 views....the highest number of views of any post the City has placed on social media.



Photo - Smithville Heritage Society.

**4) Smithville SEE/CLICK/FIX Issue Reporting Platform Reminder -**

SeeClickFix is a user-friendly, cloud-based platform that gives citizens the ability to “connect” with City Hall through a variety of means. Citizens can report issues (e.g., pothole, broken street light, etc.) using their smartphones, Facebook, and/or the City website. The system automatically documents the location via GPS coordinates and creates a work order that is routed to the department responsible for resolving the issue and completing the work. Citizens can also forward photos of the issue to the City. The platform has been tailored to track closure status, work order aging, location, and type of issue being reported. This partnership not only allows Smithville citizens to report problems, but also to view, comment on, and vote to fix problems submitted by their neighbors. Citizens can even create their own “watch areas” to receive notifications about all the issues reported in their community, enabling them to follow the progress of all service requests — not just the ones they report. The SeeClickFix app also keeps citizens engaged during the process by communicating what steps have been (or will be taken) to resolve the issue while providing links to other important information like City News, Calendar, and Utilities. The SeeClickFix mobile app is available for download on Android → [SeeClickFix-ANDROID](#) and iPhone → [SeeClickFix-iPHONE](#). In addition to the mobile apps, citizens can send reports to the City website. SeeClickFix provides a reliable issue(s) reporting / work order platform to enhance citizen engagement and improve operational efficiency. Since January 1, 2025, 908 work orders have been processed using SCF with 92% of all issues / concerns “CLOSED”.

**Connect your neighborhood to City Hall**

Get the FREE Smithville SeeClickFix mobile app for a faster, easier way to notify City Hall about that pesky pothole or broken street light in your neighborhood. You can also report concerns directly on the city's website.

**SeeClickFix**

- 5) **City Council Reinstates City-wide Mosquito Spraying** – In response to dozens of citizen complaints regarding mosquitos, the City Council unanimously voted to reinstate city-wide mosquito spraying during a special-called meeting on Wednesday, July 23, 2025. As such, the city has begun spraying all roads and alley-ways twice a week in the evening hours between 9:00 pm and 3:00 am (every Tuesday and Friday during the month of August). The City will be using “Permanone 30-30” mosquito repellent which is mixed with an oil surfactant and delivered by a truck-mounted, ultra-low volume mister / sprayer. The manner and method in which the City dispenses the mosquito repellent solution complies with all regulatory requirements governing its use and does not present a significant health hazard to humans when delivered in DILUTE concentrations. However, the mixture can be toxic to fish and bees if sprayed directly in fish ponds or on blooming plants where bees are active. Note: Roads and alleys will be sprayed during the late evening and early morning hours when bees are not active. Click on the following link to review the → [Permanone 30-30 Safety Data Sheet \(SDS\)](#). Citizens can help do their part by keeping tall grass mowed and removing commonly overlooked breeding spots that can hold water that include old tires, clogged gutters, abandoned tubs or buckets. A good mosquito repellent (e.g., OFF, CUTTER, REPEL, etc.) is also advised if going outdoors in the late afternoon / evening. Cloves inserted into lime halves also does a decent job for localized mosquito control. Some people swear by rubbing dryer sheets on their arms. When all else fails...the palm of your hand is a tried and true, guaranteed method of mosquito abatement! Spraying will continue during the month of August and September or until the current wet weather pattern subsides. Click on the following link for some → [Interesting Facts About Mosquitos](#). Citizens who do not want the roads and alleys sprayed in front of (or behind) their property may request to be put on the Public Works “no-spray” list. Please contact City Hall at (512) 237-3282 if you have any questions or need additional information.
- 6) **Comprehensive Plan Community Engagement Portal Launched** - The City of Smithville invites all residents, business owners, and community stakeholders to review and provide feedback on the DRAFT Resilient Comprehensive Plan, now available through the city’s → [On-Line Community Engagement Portal](#). The comprehensive plan initiative is being funded through a \$300,000 grant from the Texas General Land Office (with no cost to the city) and will help guide Smithville’s growth and development over the next 10 to 20 years. It focuses on strategies that promote sustainability, equity, and resilience, while addressing key issues such as land use, housing, infrastructure, economic development, parks and trails, downtown revitalization, stormwater management, and historical preservation. The final version of the Comprehensive Plan is expected to be adopted in December 2025. This effort is being led by the City of Smithville, in partnership with Langford Community Management Services, Inc (LCMS). Ongoing community input is essential to creating a plan that reflects shared values and goals. Please review the DRAFT plan, share your thoughts, and help us shape Smithville’s future as we manage growth. Recent feedback on social media indicated that some citizens feel the portal is cumbersome and the DRAFT comprehensive plan (a 180-page document) is difficult to navigate. This is especially true when trying to access the portal using a smart phone. To this end, we are working with LCMS to reformat / simply the community engagement portal. In addition, the city staff will be hosting a series of informational sessions (TBD) to explain the background, purpose, benefit, and timeline for completing the Comp Plan which will serve as our “Blueprint for Growth”. We will also demonstrate how citizens can provide feedback using the portal.
- 7) **WaterSmart (VertexOne) Customer Interface Portal To Launch September 3, 2024** – The WaterSmart (VertexOne) customer interface portal will be available to Smithville utility customers on Tuesday, September 3, 2024. WaterSmart is a user-friendly platform that will help citizens better monitor and manage the water portion of their utility bills by providing the ability to set up leak alerts, track water usage, view historical trends, and pay on-line. WaterSmart can also generate a water “score” compared to other local neighborhood use and offer cost savings recommendations / solutions to help citizens conserve water and save money. For additional information, click on the following link to see the capabilities of → [WaterSmart](#) and/or contact the Smithville Utility Department on (512) 237-3282. Customers will need their utility account number to log in and set-up a password to access the [Smithville WaterSmart Portal](#). In the future, there will be an additional interface that will allow citizens to monitor / manage their electric use.
- 8) **“Notify Me” Alerts Available on City Website** – In an effort to enhance communication, improve community engagement, and increase transparency, the City has a feature on our website whereby citizens can receive notification via text and/or email for a variety of city notices, meetings, and events. On the city website landing page, there is a → [“Notify Me”](#) radial button that will allow citizens to sign up for over 2-dozen types of alerts (e.g., council agendas, specific meeting dates, general news, alerts, city manager updates, etc.). Citizens will need to set-up an account and user-defined password. Once the set-up and login are complete, citizens can select the type of notifications they would like to receive and method of delivery (e.g., text, email).

