COUNCIL MINUTES
August 25, 2026

Stratford City Council met in regular session with Mayor Pro-Tem Joe Zak presiding and the following:

Council: Michael Hood, Misti McBryde, Ray Lermon, Brad Reed
Interim City Manager: Eddie Edwards
City Secretary: Kathy Rendon
Police Chief: Richard Coborn
PW Supv: Tracie Bogart
ACCE Officer: Kristin Elam

Guests: Kathy Allen, Jack Cochran, Ann Wells, Nora Wells, Jim Bob Brown, Katelyn Salcido

Call to Order, Pledge of Allegiance, Invocation

The meeting was called to order at 6:00 pm, followed by the Pledge of Allegiance and a prayer.

Consent Agenda Items

a. Minutes from July 28, 2026 and August 11, 2026
b. Accounts Payable Open Items Register
c. Fiscal Year to date Financial Statements

Motion to approve the consent agenda was made by Ray Lermon and seconded by Misti McBryde. The motion carried unanimously.

Council Business

a. Consider and take appropriate action for livestock permit request for 519 S. Spruce

Council considered a livestock permit request for 519 S. Spruce. It was noted that the property's new occupant had recently moved in and that livestock had been kept on the premises previously. The property is approximately one acre. The applicant indicated that the immediate plan is for two goats, with future intentions to construct pens for horses using panels. The permit list was clarified to reflect animals that would not all be present simultaneously.

Motion to approve the livestock permit request for 519 S. Spruce was made by Brad Reed and seconded by Ray Lermon. The motion carried unanimously.

b. Consider and take appropriate action regarding Stratford Area Foundation grant funds for park restrooms stipulation(s)

Council discussed the Stratford Area Foundation grant for park restrooms, with a primary focus on addressing past vandalism concerns at the site. A foundation member noted that the grant approval had been conditioned on the installation of security cameras, referencing prior vandalism of the existing structure. The City Manager confirmed that the proposed FY 2026–2027 budget includes sufficient funds for a security system, including cameras. Council expressed broad support for the investment and discussed complementary deterrents such as alarms and signage. Michael Hood expressed his enthusiasm for the project, noting the importance of providing

citizens with safe and well-maintained recreational facilities. The foundation representative offered use of a privately-owned barn across the street as a potential camera mounting location. It was noted that final drawings and renderings would be shared with Council upon completion.

Motion to approve the Stratford Area Foundation grant funds for park restrooms with the stipulation that security cameras be installed was made by Michael Hood and seconded by Brad Reed. The motion carried unanimously.

c. Conduct PUBLIC HEARING on the FY 2026-2027 Budget

The City Manager opened the public hearing at 6:13 pm on the FY 2026–2027 operating budget, confirming that all statutory requirements had been or would be satisfied with the completion of the public hearing. He presented the following budget summary:

- **Total proposed revenues:** $3,356,750
- **Total proposed expenditures:** $3,004,995
- **General Fund:** $1,684,445 (balanced)
- **Utility Fund:** $1,462,060 (balanced)

The City Manager noted that revenues are projected to exceed expenses in three funds: the hotel/motel fund ($30,900 in revenue, $1,000 in expenses), the cemetery fund ($950 in revenue, no planned expenses), and the IMS fund, which also carries a balance generating interest income. Three funds are projected to have expenses exceeding revenues: the technology fund ($8,850 in revenue, $7,000 in expenses, held as a discretionary reserve for court technology needs), the narcotics fund (approximately $6,000 in revenue, with a $59,000 fund balance to be drawn upon as allowable), and the sales tax corporation fund ($150,500 in revenue, $263,500 in expenses), the shortfall in the latter attributable entirely to the incentive agreement with the Cobblestone Hotel.

Discussion turned to the status of the Cobblestone Hotel project. Council inquired about the anticipated opening date and the timeline for tax revenue generation. The City Manager explained that the city has agreed to rebate the hotel's property taxes and sales taxes for five years following opening. Based on information from a local contractor, Council estimated the hotel would likely open in September or October of the following year, potentially falling into a subsequent budget cycle. The hotel motel tax rate was briefly discussed; it was noted the city may be at or near the state maximum of 7 percent, and that the hotel motel tax had not been included in the incentive rebate agreement.

