

BUDGET WORKSHOP, THURSDAY, AUGUST 6, 2020 6:15 P.M.

The Mayor and City Council met in Special Session on Thursday, August 6, 2020 at 6:15 p.m. for a workshop on the proposed budget for F/Y 2020/2021 with the following members present: Mayor Diaz, Council Members Robinson, Lee, Garcia and Gonzales; City Manager Squyres, City Attorney DeFoyd and City Secretary Raines. Council Member Rivas absent.

City Manager Squyres advised that SB-2 forced cities to make budget and tax rate decisions prior to even knowing what the certified tax roll would be and by law Harris County Tax Office was supposed to have this to us by tomorrow. He advised that there would no longer be an effective tax rate it would be No New Tax Rate and if we raise taxes more than the 3 ½ percent cap we would automatically have to have an election. He explained the De Minimis and Disaster Declaration rate and how it affected our tax rate. He advised the rate he was proposing was .774604 and was a slight decrease from last year.

Mr. Squyres stated that the budget included a 3% across the board merit increase but the significant increase was to retirement, that the employees contribute 5% from their check to retirement and the city matches it 1 ½ times and this year he proposed to change the match to 2 times. He stated that most cities do this and it would be an incentive for employees to stay with the city and this would cost approximately \$80,000.

Council Member Gonzales ask about the De Minimis Rate.

City Manager Squyres advised that the De Minimis Rate applied to cities over 30 thousand population plus rate required to raise 500 thousand.

Council Member Garcia ask about special funds if we don't do National Night Out.

City Manager Squyres advised they could be used for something else.

Mayor Diaz ask about Christmas decorations and Mr. Squyres advised

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that we had already ordered some decorations with money that was left in this year's budget.

Mayor Diaz stated that she would like to see all city buildings decorated.

Council Member Garcia ask about the pre-school.

City Manager Squyres advised that the pre-school was not as big as it used to be but we would like to keep it and went over some of possibilities that it could be used for.

Council Member Gonzales ask about plans for the 75th Anniversary.

City Manager Squyres advised that we had been discussing possibly putting up some 75th anniversary banner at key spots in the city, updating the monument and jackets with the 75th anniversary on them and possibly appointing a committee to help with this.

Council Member Garcia ask about the building for the history center.

City Manager Squyres ask Kyle Reed to report on the condition of the building.

Kyle stated that he had a couple of people look at the building and went over all the problem they would be facing, that it would cost a lot of money to repair it and his recommendation would be to tear it down and replace it.

There was discussion that it was the original city Hall and Mr. Squyres stated that maybe we could use it for storage.

Mayor Diaz ask about the possibility of increasing the rent on the State Representative's office and Mr. Squyres advised that he would look into it.

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Mr. Squyres ask Kyle if he a had a list of the streets that needed repairing the most.

Mr. Reed advised that he did and Council Members Lee and Gonzales has looked at them as well, he stated they looked at small areas of concrete that was in bad shape and that it would cost about \$160,000 and he needed direction.

Council Member Garcia ask Council Member Lee what about the sidewalks he had mentioned.

City Manager Squyres discussed the cash flow and how it worked and about the impact the covin-19 was having on the economy and that they were not going to see a lot of fluff in the budget, that the CARE Fund that had been set up was for non- budgeted items and we might be able to tap into that and if so it would take a load off the city.

Assistant City Manager Kathy Greiner stated that the Water Fund looked bad, that City Of Houston raised our rates every April and we absorbed them every year.

City Manager Squyres stated we were looking at a possible water rate increase of 50 Cents across the board over the minimum which would not affect the seniors.

Council Member Robinson stated that we lost one of our biggest water customers when we lost Longhorn Glass.

Mr. Squyres stated that we lost them because we could not provide them the water pressure they need but we may be charging them for sewer. Mr. Squyres advised that he was meeting with Texas Water Control Board next week to discuss a major water line replacement in the city and going to a new meter system, that we will pay our last bond payment in 2022 and if we don't have a major project we will have to reduce our tax revenue.

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There was discussion about the decrease in the Water Fund bank balance.

Council Member Robinson stated maybe we needed to look at what raising the water rates would do.

Council Member Garcia ask about the employees selling vacation.

There was general discussion on ways this could work.

Council Member Robinson stated that we had talked about getting garbage cans that the truck would pickup which would eliminate the need for extra people on the truck.

Mr. Squyres advised that due to the virus Waste Management was unable to get the trucks.

Council Member Robinson ask what the status was on the underground fuel tanks.

Mr. Squyres advised that we were going to use this year as a transition year and were checking into cost to abandon the tanks.

Council Member Gonzales ask what about above ground tanks.

City Manager Squyres stated that they did not have the same requirements as underground tanks.

Council Member Lee ask what was being done about the radios.

City Manager Squyres stated that when we bought the radios that was supposed to fix the problem and he has yet to get an answer. The only fix he sees is replace the console, maybe get a new console and move the old one over as a back up.

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Council Member Lee stated the radios have never provided what they told us they would and he would like to see them provide what we paid for.

Mayor Diaz adjourned the meeting at 7:34 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Joyce Raines".

**Joyce Raines
City Secretary**