BAY CITY

REVISED MINUTES • AUGUST 9, 2014

Civic Center	Special Meeting	8:30 AM

1901 5TH STREET
BAY CITY, TX 77414

1. CALL TO ORDER & CERTIFICATION OF QUUORUM

Attendee Name	Title	Status	Arrived
Chrystal Folse	Councilwoman	Present	
Steven Johnson	Councilman	Present	
Mark Bricker	Mayor	Present	
Carolyn Thames	Mayor Pro-Tem	Present	
Julie Estlinbaum	Councilwoman	Present	
William Cornman	Councilman	Present	

2. REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL:

1. Budget

REVIEW AND DISCUSS THE PROPOSED BUDGET OF THE CITY OF BAY CITY FOR THE 2014-2015 FISCAL YEAR.

Phill Conner, Interim Finance Director
Mayor began by informing Council that he added 5% for health insurance, and added the Fire Marshall position.

Mayor Pro Tem Thames expressed her disappointment in the late receipt of the budget.

Mr. Conner apologized, but stated that he had lived and breathed the budget since May and wanted to present the best budget. He added that if Council decided to keep him, he would make sure to have the budget to them by July 1. Mr. Conner moved on to review the budget. The City is budgeting $3.44 million in revenues. That number is based on $.50 per $100 valuation. The City's current tax rate is $.50771. Mr. Conner reminded Council that $.01 on the tax rate would raise approximately $67,000. He went on to state that because valuations were high there was not much room to go up on the tax rate.

Mr. Conner stated that there was a 7% increase in sales tax. He explained that with the Franchise Tax he was not comfortable enough to budget an increase. He added that the City would collect $637,000 this year. The Enterprise Tax or the Water and Utility Fund increased because the City would increase rates, but the City had a big number to increase. The State Sales Tax anticipated to collect was increased 7%. There was a decrease in Court Fines of 28%; revenues decreased as a direct result. Building Fees increased due to Mayor believing that the City had yet to meet its peak; however, it was still a conservative number. Administrative Fees were kept flat. Sanitation Fees increased 3% over the current amount budgeted. That was done to offset charges. This will increase revenue by 3%. Riverside Park fees decreased slightly. This is due to the camp sites not having many 50 amp slots. The City is potentially losing money. The funds given to the City by the Gas Company increased. The Gas Company will provide the City with $375,000 this fiscal year. The account 3699, Other Income, is budgeted at $142,717, which includes $80,000 from Siemens. Councilman Cornman stated that the account looked a little low for Account 3699. He asked that they look into it, because he felt if could be more. Councilman Cornman asked what the City could do better as far as revenue. Mr. Conner stated Sales Tax and Building Permits. Mr. Conner stated that the Operating Expenses was at a $408,897 deficit. The Net Revenues are $1,110,321. The City's reserves are at 15.13%.

City General Services

Mr. Conner stated that the City charged a lot of health insurance, utilities, legal fees, and general office supplies to this account. He stated that engineering costs have been separated and moved to Public Works. Mr. Conner pointed out that there was increase in insurance cost. He asked Mrs. Clegg if there was any flexibility in that. Mrs. Clegg stated yes, if the City decided to go with the FSA Card that number would be approximately $2,100.

Transfers

The City budgets $150,000 a year by ordinance for street maintenance. The transfer from the Utility Fund is for the small portion of debt paid for by taxes. The Airport was left the same. The IT and Equipment Maintenance are Internal Service Funds paid for by the departments they service.

Debt Services

This is the debt service note to pay for the Fire Truck. Councilman Johnson asked what was in Account 4420, Legal Fees. Mr. Conner stated that was where the majority of the attorney fees came from, as well as the debt issuance/disclosure fees would come from.

Administration/Council

This budget covers the expenses of the Mayor and Council. Councilman Cornman stated that this budget should be flat. He asked about the increase in the Miscellaneous Account. The Mayor stated that it was due to his request to defer his raise that was provided. Councilman Cornman asked to make it flat. Mr. Conner decreased Miscellaneous to $3,000. Mr. Conner moved on to Travel and Training. The Mayor explained that was due to a more active Council and 3 employees.