9) **Special-Called City Council Meeting / Budget Workshop #2 Held** – The City Council held a Special-Called Meeting / Budget Workshop on **Wednesday, July 23, 2025** from 5:00 pm to 11:30 pm at City Hall (317 Main) to provide an update regarding the current FY24/25 budget status, review action items from the first budget workshop, discuss the FY25/26 budget drivers, cost-cutting measures, potential revenue sources, and our preliminary tax rate. An overview of the Mayor, City Council, and City Staff top 3-5 projects, plans, and initiatives was also presented. Copies of the presentation materials can be accessed by clicking on the following links → [Budget Workshop #2 Presentation](#). Multiple factors are impacting the FY25/26 PROPOSED budget:

- a. Projected FY25/26 revenue **LOWER** than FY24/25.
- b. Over-65 Exemptions still **IMPACTING** Budget (loss of \$154k in property tax revenue).
- c. PRELIMINARY 2025 BCAD Values **SIGNIFICANTLY LOWER** than 2024.
- d. PRELIMINARY No-New-Revenue (NNR) Tax Rate **SUBSTANTIALLY HIGHER** than current Tax Rate. (\$0.626606 compared to last year's \$0.588952 adopted tax rate).

During the first budget workshop (held on June 18<sup>th</sup>) the City Council directed the staff to reduce Year-Over-Year (YOY) spending by 5% (\$836k) compared to the FY24/25 \$16.7M adopted budget. The staff delivered the 5% reduction in expenses which included no raises for employees, no new headcount, reduced citizen services, and limited discretionary spending. However, the proposed cost cutting measures would have had a **SIGNIFICANT IMPACT** on citizen services, infrastructure improvements, employee morale, and safety. Multiple citizens spoke against the proposed cost-cutting measures and given the budget drivers at hand, the Council pivoted and re-directed the staff to address the following:

- a. Reinstate all safety-related services (i.e., brush dump tub-grinding / trimming electric lines)
- b. Increase funding for street paving, sidewalk repair, and small drainage projects
- c. Add 3% COLA for Employees and reinstate Health Savings Account
- d. Reinstate Mayor monthly stipend and CM performance-based incentives
- e. Reinstate city-wide mosquito spraying and condemnation of dilapidated structures
- f. Hire Patrol Officer and purchase two (2) patrol cars
- g. Implement On-demand Leaf & Limb Service
- h. Expand Economic Development Department
- i. Evaluate cost of conducting a 3<sup>rd</sup> Party Departmental Efficiency Audit
- j. Reinstate grant match and increase funding for City Council and Staff training
- k. Explore \$3M Tax Note for infrastructure upgrades, facility improvements, and capital equipment.

