

BUDGET WORKSHOP, THURSDAY AUGUST 10, 2017, 5:30 P.M.

The City Council met for a budget workshop on Thursday, August 10, 2017 with the following members present: Mayor Pro Tem Robinson, Council Member Rivas, Council Member Lee and Council Member Gonzales; City Manager Squyres and City Secretary Raines. Mayor Diaz and Council Member Garcia absent due to work.

Mayor Pro Tem Robinson turned the meeting over to City Manager Squyres.

City Manager Squyres reported that as of now we did not have a certified tax roll from the Appraisal District, that this proposal was based on estimates and discussed the following items:

Stating that they might recall that on July 18th we had a workshop featuring TML Health Insurance Risk Pool and at the time we mentioned one of the problems with our current insurance company and broker is that we receive the renewal rates too late. When we finally did get those rates this year, they were shockingly high, 26%. He advised that this budget proposal included a 15% increase over current rates as a placeholder while we are working to find a workable solution.

He advised that with the state legislature back in session we are faced with a little of a dilemma, there are currently two dangerous proposals that have traction and will negatively impact our city.

- 1. Revenue Caps – 4 to 6 percent before being mandated to conduct a roll back election.**
- 2. Expenditures Cap – 4 percent each year.**

He discussed the following concerns:

- A. Cost of many items used by cities tend to increase at well above the various inflation indexes. Medical Supplies & Pharmaceuticals, Specialty Equipment for Police, Animal Control, Water and Sewer Operations all tend to escalate at hyperinflation rates.**

B. Health Insurance rates have historically exceeded that 4% rate every year that he could recall for the last decade.

That currently, this proposal includes a projected increase in property tax revenue of 5.77% derived from increased property values not increased rates.

The current state law allows for a maximum of 8% and some cities are considering maxing out the increase to buffer what they fear may happen in Austin.

Garbage Fees – He advised that as allowed by contract our fees are going up by the inflation index rate of 3.25%. During last year’s budget workshop it was suggested that the cost of this service (Residential) would be gradually shifted to a strictly user fee bases system, that currently the city contributes about 30% of this fee and last year we increased the fee by \$2.50 and this budget proposal repeats that again this year.

Water Rates – He stated the water fund had been a challenge for decades and this year is no exception. Over the last couple of years, we found creative ways to avoid increasing the water rates and it looks like we can sustain that position again this year but he did however recommend that from this point forward we pass along all rate increases from the City of Houston.

He discussed the following cost reductions:

- 1. Consumer use and the number of leaks has decreased due to lots of new water lines.**
- 2. Proposal to make a revision from 25 million to 23 million gallons per day and pumping every drop we can from our own water wells, that the 23 million was slightly more than our historical usage.**
- 3. New TXU Contract created a large savings on power**
- 4. Reduction in Worker’s Comp Insurance of \$42,000.**

Mr. Squyres discussed the following Capital Projects:

Police Station – He discussed the amount that had been paid to date and that \$2,387,430 was budget in this budget.

Fire Station – He advised that the cost on the Fire Station had increased from \$500,000 to \$700,000 for Council approval and we could request RFP in October.

Pool & Pool House – He stated that the project was divided and Reflected contracted construction prices.

**He advised that the next item was an optional project –
Electronic Signs \$33,000 if power is on site.**

Roads:

He advised that next spring Commissioner Morman's office has committed to spend \$500,000 on paving projects on residential streets. When we met with his staff we proposed signing a MOU with them in order to take advantage of the funding that we budget for paving and because of the scale of the county contract they get about 30% more paving done for each dollar spent and if council is in agreement we can pave more roads for less money.

Pay Scale:

He advised this proposal includes a 3% potential pay raise available to all employees other than those with poor evaluation.

He stated that his initial cost was to include a 5% raise for the majority of hourly employees but the issue of health insurance caused him to back away from that and once we determine the cost of health insurance we could reevaluate.

He stated that sadly, many employees will discover that most, if not all, of their 3% raise will go toward their portion of health care.

City Manager Squyres went over the proposed budget for 2017/2018 starting with the overall revenue and expenditures explain the increases and decreases. He discussed Departments 10 through Department 16, outlining the increases and decreases in line items as well as the proposed Capital Outlay.

The budget workshop was adjourned at 6:00 p.m. due to regular council meeting.

COUNCIL MEETING, THURSDAY AUGUST 10, 2017, 6:00 P.M.

The Mayor and City Council met in regular session on August 10, 2017 at 6:00 p.m. with the following members present: Mayor Pro Tem Robinson, Council Members Rivas, Lee and Gonzales; City Manager Squyres and City Secretary Raines. Mayor Diaz, Council Member Garcia Absent due to work and City Attorney out of State.

The meeting was opened with Prayer and the Pledge of Allegiance.

