CONVERSE TEXAS Expanding Horizons

CITY OF CONVERSE
CITY ADMINISTRATION
403 S. Seguin
Converse, Texas 78109
(210) 658-5356
Fax: 659-0964
www.conversetx.net

MINUTES
CITY OF CONVERSE
SPECIAL MEETING
AUGUST 28, 2012

Be it known that the City Council of the City of Converse met for a Special Meeting at the City Council Chambers at 402 South Seguin Street on Tuesday, August 28, 2012 at 7:00 PM. A quorum of the following commissions may be present: Beautification & Environmental, Building & Standards, Economic Development Corporation, Park & Recreation and Planning & Zoning.

1. CALL TO ORDER.

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

2. ROLL CALL.

Mayor Al Suarez
Councilwoman Kathy Richel, Place 1
Councilman Randy Pannell, Place 4
Mayor Pro Tem, Grant Lopez
Councilwoman Laura Beehler, Place 5
Councilman Steve Brown, Place 6

Mayor Suarez announced Councilman Selko is excused from the meeting due to being out of town.

Staff present:
Assistant City Manager John Quintanilla
City Attorney Ray Ortiz
City Manager Shawna Dowell
City Secretary Jackie Gaines

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.

Ted Sincoff, Little Sugar Creek, discussed the ending fund balance and questioned the proposed tax increase.

Daniel Bermea, former Lt. with the Converse Fire Department, stated, since 2011, the department has lost 1/3 of the firefighters. Man power has dropped from 11 per shift to 10 per shift. The high attrition rate within the FD stems from low pay that is not competitive with surrounding cities as shown in a pay study that was to be completed in 2012. The two week new hire training program has been slashed due to recent budget cuts. Asked for a 3% salary increase to all the employees.

4. PUBLIC HEARINGS.

A. Public Hearing On A Proposal To Increase Total Tax Revenues From Properties On The Tax Roll In The Preceding Tax Year By 9.68% Percent (Percentage By Which Proposed Tax Rate Exceeds Lower Of Rollback Tax Rate Or Effective Tax Rate Calculated Under Chapter 26, Tax Code).

Mayor Suarez opened the Public Hearing at 7:07 PM.

Ms. Dowell reported that this is the second Public Hearing on the tax revenues from properties and gave the following presentation:

Tax Rate Analysis:
The certified tax base for 2012/13 is $791,607,342, with total exemptions of $91,414,512.
The net tax base increase is $1,499,043 (.19%)
New property value added to tax base is $19,760,011
Last year's tax rate-$0.572931
Effective tax rate-$0.571366
Rollback tax rate levy-$0.626675 (7.99%)
Proposed tax rate-0.626675

Alternatives:
Can lower by two cents with use of fund balance or can lower by three cents with use of fund balance and no vehicle additions for police or streets. Either alternative allows up to a 3% personnel salary adjustment.

General Fund-Assumptions:
Debt services not included in General Fund; created new debt services fund.
Created new capital projects fund, calculations based on use of rollback tax rate, capital outlay includes 2 police cars, 1 water truck and items related to2011 tax note.

General Fund-
Balanced budget and Surplus of $409,722:
Eliminates 13 vacant positions, zero's out negative ending fund balance from FY 2010/11 ($97K), adds $100K to fund balance in FY 2012/13 with use of ending fund balance at rate of $.626675, allows up to 3% salary increases with use of ending fund balance, provides for 2 police cars and 1 water truck, can drop proposed tax rate to $.606675 from rollback tax rate of $0.626675.

Utility Fund:
Balanced budget and surplus of $23,310, eliminates 6 vacant positions, includes $0.21 per 1,000 gallons increase to water rates, increase in water and sewer impact fees, and allows for up to 3% salary increases with use of ending fund balance.

Salary increase and additions to fund balance were discussed. The estimates were based on 3% salary increase with a tax rate of .596675 which includes elimination of the water truck purchase in general fund ($80,000).