In summary, The FY25/26 budget cycle is well-underway. The task is arduous given the budget drivers listed above while balancing the needs of the community to provide services, improve infrastructure, and manage growth. We are still working on finalizing / prioritizing projects, verifying projected revenues / expenses, and actively evaluating cost savings opportunities to minimize the Y-O-Y spending. Taking out a Tax Note will help us address our short-term infrastructure needs but will increase our debt position. Contrary to popular belief, all municipalities have bonded debt and the city has maintained an S&P bond rating of "AA-Minus" for over a decade. An "AA-minus" is a high-quality rating indicating low credit risk and suggests that the issuer has a strong capacity to meet financial commitments. This rating is just one notch below the highest rating of AAA. Investors typically view AA-minus bonds as a safe investment option.

Going forward, we desperately need additional "large-scale" revenue. Over the past 3-4 years, we have recruited / identified multiple developers that could bring in between \$50-75MM in additional property value (revenue) if they would simply start (and complete) their projects. We are also working diligently to identify funding sources (i.e., USDA / TWDB / GLO-DRRP, CWSRF, grants, etc.) to help pay for the multimillion-dollar wastewater expansion needed to accommodate our long-term growth. The next Budget Workshop is scheduled for 5:00 pm on **Wednesday, August 20, 2025** at City Hall (317 Main). The main focus of this workshop will be to review FY25/26 revenue forecast and detailed department-level spending (i.e., Yellow Sheets), discuss the proposed tax rate, and decide whether or not to take out a \$3MM Tax Note. The public is welcome and encouraged to attend this workshop or watch the meeting via the city's [YouTube Channel On-Line](#). The DRAFT agenda and Budget Workshop #3 presentation materials will be available 5-7 days in advance of the meeting.

**10) City of Smithville Sales Tax Update** - Below are the sales tax allocations for August 2025 vs. August 2024 (retail sales made primarily in June). This data reflects RETAIL sales of goods and services subject to LOCAL sales tax. Our sales tax payment (receipt) for August was \$91,106. This represents a **3.38% INCREASE** in our net payment compared to the same time last year with a year-to-date increase of 7.40%. Since 2020, our annual sales tax receipts have increased 45%! As a reminder, sales tax dollars are used to make street / road repairs and help pay for community services like FIRE and POLICE. Remember...SHOP LOCAL - it makes a difference!!!

**Bastrop County Sales Tax Allocation - AUGUST 2025**

County/City	Current Rate	Net Payment This Period	Comparable Payment Prior Year	% Change	2025 Payments Year-To-Date	2024 Payments	% Change
Bastrop	1.50%	\$1,075,281	\$1,059,959	1.44%	\$8,771,476	\$8,394,500	4.49%
Elgin	1.50%	\$399,572	\$358,803	11.36%	\$2,937,476	\$2,710,761	8.36%
Smithville	1.50%	\$91,106	\$88,120	<b>3.38%</b>	\$644,889	\$600,436	<b>7.40%</b>
Bastrop County	0.50%	\$836,006	\$783,075	6.75%	\$6,378,271	\$5,856,128	8.91%

**11) Smithville Public Library Summer Reading Club (SRC) Finale and Raptor Program** – The Smithville Public Library held its Summer Reading Club (SRC) Big Finale party on Wednesday, July 16, 2025 from 10:00 a.m. – 2:00 p.m. at Riverbend Park. The FREE celebration of summer readers brings partners from the City of Smithville Parks crew, SVFD, Texas Parks and Wildlife, Scouting America, and Bastrop County Cares to provide a day of fun with water slides, train rides, crafts, and lunch in the park. Reading certificates were presented to all participants. Funding for the Finale was provided by the Friends of the Library, with partial support through a grant from the Union Pacific Foundation. Of the more than 200 people who registered for the SRC, 165 turned in their reading logs to qualify for attendance at the Finale event. There were approximately 185 people that attended the Finale and there were 90 in attendance for the afternoon raptor program (an educational close up look at birds of prey that the library hosts for the general public). These numbers do not mean nearly as much as the heartfelt comments that library staff received after the Finale. So many of the readers and families were VERY excited with how they spent their day at the Finale, how beautiful the Park was, and how special it was to get up close and personal with some beautiful birds. Kudos to the Library staff and all who volunteered to make this annual event a success. (SEE PHOTOS)

