

**BUDGET WORKSHOP, TUESDAY, AUGUST 15, 2017, 6:00 P.M.**

**The Mayor and City Council met for a budget workshop on Tuesday, August 15, 2017 at 6:00 p.m. with the following members present: Mayor Diaz, Council Members Robinson, Lee, Garcia and Gonzales; City Manager Squyres and City Secretary Raines. Council Member Rivas absent.**

**Mayor Diaz turned the meeting over to City Manager Squyres.**

**City Manager Squyres stated that since some of the members were not here for the first budget workshop he would go back and recap what we had gone over before. He advised that we had not yet received a certified tax roll from the appraisal district and had no insurance rate yet. He stated that with the estimates we had in the budget for those items, which he felt were realistic estimates, income less expenditures in general fund was \$291,081.**

**He explained that the budgeted item in each department for insurance was not as bad as it looked, that this figure was what we paid Blue Cross Blue Shield and a portion of it was paid by the employees that carried dependent coverage, that we had no way on our system to separate the figure.**

**He advised that most departments were pretty much the same, that the budget allowed for a 3% increase and for employees carrying dependent insurance coverage, most of it would be consumed by the increase in the insurance rate.**

**He discussed Department #25 – Capital Outlay, stating that we had budgeted \$2,387,430 which was to complete the police station. He advised that the fire station renovation had increased from \$500,000 to \$700,000. He stated that the swimming pool was \$1,200,000 and the pool house was a separate item at \$120,000. He discussed an optional project of electronic signs at \$33,000.00 each.**

**He stated that in Department No. 19, Mr. Reed had budgeted \$150,000 in street repairs and had come back and he explained that he and Kyle**

**had met with Commissioner Morman's office and they had committed to spend \$500,000 on a paving project on residential streets in the early spring and when they met with his staff they 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 the council was in agreement, we could pave more streets for less money.**

**He discussed Garbage Fees, stating that as allowed by our contract our fees are going up by the inflation index rate and during last years budget workshop it was suggested that the cost of this service would gradually be shifted to a strictly user fee bases and the fee was increased by \$2.50 and this proposed budget repeats that again.**

**He stated that the water fund had always been a challenger and this year was the same but we had been able to come up with ways to avoid increasing the water rates again this year by negotiating with City of Houston to decrease the amount of water we purchase from 25 million gallons a month to 23 million gallons and pump as much as we are allowed from our own wells but he feels that the increase we get from City of Houston in the spring should be passed on to the customers.**

**Mr. squyres stated that another expenditure that was discussed was that we put a Tommy Lift on one of the trucks at a cost of \$2,700.**

**Mr. Squyres stated that it was hard to project a tax rate when we had not received the certified roll but it looked like we would collect more tax money this year derived from increased property values not increased rates.**

**Council Member Garcia ask about insurance rates and Mr. Squyres could not give her figures at this time, stating that Blue Crosse came in with a 26% increase and we were trying to come up with a policy as close as we have now but we might have to do something now as time**

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**is running out and we can always go cancel the policy, that it depended on a lot of things.**

**He stated that our contract with TXU made a significant impact on what we had previously been paying for power and our sales tax revenue had doubled.**

**Council Member Garcia ask about capital outlay item in Department 11, repair to generator transfer switch and wiring and Lon explained that there was no kill switch put on the generator when it was originally installed and explain why we had to have the switch.**

**Mayor Diaz ask about the Christmas Decoration for city hall and ask about increasing that about to \$3,500 stating that they were in bad shape, She discussed the outside decorations as well as the decorations in the lobby not being lighted and was advised that we did not have electric outlet for this in the lobby.**

**Mayor Diaz stated that she knew that we were very busy during the month of December and she had some volunteers to decorate our tree for us this year. There was discussion about replacing the tree at city hall with a commercial grade tree.**

**There was discussion about place an electronic sign at Holland and Lon advised that if we did that, we would also have to put power there, that we had one breaker there but it was going to take two and the signs usually run about \$33,000 now.**

**Council Member Gonzales stated there was discussion on the solar lighting of the stars on the monuments at Holland and Mercury last year and City Manager Squyres stated that we found a solution and we think we are ok.**

**Council Member Lee ask about new signs for the entries to the city and there was discussion on this as well as school signs.**