No public comments were recorded. The public hearing closed at 6:15 pm.

d. Consider and take appropriate action to adopt Ordinance O-2026-0825 in support of FY 2026-2027 operating budget

Prior to the formal motion, the City Manager provided important context regarding the tax rate. He acknowledged an error in his earlier interpretation of a determination letter received from the appraisal district. The letter, which related to a failure to file a timely audit for the FY 2025 tax year, had been understood to prohibit the city from adopting a tax rate greater than the no-new-revenue rate for the current year. After consultation with the City Secretary and TML legal counsel, it was clarified that the restriction applies to tax year 2027 (the budget beginning October 1, 2027), not the current year. This means the Council retains the option to adopt a higher rate for this budget cycle.

The City Manager recommended proceeding with the no-new-revenue rate, citing the General Fund's strong reserve position of nearly 12 months of operating expenses, the ability to establish a second revenue stream through a budgeted transfer from the Utility Fund to the General Fund, and the desirability of lowering the tax rate given high appraisals. Council members concurred, expressing a firm position against raising the tax rate and noting the importance of directing financial pressure toward the utility fund, which has operated at a loss for several years.

Motion to adopt Ordinance O-2026-0825, making appropriations in support of the general operation of the City of Stratford for the fiscal year beginning October 1, 2026 and ending September 30, 2027, on final reading, was made Brad Reed and seconded by Misti McBryde. The motion carried unanimously.

e. Consider and take appropriate action on the FY 2026-2027 Salary Schedule

The City Manager presented a proposed revision to the salary schedule, recommending a transition from the existing 13-step schedule—which he noted contained inconsistencies and overlapping steps—to a new 10-step schedule. The revised schedule maintains the same entry-level base rate, with a uniform 2.5 percent increase between steps for most classifications. Key changes include:

- **Office/non-certified staff (Step 1 & 2):** 2.5 percent between steps.
- **Police Officers:** The prior schedule increased by only $0.50 per hour per step (approximately 1.71–0.8 percent), which the City Manager noted was likely below market and may contribute to officer turnover after two to three years. The new schedule proposes a 3.5 percent increase between steps to improve retention. The Police Chief confirmed current staffing includes one officer just out of their first year, one at six months, and one starting imminently.
- **Supervisory and Administrative Staff:** The top administrative step previously increased by $2.50 per step (over 5 percent), which the City Manager considered excessive; this has been reduced to 2.5 percent.

The City Manager noted the revised schedule would result in approximately $19,000 in savings compared to the prior schedule. Council expressed support for the 10-step proposal.

Motion to approve the FY 2026-2027 Salary Schedule as proposed was made by Michael Hood and seconded by Brad Reed, The motion carried unanimously.

f. Consider and take appropriate action to introduce Ordinance O-2026-0922(a) setting the Tax Rate for 2026

The City Manager presented the proposed tax rate for 2026. Consistent with the discussion under item 3d, the recommendation was to adopt the no-new-revenue rate, which represents a reduction of approximately 6 to 8 cents from the prior rate of approximately $0.82. The proposed combined rate (M&O and I&S) is $0.74659 per $100 of assessed valuation—a reduction of approximately 7.23 percent from the prior year's rate.

The City Manager noted this rate would generate approximately $1,020,000 to $1,035,000 for the General Fund, consistent with current year collections. He noted the city remains at approximately 50 percent of the legally allowable maximum rate of $1.50 and projected the rate could fall into the low $0.70 range in subsequent years as valuations increase.

Motion to introduce Ordinance O-2026-0922(a) setting the Tax Rate for 2026 at $0.74659 per $100 valuation was made by Ray Lermon and seconded by Misti McBryde. The motion carried unanimously.

g. Consider and take appropriate action to introduce Ordinance O-2026-0922(b) setting fees and charges

The City Manager presented a redlined fee schedule for introduction, noting that proposed changes are highlighted in red and that revisions may still be made prior to final adoption at the end of September. He summarized the proposed changes by category:

Animals: Proposed changes include elimination of the dog/cat license fee (which Council confirmed had already been informally discontinued due to lack of compliance), an increase in the special permit fee for excess animals from $20 to $25, an increase in the daily shelter fee from $3 to $7, an increase in the euthanasia fee from $20 to address the high cost of drugs, an increase in the surrender fee to $50, and an increase in the rabies shot fee to $15. The City Manager indicated he had not yet reviewed these changes with staff and welcomed feedback before final adoption.