**12) City Council to Consider “On-Demand” Leaf & Limb Pick-up** – During last month’s budget workshop, a recommendation was made to the City Council to eliminate the \$10 monthly fee currently being charged to all customers for Leaf and Limb pick-up service. The \$10 fee was charged to offset the operational cost associated with picking up leaves and limbs and maintaining the city brush dump. Currently, city workers pick-up leaf and limbs within the city limits using a 4-man crew to operate a chipper truck and leaf machine via established routes. On average, the crews make between 50-75 stops per day. Alternatively, I suggested implementing an “On-Demand” Leaf & Limb service to IMPROVE EFFICIENCY and assign cost to those actually using the service. Citizens would submit customer service requests using SeeClickFix (SCF), the city website, and/or by calling City Hall with a targeted 7-day turn-around.

Initially, the recommendation was to charge a minimum fee of \$25 for picking up 4-cubic yards of leaves / limbs and vegetative debris. However, citizen input was that the minimum fee was too much. As such, the proposed new minimum fee has been reduced to \$15 with the fee larger loads based on the size of the load citizens want to be picked up (see CHART). No decisions have been made thus far as the Council and city staff are still navigating the FY25/26 budget process. If the decision is made to adopt an On-Demand Leaf & Limb service, the \$10 fee will be removed from all customer’s utility bill beginning October 1, 2025. This will be a topic for discussion during the next budget workshop scheduled for **Wednesday, August 20, 2025.**

**Smithville City Council Budget Workshop #3**  
Wednesday, August 20, 2025

**“ON-DEMAND” Leaf & Limb:**

- Eliminate** \$10 / month fee from all garbage customers beginning October 1, 2025.
- Implement** on-demand process via customer service requests (e.g., SCF, website, and/or City Hall). Target 7-day turn-around.
- Establish** Proposed Fee schedule:
  - Minimum = \$15 (4 cubic yards)
  - Large = \$75 (16 cubic yards)
  - Extra Large = \$125+ (# of truck loads)
- Avg. 50 requests / day @ \$15 could bring in **\$200-250k** in revenue.