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**Council Member Gonzales ask about Department 19, line item 6865 Traffic signs/school signs and down below in Capital Outlay School Crossing – Special Fund, he knew that they had talked about the flashing lights.**

**City Manager Squyres stated that what the special fund down there was, a solar powered flashing school zone sign and this comes out of the Child Safety Fee we receive from citations. It was discussed that this covered one sign coming off the high road into Jacinto City.**

**There was discussion on how far we could place signs from a school, City Manager Squyres stated that he could do some research and let them know.**

**Mayor Diaz stated that city hall needed a new refrigerator and did we budget for that. Mr. Squyres stated that he did not, and she stated that fridge was bad, that she and Gregg had talked about it last year at National Night Out. Lon stated that he agreed, if we can't do it now we would do it first think in the new budget. Mayor Diaz stated the micro wave was not in good shape either.**

**Council Member Garcia stated that on Department 25 Lon had ask about comments on Capital Outlay Items and about two or three years ago, they had talked about getting some waterline on the north side of the city in three different phases and she knew that afterward he and she had spoke about waiting and so forth and that was about three budgets ago and the people over there paid the same amount of tax that the people on the south side and she doesn't see anything on water lines.**

**City Manager Squyres stated that water lines was about \$125,000 or \$150,000 and he hoped that it would be on the north side. He stated that at the same time the scale of the project on the north side was either going to be a bond expenditure or a Water Development Board**

**Expenditure and we have met with them a couple of times already and we have also talked to our investment folks and working with them to try to figure it out. He stated that now that we are at the point of spending some real money on capital project and we could work down that balance because the problem is that when you go to the Water Development Board and say we need money, they are going to give you a loan and we would probably be able to get that but if our financial situation is a little lower in our fund balance we can also ask for loan forgiveness for part of that because we reflect all the right numbers and low mods and all those kind of things. He stated that if she wanted us to push it we could and do it sooner and do it strictly as a loan but if we want to get any of it back as loan forgiveness we are going to have to do it a little bit slower. He stated that he has had three meetings with them so far and we were at the point now of taking the leadership team, along with the city engineer and going to Austin to meet with them officially now. He stated that he also learned about a new technology from the Water Development Board and they made the suggestion that what we needed to do, rather than just pick a spot, they have some technologies and sounding equipment, that they taught him and showed him the data on it that water mains don't just break, most of the time these things are leaking before they break and so they can sound lines and they will loan us the equipment to sound our lines and even though we are only spending a 100,000, we can spend it where we need it instead of trying to speculate where that next break might be, so whatever we do, we can do it a little bit smarter.**

**He stated that another thing that we needed to start thinking about was that in another few years our bonds would be paid off so right now we were paying about \$497,000 a year every year for bonds and in the near future we will need to look at what we need to do for a longer term investment, you don't want that bond payment to go away, you want to be ready to slide another one right in it's place.**

**He stated that the big other thing out there was the sewer plant because we were going to be staring at that. He stated that the good news was that and this budget did not reflect it and he hoped that one of these days he could come in here and ask city council to amend this budget, in the not too distant future because we hear news that perhaps our permit is going to go back to a PH of 6 instead of a 6.5 and if it does the \$4,500 every month or so on magnesium and slurry we are using now will go away and that would be really nice not to have to spend that money over and over again but he guessed the point is if we are going to go to the Water Development Board, we are going to have to be ready to spend some big money and how do we pass that on, we are going to have to make a debt payment every year on top of what we are making now.**

**Council Member Garcia ask if we went with the Water Board would we have to make a matching fund or something like that.**

**City Manager Squyres explained that it would be a loan except for whatever part of it might be forgiven and that was the beauty of it.**

**Council Member Garcia questions about how we would pay this back and City Manager Squyres stated that he would think that by December we would be at the point where we would have expended enough between the pool and police department to be there.**

**Council Member Garcia ask if possibly by the next budget we would start working on this and City Manager Squyres stated he would certainly hope so. There was discussion on the process and time it would take.**

**Mr. Squyres advised that we applied for the last stage of from Holland to Kirby so that was the last of the CDBG money needed over there so we could also shift that money the following cycle to the North side which would be nice and we might have to talk about how to start with this and we would have Jacinto Oaks to deal with as well. He stated**