Discussions:
- Mayor Pro Tem Lopez asked what the advice is of the financial advisors to build up a fund balance. Ms. Dowell replied 3 to 4 months of operational expense, which is approximately $792,000 per month.
- Mayor Suarez asked if the Toepperwein Road litigation is in the budget. Ms Dowell replied yes.
- Mayor Suarez stated that last year, the City did not have a fund balance and almost did not make payroll. We were unable to participate with County programs due to not having a fund balance. A report Mayor Suarez read, showed employees received a 27% merit increase over the last 6 years. Mayor Suarez added that we need to consider the projects of the City. Ms. Dowell replied that an employee within the first five years may not hit the maximum merit increase due to the learning curve.
- Councilman Brown said that if the fire department loses 2 more employees, we may have to close one station and combine both fire stations. Ms. Dowell added that when we get below eight employees manning a shift, we will have to consider the ability of running two fire stations. We are looking at how to handle anymore attrition and short term fixes if necessary; we do not want this to affect our ISO rating. Councilman Brown added that since April, we have lost an entire shift at the fire department; nine employees due to better pay. Ms. Dowell replied, yes, some of these positions have been frozen and the other positions have been filled or are in the process of being filled. We do lose knowledge base when we lose employees that have been with us for several years.
-Mr. Sincoff asked about the $.21 cent water rate increase and stated that he is paying the same amount of money for using a small amount of water as a family that consumes a larger amount of water. Ms. Dowell replied that the city has a base rate which is the cost to lease the water, to get the water to each home and running the wells and the

infrastructure. The cost of the water leases have gone up and will continue to go up. City Council created a sliding scale for stage restriction costs. Mr. Sincoff focused on the base rate consumption of 9,000 gallons and stated it is not fair for those that use significantly less water.

-Ms. Joan Lindgren-Liberty View- stated the employees behind her did not receive a 27% merit increase. Employees need a pay raise every year, we need police cars and a water truck and we need to increase the fund balance. Said to increase the tax rate to .626675 in order to achieve the needs.

-Jeff Beehler-Norris Drive E-Asked to increase the tax rate to $.62 for the city to grow. Give the employees a raise so the citizens can continue to receive services.

Deborah James-Copperside-Said she agrees the employees should receive a raise across the board and not a merit increase. The city needs the police cars and a water truck to be able to provide services to the citizens.

-Mr. Sherman- Plumas Drive-The city is one of the lowest paid cities in the county. Asked why the EDC is listed in the City budget when it is its own corporation. Ms. Dowell replied that the presentation consists of all budgets as a component of the city and the city audit.

Mayor Suarez closed the public hearing at 7:54 PM.

5. NEW BUSINESS.

A. Discussion and Appropriate Action to Approve Change Order #1 in the Amount of $109,601.00 for PAYTON CONSTRUCTION, INC., for Thirteen (13) Additional Work Items, an Increase of 5.7%. This Change Order increases the Original Contract Price of $1,914,000 to $2,023,601 for the Construction of the Lower Seguin Road Interconnect Storage Tank and Pump Station. (City Engineer) (City Manager)

Mr. Quintanilla discussed the change order on the construction of the Lower Seguin Road interconnect storage tank pump station that increases the original contract price of $1,914,000 to $2,023,601. Payton Construction, Inc. prepared an itemized proposal and Vickery & Associates have reviewed and approved. This change order request was necessary for the relocation of the water line. Ms. Dowell added that the issues for laying the water line were due to a utility pole and utility line interference. We had to continue the work to get the project completed by the deadline or we would be paying for water that we would not be pumping.

Councilman Brown and Mayor Pro Tem Lopez said they are concerned with receiving this information the day of the meeting at the dais. The Council would not be good stewards of the cities funds requested more time to review.

Ms. Dowell replied that this change was done in the field because the most important goal was to get the project complete. It was cheaper to the city to make the decision than to not meet the deadline. The line is in the ground and we need to pay the contractor.

Ms. Johnson and Ms. Landreth of Vickery & Associates stated they had to acquire the easement quickly. The contractor worked diligently to keep the city on schedule and asked to take some of the responsibility for the Council seeing the documents for the first time because they asked the contractor to wait and present the documents at one time rather than in stages. The project is successful and came under budget.

Councilman Pannell made a motion to approve the change order in the amount of $109,601.00 for Payton Construction, Inc. for 13 additional work items. Mayor Pro Tem Lopez seconded the motion. The motion passed unanimously.

B. Discussion on the FY 2012/2013 Budget for the City of Converse. (City Manager)

Ms. Dowell stated the updated budget packet presented is to replace pages in the budget binders. The personnel line items specifically were erroneous.

C. Discussion on the FY 2012/2013 Tax Rate. (City Manager)

Ms. Dowell had nothing to add from the previous tax rate discussions.

6. ADJOURNMENT.

Mayor Suarez adjourned the meeting at 8:12 PM.

PASSED AND APPROVED this 18th day of ~~April~~ SEPTEMBER, 2012

Mayor Al Suarez

ATTEST:

Jackie Gaines
City Secretary

CITY OF CONVERSE, TEXAS