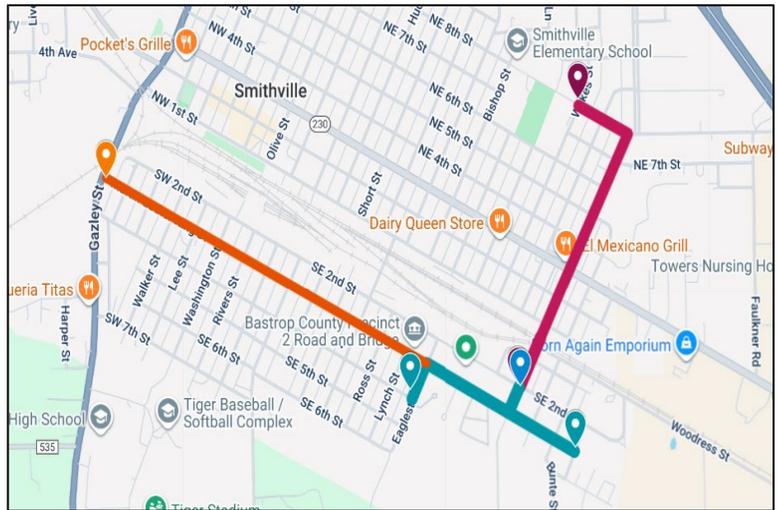


**DECISION POINT**

Option 1: Keep the Same  
Option 2: Bag/Bundle Only  
Option 3: On-Demand



**13) TXDOT Transportation Commission Awards City of Smithville \$1.8M for MLK Sidewalks** – In 2019, Smithville was awarded \$907,118 in total for a Safe Routes to School (SRTS) sidewalk that was intended to connect the Elementary School Campus to the sidewalks at SE 4th Street on the east side of town, straddling north and south of the Union Pacific Railroad tracks. This project would provide a safe route between the Primary School/Jr. High/Sr. High campuses, by connecting the sidewalks along SE/SW 4th Street and Washington Street with new sidewalks along Miller/Marburger and NE 8th Street to the Elementary School. The project proposed to only construct the sidewalk portions and to leave out the railroad segment along that route for an upcoming phase of construction. TXDOT required that we re-direct funds to the RR portion, which eliminated some of the sidewalks that would have linked Bunte Town along MLK from Hardemon to Eagleston. That project has stalled due to the lengthy processing time at UPRR. Engineering was at the 90% phase by 2022, except the railroad section. Construction has not yet begun because the railroad section has not gone entirely through the UPRR process yet, and currently engineering has backed down to 60% at that section due to the changes that have taken place in the interceding years. The City applied in 2021 and 2023 to regain those missing sidewalk blocks, but were denied funding. In the latest Transportation Alternatives (TA) call (2025), the City requested funds to construct those 9 blocks of sidewalks AND ALSO add the rest of the length of MLK Drive, which would effectively provide a safe route for people to walk from Hardemon to SH95. For this round, TXDOT removed that proposal from the general call, and decided it would be best to ADD the new segments of the project to the old SRTS project. We received word on August 5th that the TXDOT Transportation Commission has approved this change to the SRTS project. It blends the SRTS (100% grant) project and funding with that of the TA project (80% grant, 20% required match). The project total is \$2.7M including our \$359K match. We have been working for years to secure funding to construct a sidewalk on MLK that provides the community with a safe, ADA-compliant pedestrian route.



**Safe-Routes-To-School (SRTS) / Transportation Alternative (TA) Sidewalk Funding**

	Preliminary Engineering	PE-DSC	Construction	CE-DSC	Totals	Local Match	Federal Portion
Original AFA Amount	\$ 148,750.00	\$ 28,553.00	\$ 634,511.00	\$ 66,624.00	\$ 878,438.00	\$ -	\$ 878,438.00
Additional Funding	\$ 245,000.00	\$ 50,000.00	\$ 1,380,000.00	\$ 120,000.00	\$ 1,795,000.00	\$ 359,000.00	\$ 1,436,000.00
Total Awarded	\$ 393,750.00	\$ 78,553.00	\$ 2,014,511.00	\$ 186,624.00	\$ 2,673,438.00	\$ 359,000.00	\$ 2,314,438.00

**14) City Council to Consider Entering Into Project Development Agreement for Wastewater Expansion** – Representatives from [reUse](#), [Energy Systems Group \(ESG\)](#), and [Unity Water Solutions](#) will present to the City Council a proposed path forward for upgrading Smithville’s Wastewater Treatment Facilities on Monday, August 11, 2025. This proactive strategy addresses previously discussed concerns related to aging infrastructure, capacity limitations, and regulatory compliance—positioning the City for long-term, sustainable growth. The presentation will cover:

- **Project Delivery Strategy:** A single-source, design-build model using the [Sourcewell](#) contract (cooperative purchasing program) with ESG, including new [MBR](#) treatment facilities at Willow and Gazley, full lift station replacements, trunk line upgrades (Lines 1–4), and full project management under a guaranteed maximum price.
- **Project Roadmap:** An overview of next steps, including execution of a Project Development Agreement (PDA), stakeholder feedback, engineering review, and key design milestones at 30%, 60%, and 90%.
- **Financial Strategy:** Funding options will be presented, including potential state and federal programs, with a 120-day rate study to support long-term financial planning.

This will be an agenda item for discussion and action during the **August 11, 2025** City Council Meeting. This initiative reflects Smithville’s commitment to smart infrastructure investment, cost-effective project delivery, and strategic planning required to manage future growth as it relates to our long-term wastewater infrastructure needs.

