

CITY OF CONVERSE  
CITY COUNCIL MEETING  
MINUTES OF AUGUST 31, 2010  
7:00 PM

The City Council of the City of Converse met in a special meeting at the Converse Municipal Complex on Tuesday, August 31, 2010 at 7:00 PM to discuss various items on the agenda. The following were present:

Mayor Al Suarez	MPT John Shadron, Place 3
Council Member Renee Paschall, Place 1	Council Member Grant Lopez, Place 2
Council Member Randy Pannell, Place 4	Council Member Robin Benbrook, Place 5
Council Member Steve Brown, Place 6	Mr. Sam Hughes, City Manager
Mr. John Quintanilla, Assistant City Manager	Mr. Rick Jamison, Police Chief
Mr. Richard Wendt, Fire/EMS Chief	Mr. Jerry Wilson, Finance Director
Various Members of the Fire/EMS Dept.	Various Members of the Police Dept.
Ms. Penny Hieronymus, City Secretary	

1. Call to Order

At approximately 7:00 PM, Mayor Suarez called the meeting to order.

2. Roll Call and Recognition of Visitors

Mayor Suarez stated all Council members are present.

3. Citizens to be Heard. This time is provided for Citizens to address City Council on any issues and concerns. No City Council discussion or action can be taken if the item is not on the agenda. Please limit your remarks to three (3) minutes and state your name and address for the record. No personal attacks shall be allowed.

-Mr. Rick Jamison of 9180 Shadow Creek, Apt. 509 stated he was speaking tonight in regards to the 2010-2011 budget. The most valuable asset any organization can have is the people who work for that organization. Tonight CC is receiving input from citizens about the upcoming budget. The men & women who work for the COC are some of the best in their respective fields. In the proposed budget that was presented to CC for their consideration on Aug. 3, there is a statement that reads "one of the top priorities is to close the employee salary gap & make our pay closer to those offered by the surrounding cities". In the presented budget, there is a provision of an overall average of 4% merit for employees to be awarded at the time of the individual's performance appraisal. He respectfully requests to keep the merit intact in the proposed budget, show the employees that you are behind them on their behalf. Employee moral is one of the most vital components to the success of an organization. Converse is a great City to work for & thanked CC for their consideration.

-Mr. Reginal Harris of P.O. Box 382 thanked each for their efforts to the City. He knows CC has a difficult job in trying to balance the budget & to provide monies in areas as needed. He personally knows we have one of the best Police & Fire/EMS Depts. He asked CC to think strongly & compensate those.

4. Public Hearings

- A. Public Hearing before City Council in Accordance with Section 6.05; Paragraph A.2. City of Converse Home Rule Charter, for the purpose of receiving citizen input on the Fiscal Year 2010-2011 Budget (Home Rule Charter)

At approximately 7:05 PM, Mayor Suarez opened the public hearing.

There were no citizens who spoke.

At approximately 7:06 PM, Mayor Suarez closed the public hearing.

- B. Public Hearings on a Proposal to Increase Total Tax Revenue from Properties on the Tax Roll in the Preceding Tax Year by 0.87 Percent (Percentage by which Proposed Tax Rate Exceeds Lower of Rollback Tax Rate or Effective Tax Rate Calculated Under Chapter 26, Tax Code) (Texas Tax Code)

At approximately 7:06 ½ PM, Mayor Suarez opened the public hearing.

There were no citizens who spoke.

At approximately 7:07 PM, Mayor Suarez closed the public hearing.

5. New Business

- A. Discussion and Appropriate Action on a Request to Approve City of Converse Ordinance #108; an Ordinance Providing Funds for the Fiscal Year Beginning October 1, 2010 and Ending September 30, 2011, by Approving and Setting Aside the Necessary Funds Out of the General Fund and Other Revenues of the City of Converse for Fiscal Year 2010-2011 for the Maintenance and Operations of the Various Departments, Payments to Debt Service and for Various Activities and Improvements to the City (First Reading) (City Manager)

Mr. Hughes stated this refers to the budget dated Aug. 3, 2010 & briefing notes, which showed what amendments had been made up to that date. He stated we have a budget that is balanced. There are 2 items that remain under contention/discussion.

