

CITY OF CONVERSE
CITY COUNCIL BUDGET WORKSHOP
MINUTES
JULY 25, 2011
6:00 PM

Be it known that the City Council of the City of Converse met for a Budget Workshop at the City Hall Conference Room at 405 South Seguin Street On Monday, July 25, 2011 At 6:00 PM To Discuss The Following:

1. CALL TO ORDER.

Mayor Suarez called the meeting to order at 7:00 PM.

2. ROLL CALL AND RECOGNITION OF VISITORS.

Mayor Al Suarez	Councilman Andy Selko, Place 3
MPT Grant Lopez, Place 2	Councilwoman Laura Beehler, Place 5
Councilmember Steve Brown, Place 6	Ms. Shawna Dowell, City Manager
Mr. John Quintanilla, Assistant City Manager	Ms. Jackie Gaines, Recording Secretary
Mr. Gerald Wilson, Finance Director	Ms. Kate Silvas, EDC Executive Director
Mr. Lupe Perez, Utilities Director	Ms. Tracy Campos, Utility Office Manager
Mr. Jon Smith, Assistant Director of Utilities	

Mayor Suarez excused Councilman Pannell and Councilwoman Richel from not being able to attend the Budget Workshop and added MPT Lopez will be arriving late.

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.

Mayor Suarez stated no one had signed up to speak.

* Ms. Campos arrived at 6:04 PM

4. BRIEFING BY THE CITY MANAGER AND FINANCE DIRECTOR ON THE PROPOSED BUDGET FOR FISCAL YEAR 2011-2012.

Ms. Dowell explained that this workshop will be a review of the Utility fund and the EDC fund.
-Reviewed the 5-year housing starts which have a direct play into the numbers when we look at the utility fund as we start to talk about the water and sewer impact fees. We have an increase of 1,267 single-family homes over the past five years, which is a 28% increase. This report came from the 2010 Bexar County Appraisal District.

5. DISCUSSION OF PROPOSED GENERAL FUND BUDGET FOR FISCAL YEAR 2011-2012.

Ms. Dowell continued the discussion on the budget methodology; it reflects the actual spending trends over the last two years. The average cost increase is on a 3% trend, but each line item was evaluated individually for accuracy.

- To give you consistent information in regards to personnel, the document we used to give you information did not give vacancies, so that is the reason of the higher full-time budgeted personnel. The personnel budget includes a 1% cost of living increase and does not include any merit increases.
- TMRS rate will increase from 11.95% to 12% on January 1, 2012.
- Assumption of 20% increase in fuel costs and 15% increase in utility costs.

6. DISCUSSION OF PROPOSED UTILITY FUND BUDGET FOR FISCAL YEAR 2011-2012.

-Revenues:

- Water Billing, base rate increased from \$2.50 to \$11.35.
- Sewer Billing, SARA rates increased from \$8.56 to \$9.59, approximately 70% of revenue collected is paid to SARA to treat wastewater. The other 30% is kept to maintain our sewer lines.
- Garbage Billing is a pass-thru for billing Waste Management Services.
- New Home Fees, these include water meter set and tap fees, water impact fees, sewer impact fees, and water acquisition fees. The water impact fees and sewer impact fees are restricted fees for growth in the city and cannot be used for repairs, etc. The water acquisition fees are restricted as well for water purchases.
- Debt Service Fees, based on \$3.72 per water customer per month for Water Interconnect Project
- Miscellaneous include penalties and other fees
 - reconnect fees, additional water deposit fees, etc.
 - 2011 Certificate of Obligation proceeds, which are unspent as of yet even though we have acquired some expenses. Out of that, we will purchase the SCADA and security system, design of the interconnect site, cost of construction of the 750,000 gallon ground storage tank and the Cibolo Valley Local Government Corporation and the cost to stay in that organization.
- Stormwater Fee, Bexar Met has agreed to collect the Stormwater fee within the Converse City Limits that they service.

-Personnel; the Compensation Study is funded in the General fund. 1% Cost of Living (COLA), increased City and employees monthly medical contributions, increased contribution to TMRS.