**15) BCAD Certified Values Received / FY25-26 Ad Valorem Tax Rate PROPOSED** – The City of Smithville received the 2025 CERTIFIED property values from the Bastrop County Appraisal District (BCAD) on 7/24/25. The total assessed property value (net taxable minus exemptions) for Smithville in 2025 is \$469,693,841. This represents an 0.72% **DECREASE** (\$3,418,252) over last year’s net taxable value of \$473,112,093. The average SF1 residential home taxable value **DECREASED** from \$257,902 to \$251,837 (-2.35%). The number of residents who qualify for the Over-65 tax exemptions (i.e., homestead, disabled, tax freeze) **INCREASED** from 464 to 500. This equates to a loss of property tax revenue of approximately \$154k to the City with an average savings of \$308 per qualified over-65 eligible resident. The FY25/26 “No-New-Revenue Tax Rate” (NNR) is \$0.624443. The NNR tax rate is the tax rate that would generate the same amount of revenue in the current tax year as was generated by a taxing unit's adopted tax rate in the preceding tax year from property that is taxable in both the current tax year and the preceding tax year. The “Voter-Approval Tax Rate” (VAR) is \$0.678806. The VAR is the maximum increase the City can raise taxes in a given year without triggering a rollback election. The strategy the city has followed in the past is to identify the maximum tax rate allowable (i.e., the VAR) without triggering the possibility of a rollback election, then decide the amount of increase (if any) that is required to support the proposed budget. To this end, we will be recommending a **PROPOSED AD VALOREM TAX RATE of \$0.678806 cents per \$100 valuation** --- a 15.26% increase from our current tax rate of \$0.588952. This will help address the over-65 shortfall in the future and allow the necessary revenue to develop a balanced budget. The City Council will have the opportunity to discuss and vote on the final adopted tax rate in the coming weeks. In the interim, the City will publish the Notice of 2025 Proposed Property Tax Public Hearing in the Austin American Statesman and Bastrop Advertiser. This will be an agenda item during next Monday’s Council meeting and part of the discussion and action to set the Ad Valorem Tax Rate at the **September 8, 2025** council meeting and public hearing on the budget. Note: This agenda item simply sets the date that the tax rate will be adopted - not the rate itself.

**BCAD Property Valuation & City Tax Rate Comparison**

Year	Assessed Valuation	% Change in Value	Avg Home Value	Avg City Tax Paid	M&O Rate	I&S Rate	Total Tax Rate	% Change
2025	\$469,693,841	-0.72%	\$251,837	\$1,709	\$0.433480	\$0.245326	\$0.678806	15.26%
2024	\$473,112,093	4.78%	\$257,902	\$1,519	\$0.361372	\$0.227580	\$0.588952	7.29%
2023	\$451,537,121	14.45%	\$236,410	\$1,298	\$0.376543	\$0.172400	\$0.548952	0.004%
2022	\$394,511,444	20.20%	\$208,432	\$1,144	\$0.383085	\$0.165893	\$0.548930	-0.01%
2021	\$328,207,972	12.44%	\$186,277	\$1,023	\$0.419400	\$0.129600	\$0.549010	0.002%
2020	\$291,892,810	6.06%	\$170,086	\$934	\$0.446627	\$0.102434	\$0.549000	-3.52%

**16) Over-65 Tax Freeze Exemption Impacting FY25/26 Tax Rate and Budget** – The City Council passed Ordinance #2021-613 on November 8, 2021 to “freeze” future property taxes for those property owners with residential homestead exemptions who were/are 65-years of age or older. The law requires the appraisal district to update a homestead application to an over-65 category when they have the date of birth in their computer system and the applicant has reached the age to qualify. This was not the case when the Smithville City Council passed the over-65 tax freeze in 2021 and implemented in 2022. Eligible property owners had to file with BCAD for the qualified exemptions. In 2023, the number of property owners in Smithville who were over-65 was thirty-seven (37). On January 1, 2024, the number of over-65 eligible property owners jumped from 37 to 464 due to → [HB-4077](#) passed during the 88<sup>th</sup> Texas Legislative session. The 2025 certified tax roll now shows another increase in property owners who are over-65 (464 to 500) that either qualified automatically by age on a prior application or have made a new application becoming eligible for both the over-65 homestead exemption (\$10k) + the tax freeze. This has created a property tax (revenue) shortfall of approximately **\$154k** against the FY25/26 budget as each of the property owners that are over-65 will now be receiving an average \$308 exemption in 2025. The current BCAD property values (and lowering the tax rate last year) exacerbated the problem. To this end, the city staff is diligently working on finalizing / prioritizing projects and verifying projected revenues / expenses as necessary to help offset the revenue shortfall.

