

CITY OF CONVERSE
CITY COUNCIL BUDGET WORKSHOP
MINUTES OF JULY 22, 2011
6:00 PM

The City Council of the City of Converse met in a Budget Workshop at the City Hall Conference Room at 405 South Seguin Street on Friday, July 22, 2011 at 6:00 PM to discuss various items on the agenda. The following were present:

Mayor Al Suarez	MPT Grant Lopez, Place 2
Council Member Kathy Richel, Place 1	Council Member Andy Selko, Place 3
Council Member Randy Pannell, Place 4 (arrived 7:14 PM)	Council Member Laura Beehler, Place 5
Council Member Steve Brown, Place 6	Ms. Shawna Dowell, City Manager
Mr. John Quintanilla, Assistant City Manager	Mr. Rick Jamison, Chief of Police
Mr. Richard Wendt, Chief of Fire/EMS	Mr. Jerry Wilson, Finance Director
Mr. Lupe Perez, Director of Utilities	Mr. Karl Hoppes, Director of Facilities
Mr. Robert Ayala, Librarian	Mr. Jon Smith, Assistant Director of Utilities
Mr. Ray Christian, Assistant Chief of Fire/EMS	Mr. Joe Williams, Building Inspector
Ms. Pam Hunt, Police Lieutenant	Ms. Penny Hieronymus, City Secretary

1. Call to Order

At approximately 6:00 pm, Mayor Suarez called the meeting to order.

2. Roll Call

Mayor Suarez stated all Council members were present with the exception of Council member Pannell, who was absent due to a work conflict.

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.

4. Discussion of City's Strategic Plan Survey Results by the City Manager

Ms. Dowell stated they would be reviewing this at the next Council meeting.

5. Briefing by the City Manager/Finance Director on the Proposed Budget for Fiscal Year 2011-2012

6. Discussion of Proposed General Fund Budget for Fiscal Year 2011-2012

Agenda items # 5 & #6 were combined.

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Ms. Dowell gave a briefing & power point presentation on the proposed budget for FY 2011-2012.

-PROPERTY VALUATIONS

-10 YEAR SUMMARY OF TAX RATE

-TAX RATE COMPARISON TO RMC CITIES (2010): Live Oak & UC apply \$.005 sales tax to reduce O&M tax rate & I-35 Commercial Corridor Sales Tax Benefit keeps O&M tax rates down

-5 YEAR HOUSING STARTS: 5,787 residences per Bx. Co. Appraisal District for CY 2010

-8 YEAR SUMMARY OF PERSONNEL COMPLEMENT

-BUDGET METHODOGY

*Reflects actual spending trends for last 2 years to provide basic services

*Reflects current & future economic conditions

**1% growth in sales tax

**Slight decline in Property Tax Base

**Average 3% cost increase; each line item was evaluated

**Full time employees – 163 (GF – 131, UF – 30, EDC Fund – 2 & part time 3)

**Personnel costs reflect 1% cost of living increase

**Personnel costs does not include any merit increases

**TMRS rate change from 11.95 to 12% on Jan. 1, 2012; 3 months at 11.95% & 9 months at 12% yielding an average of 11.9875

**Assumption of 20% increase in fuel costs

**Assumption of 15% increase in utility costs

-REVENUES: Taxes, License, Permits & Fees, Law Enforcement & Court Fines/Fees, Animal Control Fines/Fees, Grant Revenue, Park & Pool Revenue, Other Revenue, Carry forward from FY 2010-2011 & Sale of Assets

-BUDGET HIGHLIGHTS

*Ad Valorem Tax: Net Valuations of Property = \$774,798,622 & \$.01 on the O&M tax rate raises, approximately \$77,480 & Certified tax roll will be released July 25, 2011

*Sales Tax

**Sales Tax estimate for FY 2010-2011 is \$1,529,931, down \$27,158 (-1.78%) from FY 2009-2010

**Sales Tax estimate for FY 2011-2012 is \$1,545,230 up 1% over FY 2010-2011 based on the upward Trend for April & May 2011

