

BUDGET WORKSHOP TUESDAY, AUGUST 6, 2019, 6:00 P.M.

The Mayor and City Council met in Special Session for a Budget Workshop on the proposed budget for FY 2019/2020 with the following members present: Mayor Pro Tem Garcia, Council Members Rivas, Robinson, Lee and Gonzales: City Manager Squyres, City Attorney DeFoyd and City Secretary Raines. Mayor Diaz absent due to work.

Mayor Pro Tem Garcia stated the purpose of this meeting was discussion on the proposed budget for FY 2019/2020.

City Manager Squyres discussed Bills passed in the Legislative Session this year, primarily the cap on property tax revenue and that it did give some relief to smaller cities, he advised that we had not received our tax roll yet so the figure they see in the budget was an educated guess that was subject to change when we receive the tax roll.

He advised that another bill we were concerned about was the one covering franchise tax and explained how it worked and that TML already had an intervention in place on it, that the bill was not clear but we could stand to lose quite a bit of revenue depending on how they rule on the bill.

He advised that we had good news on health insurance, and discussed the HRA benefit that the city provided the employees last year and that our insurance rates had gone down 1% this year which was the first time he had ever known our rate to go down.

City Manager Squyres discussed the safety margin that the city had enjoyed for years, but that building the police station, new swimming pool and rehabilitation of the fire station had really depleted our safety margin and we needed to work on getting it back up.

He stated that we had received an e-mail advising us that they were now closing out paper work on Hurricane Ike and that had been eleven years ago.

Page 2 – August 6, 2019

City Manager Squyres stated that we had receive notice from Waste Management that we would be receiving a 3.13% increase on the garbage rates; he advised that we absorb a part of this and pass part to the residents.

He also advised that the City of Houston had sent notice that they would have a 2.8% increase on surface water, which was less than he expected. He stated that we receive an increase from them every year and we were not passing it along, that we were going to have to raise our rates and we were looking at different ways to do this. One was leave the minimum use residents as is and increase the rate on the ones who use over the minimum.

There was general discussion on possible ways to do this.

City Manager Squyres stated that we were doing all that we could to lighten the load on water.

Council Member Rivas ask what we do about people who move out and their deposit does not cover the bill they leave.

City Manager Squyres advised that the city had raised the deposit and that helped some.

Council Member Rivas stated that we might need to look at some type of rental agreement and there was general discussion on possible ways to handle this.

Robert Hernandez, from the audience, ask if we could run a credit check on them and charge a higher deposit if it was not good.

Council Member Rivas commented on how quick we fix leaks and how long some cities let them run.

City Manager Squyres advised that when we see leaks we know it is going to cost us and get them fixed as quick as possible.

City Manager Squyres discussed losing so many police officers and he thought that we could possibly do some type of benefit package, if they have pre-school children offer them free pre-school tuition and ask the council to think about it.

Robert Hernandez, from the audience, stated that he thought that was a good idea.

Council Member Rivas stated he thought it was good but what about the employees that didn't have pre-school children.

City Manager Squyres stated he had allowed for a 3% raise across the board but might change based on evaluations.

He discussed capital outlay for equipment, that Kyle had requested several pieces of equipment which was needed, that he had requested purchasing a vactor truck instead of a sewer machine, a Kabota skid steer which could be used to mill spots on the streets so that we could do a better job repairing them and for other purposes as well and a new brush hog/tractor.

He stated that this budget pays all of our debt and in two years we will pay off our bond debt and then we can start looking at major things in the city that we would like to accomplish.

City Manager Squyres went over the Income and Expenditures in General Fund stating that our anticipated income was \$8,091,019.00 with projected expenditures of \$7,594,763.45 leaving income less expenditures of \$496,255.56 which could go back into reserve.

He advised that the Tax Income dedicated to I & S Fund was \$491,550.00

Page 4 – August 6, 2019

Income from the Water Fund was projected to be \$2,541,215.00 with expenditures of \$2,504,375.51 leaving income less expenditures of \$36,839.49. Mr. Squyres advised that we lost one of our largest customers because we could not provide the pressure they needed so they were going full time with City of Houston for water but would continue to pay us for sewer service and this would lower our water usage and decrease what we pay City of Houston and we would be looking at possibly reducing the amount of water we purchase.

He stated that this year we would not be taking anything out of savings.

City Manager Squyres commended Lt. Longrigg on his grant writing and being able to get 3 new vehicles, that the grant would pay for the vehicles and we would have to provide equipment for the vehicles.

Mr. Squyres advised that we had increased the amount budgeted for street repairs, etc. because we know we will have to repave Wiggins and Burman where the school construction is going on.

Council Member Robinson ask why we didn't make them pay for it, they were the ones tearing them up and Mr. Squyres stated that he had already been talking to the school about this.

He also advised that Harris County would be here in September to start repairing a number of streets that had already been approved by Commissioner's Court.

Council Member Gonzales ask if we would be able to do paving with the Kabota Skid Steer and the City Manager advised that we would be using it on spot repairs.

Bernardo Perez from Public Works stated that they would be able to do repairs like they needed to and they would last longer.

Page 5 – August 6, 2019

There was discussion about who would operate this piece of equipment and was advised that the people we bought the equipment from would come out and train them.

Council Member Rivas ask about the Gateway landscaping and the City Manager advised that was to install lighting in the stars on the Monuments at Mercury and Holland, that we had budgeted this before but had not been able to find anyone to do it the right way.

Council Member Rivas stated that maybe we could ask if anyone wanted to adopt an entry.

There was general discussion about some of the equipment we had budgeted and what all it could do.

There was discussion about Heritage Halls homebound meals and Mr. Squyres stated that it looked like we were subsidizing other cities from our center, that we need to find a way to get our citizens involved in meals on wheels.

Elizabeth Flores, Heritage Hall Director, advised that we added 5 new people this week and three of them were from Jacinto City.

There was general discussion on how we could make our citizens aware of what the center had to offer.

City Manager Squyres called attention to Departments 11, 17 and 31, stating that Microsoft would no longer support Windows 7 and we would have to replace all of the computers.

Council Member Garcia ask what Unclaimed property was.

Chief Ayala advised that this was property recovered from burglaries, arrest, etc. where no one claimed the property and that we had to make every effort to locate the owners and if not we could have an auction or if it was cash we deposit it in general fund.

Page 6 – August 6, 2019

Council Member Rivas ask if the computers could be upgraded.

City Manager Squyres advised that it would cost more to try to upgrade the windows 7 than to buy new ones.

Council Member Garcia ask about Capital Outlay for dog kennel repairs in Department 13 and City Manager Squyres advised that it was a drainage problem behind the dog kennels.

Mayor Pro Tem Garcia adjourned the meeting at 7:09 p.m..

Respectfully submitted,

A handwritten signature in cursive script that reads "Joyce Raines". The signature is written in black ink and is positioned below the text "Respectfully submitted,".

**Joyce Raines
City Secretary**