\*The first, is consideration between a tax rate of .53 cents, which reflects the .83, which CC just had the public hearing open for. That is .87 % above the effective tax rate (ETR). He explained the ETR that would yield the same amount of revenue for the COC based on this yrs. tax base. He explained Nov. 18, 2008, the CC considered a proposal to increase the tax exemption for the elderly by \$5,000 (from \$5,000 to \$10,000). He was asked to do an analysis for over a 10 yr. period to show the impact of what the taxes would be for those over 65 yrs. & those are not over 65 yrs. He explained the process for the same amt. of revenue & the remaining taxpayers have to make up the difference. This particular budget shows a change of \$4.98 & we can still change tax rates. He explained the difference between the ETR & the proposed tax rate of .53 cents is \$35,350 & the budget can be amended.

\*The second, pay. This budget proposes that we have a range of 2-5% with an average of 4%. There is a desire among some CC to reduce that to 3% average. He explained from 2006 –2010, that together we have increased pay a total of 20%. He explained what minimum wage was from 2006 to present; the total expenditures have gone up. It is not enough to say that we've done enough for the employees. Sales tax & new homes are up.

Mr. Hughes final recommendation is for CC to consider amendments that would add additional sales tax prediction that would reduce the projection of the NIOC party that would be reduction to net \$34,000, which would offset what CC needs to reduce from .53 cents to the ETR & the 4% be allowed to remain in the budget.

Discussion included: Tax increase & compensation, unemployment is at an all time high, some of the residents need every dollar, JISD is looking at raising taxes & so are we-maybe it is our time to yield to them with priority on education, we don't have a compensation in place –there are a lot of inequities, not equal, problem with pay ranges, need fairness for those at the bottom, time to address the compensation plan, hire a professional consultant, time for someone to come in & set pay ranges for all City positions, it is time for CC to quit guessing, take control of the compensation wages, taking control of the salaries & doing it right.

Mayor Suarez explained the budget process, beginning with the Depts. wish list, workshops, public hearings, etc. This is a proposed draft, can be amended, nothing has been approved or lost. He is proposing to try to fix this problem & an amendment to budget up to 3% performance pay bonus for all employees. That means, CC sets aside a 3% pay bonus that is not going to be part of the pay so they will not tie up the budget next yr. & get a pay survey as soon as possible so CC can address the inequities. He also wants to approve up to a 3% pay bonus to all employees to at least 15% overall compensation within the TML average. He would also like to freeze & delay anyone that is within 15% of their TML average. The study will tell CC which employees are high/low & those employees that are due the 3% will get it. They are using the TML 15% margin of error. This amendment will also allow them a tax freeze adjustment to the ETR & thereby avoid a tax increase. They will pay for the consultant with the difference between the 4 & 5%.

CC members expressed their opinions & expressed their concerns: there are some very unfair numbers, we do need to have a study, need equitable & this will be equitable, they are still trying to work equability & this is a way to do it, salaries will stay the same, have Converse get involved in the in the TML pay salaries & pay the \$240 fee to participate in their survey, some of the TML averages are deceiving because not all cities participated, we are not catching up, CC members supported the pay survey, see a more fair plan – everybody doesn't get a raise every yr., many employees making under \$25,000 – near poverty level, see evidence of education & training, TML average based on population, certain positions you can only make a certain amount, see where over paying & under paying, Fire/EMS & Police have to have classes & training for their position & warrant increases, time to get some outside help, need to take care of the employees, employees prove themselves, etc.

Mr. Hughes explained the averages of the positions & we need to raise the \$10 an hr. rate to \$12 an hr. for the employee to make at least \$25,000 a yr. Ms. Hieronymus has begun talking with Live Oak on their consultant for a salary survey. He brought some numbers to the Council's attention. We are probably going to find out that we are indeed behind the average indicated & still have a big catch up to do, there are a few people that are above average with the TML. He said to say that we in Converse shouldn't expect to be higher than 13% average; he thinks that is not given proper respect to the skill & hard work that is being done.

Mayor Suarez stated he would like to hire & allow a professional to do a salary survey, if the study indicates that the employee is not capped & still has room, they can get a 3% right away; this is just pending the outcome of the study & all salaries remain the same throughout the yr.

Mayor Suarez made a motion to amend the budget to include the 3% to the 15% TML pay/salary. Council member Pannell seconded the motion. It passed unanimously.

Mayor Suarez asked for a motion on agenda item #5 A as written.

Council member Lopez made a motion to approve the rest of the budget as written. MPT Shadron seconded the motion. It passed unanimously.

6. Adjournment

At approximately 7:53 PM, Mayor Suarez adjourned the meeting.

PASSED AND APPROVED THIS 7th DAY OF SEPTEMBER, 2010.

---

Al Suarez, Mayor

ATTEST:

---

Adriana I. Hieronymus, City Secretary