**17) City Council to Consider \$3M Tax Note to Supplement the FY25/26 Budget** - During a Special-Called City Council meeting and budget workshop held on Wednesday, July 23 2025, the City Council directed the City Staff to explore the potential for issuing a \$3M Tax Note. A Tax Note is one of several municipal debt instruments (e.g., Certificate of Obligation, Revenue Bonds, etc.) that a city may sell to finance the construction of public works, purchase capital equipment, or improve facilities. Tax Note expenditures must be made within 3-years of issuance, generally. The maximum term is 7-years at a fixed interest rate and the debt is typically repaid with property taxes from the I&S portion of the debt service but can be repaid from other sources (e.g., utility revenues, etc.) at the discretion of the City. The \$3M Tax Note is being structured as follows: 1) - \$2M against the General Fund to allow the purchase of capital equipment (e.g., patrol cars, SVFD / PD radios), infrastructure improvements (e.g., water, sewer, electric, roads, and sidewalk repairs), and facility upgrades (e.g., AV system, playground equipment); and 2) - \$1M against the Utility Fund to pay for wastewater system upgrades (i.e., repairs at Gazley WWTF and our city-wide lift stations) or to cover the 10% grant match for \$10M in GLO-Disaster Recover Re-Allocation Program (DRRP) grant funding for our future wastewater treatment facility expansion. Repayment of the Utility Fund portion of the proposed Tax Note will require funding from a dedicated source (i.e. FEE). This would equate to a \$6.35 charge / month per utility customer for the next 7-years (approximately \$76 per year / customer). **Andrew Friedman** (Senior Managing Director of Public Finance from SAMCO Capital) will be making a presentation to the City Council on Monday, August 11, 2025. Mr. Friedman will be providing information regarding the different debt instruments available to municipalities and a detailed overview of the proposed Series 2025 \$3M Tax Note to include reviewing our bond rating, amortization schedule, timeline, and next steps. I would like to emphasize that **no decision has been made at this time** regarding issuance of the proposed \$3M Tax Note. This will an agenda item for discussion and action during next Monday's City Council meeting.

There are several events in Smithville scheduled for the next few weeks:

The next SMITHVILLE CITY COUNCIL meeting will be held on **Monday, August 11, 2025** (6:00) pm at City Hall (317 Main). Citizens can access the meeting via the City's [YouTube Channel](#). Click → [HERE](#) for agenda and council DATA packet.

BUDGET WORKSHOP #3 – **Wednesday, August 20, 2025** at City Hall from 5:00-10:00 pm. Citizens can access the meeting via the City's [YouTube Channel](#).

The CHAMBER OF COMMERCE MONTHLY MIXER will be hosted by FROST BANK on **Thursday, August 21, 2025** from 5:00-7:00 pm at the Smithville Recreation Center (located at 106 Royston).

The next [Quarterly Chamber Luncheon](#) will be held on **Wednesday, August 27, 2025** from 11am-1pm at the VFW Post 1309 (557 NW Loop 230). The keynote speaker will be Dr. Molly Perry (SISD Superintendent). A catered lunch is included with your \$30 ticket. Register online at [www.smithvilletx.org](http://www.smithvilletx.org) or call 512-237-2313.

CITY OFFICES will be CLOSED on **Monday, September 1, 2025** in observance of Labor Day.

P&Z MEETING will be held on **Tuesday, September 2, 2025** at City Hall (6:00 pm).

PUBLIC HEARING and BUDGET WORKSHOP #4 – **Wednesday, September 3, 2025** at City Hall from 5:00-10:00 pm. This will be our FINAL FY25/26 BUDGET WORKSHOP. There will also be and PUBLIC HEARING on the FY25/26 TAX RATE. Citizens are encouraged to attend in person or they can access the meeting via the City's [YouTube Channel](#).

Please let me know if you have any questions or need additional information. r/

-- ROBERT --

SISD Back-to-School Bash (school supply giveaway) @ MLK Park



Small Drainage Project on NE 7<sup>th</sup>



VFW American Flag Drop-Off Box



TXDOT Rip Rap FM2571 / Gazley Ck.



SPL Summer Reading Club Finale and Raptor Exhibit @ Riverbend Park



Water Gun / Water Balloon Fun Day @ MLK Park



Smithville Little League (SLL) Concession Stand / Batting Cage @ Dennis Walker Little League Park



Smithville Volunteer Fire Department Mutual-Aid Response to Structure Fire @ 201 Harris St



Smithville Career Tracks / Innovation Center Construction – 404 Fawcett Street