Main Street / Municipal Court / Finance

Mr. Conner stated the he did not know much about the City's Main Street, but there have been cuts.

Mr. Conner explained that Municipal Court's budget was decreased by 36%. There was $10,000 budgeted for the outside of the building and to purchase overflow seating.

Mr. Conner moved on to explain the Finance Department's budget. He stated that there was a payment being made out of Account 4425, Contracted Services. Mr. Conner stated that he budgeted for a salary which he requested for himself for 2015. He stated that he added $4,000 to the Miscellaneous Furniture and Equipment. Council directed Mr. Conner to remove the $4,000 and take the direction and manage other places.

Service Center

There were no changes to this budget. Mr. Garr stated that they would be reviewing fees for all rentals throughout Parks and Recreation.

Parks

The Travel and Training account had been increased for certifications for Parks employees. Ms. Penewitt stated that they would like to increase the number of employees. They are currently only three (3) employees. The Uniform budget also increased for the summer months. The General Supplies account increased to purchase and/or replace equipment. Councilman Johnson wondered if the City was up to speed with TCEQ and the EPA. Ms. Penewitt stated that there were compliance issues at Riverside and safety issues with LeTulle. Councilwoman Folse asked what was in Account 4425, and Ms. Penewitt stated if they needed to rent equipment that was where it would come from. Mayor noted that Utilities did decrease. Ms. Penewitt added that building cost did increase due to vandalism, parking, striping, and signage. In the Capital Outlay account 4605, Furniture and Equipment, $17,000 was budgeted to replace a mower. Ms. Penewitt informed Council that after three (3) years a mower should be replaced. She added that when it breaks down it put them further behind. Account 4620 total is $83,000, with $10,000 designated for park signage, and $73,000 designated for playground equipment.

Riverside / Recreation / Aquatics / Teen Center

Ms. Penewitt stated that she would like to upgrade the campsites at Riverside to 50 amp campsites, and upgrade and redesign the office at Riverside. They would like to add a part-time employee, and would be willing to forgo the redesign of the office to get the position. Ms. Penewitt stated that she would be looking at the Summer Programs.

Ms. Penewitt moved on to Aquatics. She stated that the salaries had increase due to the number of lifeguards; Travel and Training budget increased; The Uniform budget increased, so that she could purchase winter wear and the employees have a more professional appearance; Repair and Maintenance was increased by $10,000 for maintenance; and Capital increased from $15,000 to $28,000 for the16th Street Pool. Ms. Penewitt stated that next year it would be their goal to keep the pool open 6 days a week, Tuesday through Sunday.

Ms. Penewitt moved on to the Teen Center. The only change for this budget was the decrease in utilities. Councilwoman Folse asked if the Teen Center was supposed to be rented, and the Mayor reminded Council that it was rented/leased to Young Life. Mr. Garr added that the building was not designed to be rented, its purpose was for the youth.

Airport Capital Improvements Schedule

Mr. Garr reviewed his Capital Projects for the Airport, as well as the changes to the Airport budget.

Library

Library Director Samantha Miller reviewed her budget, and commented that she did not know why there was a decrease in the salaries. Mr. Conner stated that he would have to look into it. Ms. Miller stated that she would like to increase the seasonal part-time employee to a regular part-time employee. Ms. Miller stated that the Capital Outlay budget increased $35,000, because she would like to get a marquee for the Library. She added that she would look into crowd funding. It was noted that the County's portion had decreased. Mr. Conner stated that he was told that it was supposed to be $150,000. Councilwoman Estlinbaum stated that she had talked with the Judge and they would give $200,000. The Mayor informed Council that the Library's utilities would stay the same, but the Gas would decrease since it was now a part of the City.

Police / Animal Impound / Fire Department

Chief Barker stated that he did not understand why there was an increase in accounts 4410 and 4411, when both were budgeted at $15,240 and $21,250, respectively. In Capital Outlays, account 4605, decreased because they received a better quote. There is an increase in Personnel due to the four new employees; account 4315 increased, due to an increase in their association dues; account 4498 decreased, the in-car computers were purchased last year, so they are not an expense this year; account 4510 increased due to tires being more expensive; account 4515 increased because they have to replace the outside lighting; and account 4605 increased because they will purchase body cameras.

