

BUDGET WORKSHOP, TUESDAY, AUGUST 24, 2021 6:00 P.M.

The Mayor and City Council met in special session for a budget workshop on Tuesday, August 24, 2021 at 6:00 p.m. with the following members present: Mayor Diaz, Council Members Rivas, Robinson, Lee, Garcia, and Gonzales; City Manager Squyres, City Attorney DeFoyd and City Secretary Raines.

City Manager Squyres stated this was the most complicated budget in 75 years, that all City Managers were in the region were in the same boat and were relying on TML guidance, that it was very difficult and confusing. He stated that because of COVID projections had been difficult. But the Governor says we will not close cities and courts down again.

He stated that SB 2 has played a big part in determining our tax rate and that we had just received the Certified Tax Roll last week and we had lost \$20 million off the tax roll.

He discussed the \$20 million we had received in grants and that \$1.2 million was COVID money which was not in the budget because we did not know how we could use it yet, that our health insurance has increased 7% and that he had included a 3% across the board or merit increase.

Mr. Squyres stated that the biggest change in the budget was in the fire department, that we operate with part time employees from other fire departments and when there is a disaster or emergency these people are called in to work at their full time jobs and we have trouble covering our shifts. He stated that our goal was to hire three full time para medics, one to work each shift, that he and Chief Mier had discussed how it would work, that they would work a 48 hour straight shift and be off 4 days and this would put a high caliber para medic on each shift and the price tag on this would be \$98,000 for three people. He stated that at PD we had a revolving staff and several years ago we went to 2% sales tax and made us more able to be competitive with other departments.

He stated that with TMRS (our employee retirement) there was an option for employees to contribute 7%, 6% or 5% and our employees contribute 5% and

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we need to start looking at this, several employees have inquired about this and he had been discussing it at safety meetings.

City Manager Squyres stated that we have to raise water and sewer rates, we don't have a choice, that City of Houston increases their rate for surface water every year and we have not passed this along, and we need to look at making this an evergreen ordinance. He stated that he was looking at possibly 6% in water and 3% in sewer.

Mayor Diaz stated that we have been dancing around this for 14 years and we don't have a choice.

City Manager Squyres advised that we would be making our last payment on our debt service and this would affect our tax rate, that citizens would probably be looking at a 9% decrease in the tax rate next year.

City Manager Squyres went over the projected income and expenditures in the proposed budget:

He stated that in General Fund income was predicted at \$8,162,400 and expenditures at \$8,063,744 leaving income less expenditures at \$98,656 with the major increase in income being projected at in Sales Tax revenue and property taxes.

He advised that in the water fund revenue was projected at \$2,667,454 with Expenditures of \$2,647,540 leaving income less expenditures at \$19,914 with the major increase in revenue coming from a rate increase in water and sewer rates.

He explained the possibility of the city receiving more sales tax that we would get the tax if the products are shipped from Texas into Texas and it looks like it will start on October 1st.

City Manager stated the department heads presented a very good budget, that we would have another budget workshop next Tuesday and we may have to have a Special Meeting.

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City Manager Squyres went over each Department's budget and explained the additions or deletions from the budget as well as Capital Outlay.

Council Member Rivas ask Mr. Reed if the trucks he was budgeting were replacements and Mr. Reed advised they were.

Council Member Rivas ask why we were buying F150 extended cabs, he thought we should buy what we need.

Mr. Reed stated there was very little difference in the price of the F150 and most of the time there were multiple people in a truck.

Council Member Rivas ask what was in Parks & Recreation's Capital Outlay and was advise it was a mower and he ask what about light at the park.

City Manager Squyres advise that long term we were going to ask Center Point for lights, they are free, that we could probably come up with some LED lights in the park.

Mayor Diaz ask about new decorations for Market Street and Mr. Squyres said we would look at that.

Mayor Diaz stated that years ago we put old decorations in the Park.

Council Member Robinson ask if we were ever going to do something with the poles at Smith Park, there was discussion about setting up Smith Park for soccer.

Council Member Robinson stated it could also be set up for flag football.

There was general discussion on different things that could be done and City Manager Squyres stated that they were in Dayton to look at water meters and One of the things they had there was Food Truck Friday and he sent Rebecca and Christal down to check this out.

Rebecca advised that one of the food trucks would be at the Market on September 11th.

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There was general discussion about food trucks.

Council Member Gonzales ask if we were going to try to put the fence around the water plant at PD out of this budget.

Council Member Garcia ask Chief Ayala if the officers at the elementary schools were a courtesy, and Chief Ayala stated yes at both schools.

Mayor Diaz adjourned the meeting at 7:22 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**