*Personnel

**Compensation Study is funded at \$15,000

**1% Cost of Living Adjustment (COLA)

**1 New full-time position in the Grounds Dept. for mowing weedy lots

**Increased City & employee monthly medical contributions

**Increase contribution to TMRS

*Finance

**Operating costs associated with the purchase of a new financial software package has been included in this budget & cost includes: software licensing fees, additional Debt Service costs & overtime costs for implementation

*Emergency Services

**Lease purchase of major capital items has been incorporated in this budget (recommended by City Auditor): 3 years for ambulance (\$43,000) & 7 years for pumper (\$66,000 deferred payment for 1 year; 1st payment – Jan. 2013)

*General Government

**Legal Costs:

***Municipal Court - \$26,000

***Toepperwein Litigation - \$50,000

***City Council Meetings – \$9,000

***HR Personnel Policy Manual - \$5,000

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- ***Election Legal Issues - \$2,000
- ***Misc. - \$4,000
- ***Eng. Costs: Toepperwein Litigation - \$45,000
- ***Library: Collections budget increased - \$7,500
- ***Non-Departmental: Debt Service increased for financial Mgmt Software Acquisition & implementation - \$56,000 & Street lights increase from \$95,000 budgeted to \$111,000 actual; new budget is \$128,029
- ***Park & Pool: New signs - \$5,000 & vandalism eradication - \$1,000
- ***Streets: 3 Year lease purchase of Chip Spreader - \$45,000 & Street Maintenance line item corrected to reflect \$91,831 from \$18,273
- ***Commissions: Beauty & Env. – Clean up events - \$2,000; Build & Stand – Demolition - \$10,000 & Park & Rec. – Park Comm. Programs - \$3,000 & Capital Plan has additional projects
- ***Grants: Community Dev. Block Grants: Carryover of FY 2010-2011 - \$25,000 for Ave. B & FY 2011-2012 for Firdale in Fair Meadows Sub. - \$150,000 with cash match of \$75,000
- ***Capital Improvements
 - Fire/EMS: Computers \$1,000, Equipment \$67,800 & SCBA Air Bottles 4 = \$20,000
 - Grounds: Equipment \$22,000
 - Library: Shelving & Tables \$1,425
 - Non Departmental: Increase in Fund Balance \$75,000
 - Park & Pool: Facility Improvements \$50,500 (power to N. Park restrooms, Ballards for N. Park, Wheel chair lift for swimming pool, meeting room rehabilitation, wall pack to illustrate Playscape at City Park
 - Police: Purchase 2 patrol vehicles \$67,800
 - Streets: Chemical storage building \$8,000; mechanic shop equip. \$20,500; Program 1 of oil for Chip seal \$90,000 & 2 used vehicle purchases \$24,000

PROPOSED TAX RATE:

Proposed O&M Tax Rate	\$0.502068
Proposed I&S Tax Rate	<u>\$0.070760</u>
Proposed Total Tax Rate	\$0.572828

Current Tax Rate	\$0.525434
Incremental Increase	\$0.047394

Estimated O&M Rollback	\$0.502376
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Ms. Dowell went over the COC 2 year actual revenues & expenditures. She also shared a handout on cities population, households, housing occupancy & persons per household.

*At approximately 7:14 PM, Council member Pannell arrived.

Discussion included: We will maintain streets, need to strengthen our Reserves, oil & chip sealing, court, Fire/EMS Kelly Days, election, Animal Control-the Street dept. has just had 2 employees pass tests to assist in Animal Control, TML & insurance, we are growing in terms of property tax, etc. We are looking at an increase in the tax rate from \$0.525434 per \$100 assessed valuation to \$0.572931 per \$100 assessed valuation.

Mr. Wilson briefed on the General Fund budget notes.

7. Discussion of Proposed Utility Fund Budget for Fiscal Year 2011-2012

8. Discussion of Ad Valorem Tax Rates for Fiscal Year 2011-2012

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Ms. Dowell stated we would go over the Utility Fund, EDC Fund & the City's Strategic Plan Study on Mon. July 25.

9. Adjournment

Mayor Suarez adjourned the meeting at 8:31 PM.

PASSED AND APPROVED THIS 6th DAY OF SEPTEMBER, 2011.

Al Suarez, Mayor

ATTEST:

Adriana I. Hieronymus, City Secretary