Buildings and Structures: Inspection fees proposed to increase from $15 to $25.

Streets and Sidewalks: The per-square-foot fee for cutting into asphalt is proposed to increase from $2.50 to $3.50, and from $2.00 for dirt/gravel surfaces. Sidewalk permit fees are proposed to increase by $5. The City Manager acknowledged the asphalt fee still likely does not fully cover costs.

Zoning: A $50 increase on variance application fees and a $30 increase on the street name change fee were proposed; Council directed that the street name change fee be removed from the schedule entirely, as it was not considered a necessary provision.

Business Licenses/Permits: Discussion clarified that the existing fee schedule for peddlers, solicitors, and transient vendors applies to mobile or non-permanent businesses and is not a general business license applicable to brick-and-mortar establishments. No changes were proposed to those fees. A broader conversation emerged regarding the city's ability to regulate the types of businesses that may open in town; it was noted that such oversight would need to be addressed through zoning ordinances rather than the fee schedule.

Water and Sewer: Utility consumption fees previously adjusted in July were codified. A modest increase to the 2-inch tap fee was proposed to address a cost shortfall identified by Public Works staff.

Recycle Center: Modest fee increases were proposed for materials drop-off, structured as a range based on load size given the absence of a scale. The City Manager acknowledged that fees are unlikely to fully offset the cost of roll-off services (approximately $700 per pickup) and that the shortfall would need to be absorbed elsewhere.

Council discussion also touched on the potential to formalize and promote document shredding as a fee-generating service at the recycle center, particularly for local businesses. The City Manager indicated this could be added to the list of items for further review.

Motion to introduce Ordinance O-2026-0922(b) setting fees and charges was made by Ray Lermon and seconded by Brad Reed. The motion carried unanimously.

h. Consider and take appropriate action on DOT Safe Roads Initiative compliance for downtown

The City Manager presented a compliance plan for the DOT Safe Roads Initiative, which requires 12-inch white painted lines on each side of designated crosswalks at downtown intersections. He noted that TxDOT had been pressing the city for a plan, and that visual aids including before-and-after aerial renderings of each affected intersection had been distributed to Council.

The plan addresses four downtown intersections. At most locations, the lines can be painted on existing concrete, with limited painting required on red decorative brick where crosswalks cross those surfaces. At the primary intersection of 3rd and Main—which has handicap access on all four corners and an existing double row of gray brick delineating crosswalk edges—Council discussed whether to paint the gray brick directly or paint the red brick just inside the gray border. Council directed that the lines be painted on the gray brick at that intersection for visual uniformity. The City Manager noted that some of the red brick sections affected are scheduled for eventual replacement anyway, minimizing concerns about paint affecting long-term aesthetics.

It was confirmed that not all approaches at all intersections require markings, as some lack existing handicap access designations. No new crosswalks were proposed as part of this action.

Motion to approve the proposed painting of the crosswalks in accordance with DOT Safe Roads Initiative compliance requirements was made by Michael Hood and seconded by Misti McBryde. The motion carried unanimously.

City Manager Report

The City Manager reported that departmental operations are proceeding smoothly. He noted that financial reporting has been moved into the consent agenda going forward. He expressed relief at completing the budget process and indicated readiness to move on to other priorities.

Executive Session

Council convened into closed session at 6:54 pm in accordance with Government Code §551.074 to deliberate regarding a compensation package for the position of city manager.

Council reconvened into open session at 7:22 pm following executive session.

Citizen Comment Period

A brief informal discussion occurred following the return from executive session regarding a reported Samsung solar farm project. It was noted that Samsung has secured approximately 1,600 acres along County Road W, and that the Judge, a Commissioner, and City staff were scheduled to meet with the company's representatives. The exact location within the county (east or west precinct) had not yet been confirmed. This matter was discussed informally and no action was taken.

Items from the Council

Ray Lermon raised a question of the availability of a street assessment report. The City Manager acknowledged the question and indicated that a street assessment could potentially be initiated in the fall, noting that staff had been occupied with other priorities in recent weeks.

Joe Zak expressed his appreciation for all of the work being done by the City. He also noted weed growth that needs to be addressed.

Adjourn

There being no further business, the meeting was adjourned at 7:26 pm with a motion made by Brad Reed and seconded by Misti McBryde.

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Joe Zak, Mayor Pro-Tem

Attest:

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Kathy Rendon, City Secretary