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**that again, we needed to look at the data of what was leaking now, that we knew the lines were all old.**

**Council Member Garcia ask if we would have to wait to use the equipment the Water Development Board would loan us and Lon advised that we could do it ahead of time.**

**There was discussion on the use of the equipment and how long we would be able to use it.**

**City Manager Squyres mentioned the SSO equipment that we have which is to go in and video people's sewer lines and we have a very well though out schedule of 10 years to video everyone's sewer lines and identify those that have major leaks and basically force them to repair the leaks and we have to do this or get fined by TCEQ.**

**Mr. Squyres ask Kyle when he planned on starting this and Kyle replied that with time permitting he hoped to start in November.**

**City Manager Squyres advised that in the near future we were going to be recommending to council that we enter into an agreement with an organization that is affiliated with the National League of Cities that offers insurance for water and sewer lines and in early discussion they said that even if the city is mandating that someone replace a line it would still be covered and they would pay a large part of replacing that line.**

**There was general discussion on how this would work.**

**Council Member Garcia ask if Line Item #6858 in Department 13, Spay, neuter and release program was a continuation of what we have going on now and was advised that it was and explained how well the program was working. City Manager Squyres stated that since we were on that page, we had mentioned the 3% increase and that was different, that the individual that was now the Humane Officer came**

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**from another department, we brought his salary over so you were seeing it contrasted with the last individual in that position, it does reflect a 3% raise with the potential of a 4% if he gets get full ACO certification which we want him to have and it would relieve some of our liability.**

**Council Member Garcia ask about Department 14, Capital Outlay for 5 Gas Meters and City Manager Squyres explained what this would allow the fire department to do as far as detecting gas leaks, etc. and gave some examples.**

**Council Member Garcia ask about the dog truck in the Health & Humane Department that she thought Erick said something about fumes coming in.**

**City Manager Squyres said that it did include a 1/3 lease payment for a dog catcher truck over three years.**

**Council Member Garcia ask Ivan about Department, Capital Outlay and ask what exactly was going to be done to the A/C units at the gym.**

**Ivan advised that all the air conditioners at the gym were about 20 years old and that right now only one unit was working in the gym and they had fans in there and the cost to repair units that old and in that shape was not realistic.**

**There was general discussion on the condition of the a/c units at the gym and Council Member Robinson suggested that we get prices on the other a/c units at the gym.**

**Council Member Garcia what was being done at the concession stands.**

**Council Member Robinson advised that at the Boy's concession stand they were raising the floor so that water did not run into the building**

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**and the flat roof was going away and they were putting on a gabled roof and painting inside and out and on the girls they were going to waterproof the outside so the water didn't get in and paint it also.**

**Mayor Diaz ask Elizabeth what they needed at Heritage Hall and she advised that they needed a new microwave. It was decided that there was money in the present budget for her to get the microwave now.**

**Council Member Garcia ask if the price of meals on homebound had gone up or was there more people and was advised there was an increase in people.**

**Elizabeth advised that they have 80 people on the roster and normally have 35 to 47 people for meals except on hamburger day and they have 52, everyone looks forward to that day. She advised that the Houston Food Bank comes to the center every 2 months for just the seniors and they are trying to work with the food bank to get them to deliver to the home bound.**

**Mayor Diaz ask if any of our JC residents were being allowed to go to the new food center they had opened up in Galena Park and was advised that they were.**

**Ivan advised that the Food Bank would be coming to the gym once a month on the 3<sup>rd</sup> Friday of the month.**

**Council Member Robinson ask Kyle if they were using the chipper and he advised they were.**

**Lon stated that when they get a little time, we would like them to clear the street lights because the limbs were blocking a lot of the light.**

**Council Member Garcia ask Chief Ayala what exactly was watchguard car cameras.**

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**Chief explained what the cameras were and that he had approached City Manager Squyres this afternoon for an incar camera and radio for the pickup that we would have on the street at a cost of \$4,795.00.**

**It was discussed that they would also need a light bar for it and Chief Ayala mentioned buying it out of seizure money.**

**Mayor Diaz 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 printed name and title.

**Joyce Raines  
City Secretary**