-Debt Service

-New Debt Service Payment

- 2011 Certificate of Obligation-Water Interconnect Project (\$240,112).
- 2012 Certificate of Obligation-New Financial Software package (\$37,300). 35-40% of the total Certificate of Obligation is funded from the Utility department.
- Outside Fees-fees paid to outside agencies: Edwards Aquifer Authority, SARA Impact Fee, SARA Sewage Treatment, Garbage Pick-up, Water Leases, TCEQ and Edwards Aquifer Authority

-General Operating Expenses

- CVLGC \$25,000; how we proceed to purchase depends on the cost
- CVLGC meetings \$3,000
- Bridgehaven \$2,000-\$5,000, an effort to provide wastewater service to Judson HS and the lift station.
- SARA-Ingram Ready Mix-Non-potable water project \$5,000.
- Bexar County Watershed project \$10,000, an anticipated cost to review each step.
- Engineering costs-SCADA \$45,000, insuring design cost from the City Engineer.

-Capital Expenditures

- Water Main replacement-\$50,000, new line item
- Sewer Main replacement-\$50,000, new line item
- Lift Station Generator-\$28,000 for MacArthur Park
- Non Potable Water project to Ingram Ready Mix-\$60,000-waiting to receive SARA's approval for easement, includes 1,400 ft. of pipe (on hand), 5,600 ft. of 8" pipe (to be purchased) and miscellaneous fittings.
- Radio Read Meter Project \$111,000 to convert 600 additional homes. This is a third year of a ten year project.
- ¾ Ton Crew Cab Pickup Truck w/Tommy Lift for construction crew \$26,000
- Pump Truck for sewer backups and lift station maintenance \$25,000. Currently, the city hires a contractor to provide the service.
- 10 yd Dump Truck for non-potable water crew \$25,000

-Challenges- for Consideration

- Cost benefit analysis on non-potable water to residential customers
 - Cost of water pipe, meters and street repairs on Ralston St. \$50,000. Revenue \$1,200 for approximately 1 million gallons pumped.
 - Cost of water pipe, meters and street repairs on Norris Drive W. \$ 16,000 for 400ft of pipe benefiting 2 residents.
 - City committed to residents that they could connect.
- Problems
 - Health and Safety of public-cross connection control.

* Mayor Pro Tem Grant Lopez arrived at 7:31 PM.

* Mayor Suarez called for a recess at 7:35 PM.

* Mayor Suarez reconvened the meeting at 7:46 PM.

7. DISCUSSION OF PROPOSED ECONOMIC DEVELOPMENT BUDGET FOR FISCAL YEAR 2011-2012

Ms. Dowell and Ms. Silvas discussed the budget for the EDC:

-Sales Tax

- \$.005 sales tax generates approximately \$765,000 annually.
- Estimate FY 2010-2011 is \$1,529,931, down \$27, 158 FY 2009-2010.
- Estimate FY 2011/2012 is \$1,545,230, up 1% over FY 2010/2011.

-Personnel

- Two full-time employees
- Compensation study funded in the general fund
- 1% COLA
- Increased City and employee monthly medical contributions
- Increased contribution to TMRS.

-Capital Investment Grant

- Increased from \$30,000 FY 2010/2011 to \$130,000 FY 2011/2012.
- Provides recruitment incentives.

-Regional Marketing Initiative

- Buxton Survey \$16, 500
- Coordinated with NEP.

-Marketing Materials

-Promotional print material \$5,000

-Promotional items for trade shows, branding and community presence \$5,000

-Trade Show Booth \$5,000

-General Operating Expenses

-Advertising to promote visibility from \$2,000 to \$10,000. The expenditure brings EDC in line with the percentage expending by competing cities in the NEP.

-Dues &Subscriptions \$5,650

-Strategic Planning Retreat \$2,000

-Travel

-Recruitment Mission Travel \$3,000

-Trade Shows \$7,800

-Conferences \$4,100

-CapitalExpenses

-Business Retention/Expansion \$35,000

-Broker Breakfast & Tour \$1,000

-Toepperwein Road Project \$275,720

-Town Square Project \$35,000

*The EDC budget has been reviewed but not approved by the Board as of this workshop. Any changes to the EDC budget will be brought back to Council for final approval.

8. ADJOURNMENT

Mayor Suarez adjourned the meeting at 8:40 PM.

PASSED AND APPROVED THIS 16TH DAY OF AUGUST, 2011.

Al Suarez, Mayor

ATTEST:

Penny Hieronymus, City Secretary