A motion was made by Council Member Lee and seconded by Council Member Gonzales to approve the minutes as presented. Vote 3 For 0 Against

DEPARTMENT HEAD REPORTS:

Chief Ayala stated they were working on unhealthy conditions in the city, that we were issuing summons on repeat offenders to appear in court and if they don't appear, warrants will be issued, He stated that we try to work with the community but there are ongoing situations so now they will have to go to court.

He advised that we had four vehicles pending for seizure.

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He stated that school would be starting soon, please watch out for the children.

He reminded everyone that we were getting ready for National Night Out Which would be the first Tuesday in October and anyone interesting in hosting a party to please contact the police department-

Chief Mier had lost her voice and had no report at this time.

Kyle Reed, Public Works Director, commented on the project the County did on Market Street in front of the police station, that it was complete and they did a good job but we lost one of our trees. He advised that they would be spraying for mosquitoes as soon as it stopped raining.

Ivan Rojas advised that they had movie night on 7/29/2017, it was well attended and a gentleman named Raymond donated \$100.00 for popcorn and punch for everyone. He also announced that the Beauty School would be giving free hair cuts to kids returning to school on Saturday, August 11th from 9:00 a.m. to 12:00 noon at the gym and that they had broke ground on the swimming pool, the baby pool was gone and they were demolishing the big pool.

Elizabeth Flores, Heritage Hall Director advised that they served 47 seniors today and that 25 seniors participated in the Food Bank Program.

Ms. Avezuela from the Jacinto City library reported that their summer reading program was over and it was a great success. She stated that they had a lot of activities going on at the library, August 21st was the partial solar eclipse, they would be having snacks and would have glasses as long as the supply lasted if anyone would like to join them.

Mayor Pro Tem Robinson stated that he did not have a report at this time.

City Manager Squyres advised that he would be attending a TML Region 14 meeting this weekend.

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He announced that the Fire Chief and the library was going to do a Farmers Market in the Plaza at Town Center in November and there would be more on this at a later date.

There was no Unfinished Business.

NEW BUSINESS:

- 1. Discussion on waiving animal registration fees for Altered Animals.**

City Manager Squyres stated that Council Member Robinson had approached him about the possibility of waiving animal registration fees for altered animals so we had placed it on the agenda for discussion.

Mr. Squyres advised that the city would only loose about \$500.00 a year, that he had talked with Eric, the Humane Officer about this and he thought it would be a good thing.

Lon advised that the spay and neuter program was scheduled for October the 7th at Town Center.

There was general discussion concerning this matter,

City Attorney DeFoyd stated that he could revise the present ordinance.

PUBLIC COMMENTS:

Maria Cortez, 1723 Kerby, stated that she and her sister greatly appreciate all the donation that had been made for the band, that they now have their truck and it has been wrapped. She advised that they have 50 freshmen coming into the band this year and after 17 years, they are getting new uniforms.

She advised that they were going to have a Walk-a-thon and would appreciate any donations for that. She also stated that they needed part time volunteers to drive the equipment truck.

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COUNCIL COMMENTS:

Council Member Rivas ask Chief Ayala about unhealthy conditions and who the letters were sent to.

Chief Ayala advised the person on the Lease or the property owner.

Council Member Rivas stated that he thought the owner should be notified so he could use the information to get the person out of the house if he needed to.

Chief Ayala stated it would be good to send a letter to the property owner as well.

City Manager Squyres advised that when they move out, we get left hold the bill for anything over the deposit and we were going to be coming to council about a higher deposit and we think that will help.

Mr. Squyres advise them they would see a lot at TML Conference and ask that they please look at radio control meter readers.

Council Member Rivas stated that he was glad to see work being done on the pool and he hadn't heard any complaints about mosquitoes.

Mayor Pro Tem Robinson advised that they were going to be getting the new roof on the pool house as soon as weather permitted.

He talked about the gentleman from the house on Serpentine stating that he would pay all the expense the city incurred in cleaning up the property so the city would not be out any money on it.

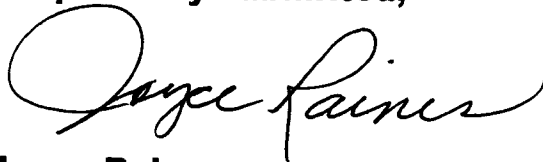
Council Member Lee advised every to enjoy the rest of the week and be safe.

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Council Member Gonzales ask Ms. Cortez for more information on volunteers to drive the equipment truck for the band and was advise that they would be paid a small amount and gave a name and phone number for the individual to call if anyone was interested.

Mayor Pro Tem Robinson adjourned the meeting at 7:05 p.m..

Respectfully submitted,

A handwritten signature in cursive script that reads "Joyce Raines". The signature is written in black ink and is positioned above the typed name and title.

**Joyce Raines
City Secretary**