Chief Barker moved on to the Animal Impound. He stated that nothing really changed in Animal Impound.

Chief Barker moved on to the Fire Department. There were no increases. Chief Barker explained to Council that account 4440 had $64,000. Currently there was not a City employee that had oversight over the approval of those funds. Chief Barker stated that he would like to have oversight over line items.

Code Enforcement

The Fire Marshall's salary was included. The Fire Marshall Position and Code Enforcement should be under the Police Department.

Recycle Center

The Recycle Center has been moved into its own account. The City will receive a grant for $10,000 for a part-time position. Account 4425 increased by $58,000 for the annual chipping at the City's Brush site.

Public Works (Street & Bridge)

Mr. Calhoun explained that there was a major change. The division is in need of a supervisor position. Currently the division has a Foreman, and he currently cannot perform the duties. Once someone is hired, the current Foreman would go back to his previous position of Equipment Operator. Account 4319 increased for street signs; account 4419 now holds the funds for engineering services; and account 4425 decreased because that was moved to the Recycle Center for annual chipping. Councilman Cornman asked if the $50,000 for engineering was enough, and Mr. Calhoun stated no. Mr. Calhoun moved on. Account 4505 decreased; account 4605 increased because they were requesting a new Gradall; and account 8480 increased to replace vehicles and minor equipment. Councilwoman Folse asked what Street & Bridge did. Mr. Calhoun stated that they supported Code Enforcement, excavated ditches, maintained the streets, mowed, demolished structures and trimmed trees. Councilman Cornman asked if there was capital Street & Bridge. Mr. Calhoun stated $311,000 for a Gradall and $80,000 for vehicle replacement. Councilman Cornman asked about striping. Mr. Calhoun stated that funds were in Fund 28.

Water and Sewer

Mr. Conner stated that account 3315 and 3335 increased 5% due to the previous year. Accounts 3320 and 3340 also increased. Councilman Cornman asked if that was based off no increases in volume, and Mr. Conner stated correct. Councilman Cornman suggested he base it off of increased volume.

Utility General

Mr. Calhoun explained that the Utility Maintenance employee will be moved to the Water Fund. He added that there were no new positions requested. Mr. Calhoun moved on. Account 4310 increased; 4605 increased to purchase a Dump Truck. Mr. Calhoun stated that he would like to move it to Utility Maintenance. Account 4505 increased for the purchase of tools and equipment.

Water

Mr. Calhoun stated the he would be moving some labor to this account. Councilman Johnson asked how many employees were in this department, and Mr. Conner stated 13. Mr. Calhoun stated that he had requested that he was asking for 3 new positions. He added that he did not have enough employees to support operations. Mr. Calhoun added that he was having issues with retention due to pay. He stated that account 4620 increased to pay for the Katy Water Tower, which was $500,000, as well as the fire hydrant and valve maintenance at a cost of $50,000.

Sewer

Mr. Calhoun explained that this department encompassed the Wastewater Treatment Plant, sewer lines, and lift stations. Mr. Calhoun stated that he was asking for a Lab Tech to help maintain records. Mr. Calhoun explained that there were salary savings when the supervisor left. There was an increase to account 4419 of $50,000. Account 4432 increased $121,000. Council asked to see the historical data on this. Account 4497 increased $100,000 for the unknown contingency for the emergency unknown. Council asked that the name of the account be changed to Emergency Repairs. Account 4605 increased to purchase a camera to TV utility lines.

Warehouse Operations / IT / Equipment Maintenance / Facility Maintenance
Under Warehouse Operations account 4615 increased to pay for the repair of the MSB garage doors.

Mr. Calhoun pointed out that there was no increase in salaries in IT, so what was presented in the budget was not correct. Account 4425 increased due to some of the services; account 4605 was due to the computer replacement program; account 4625 increase was due to the new module in Incode, Purchase Order. This division receives funding from both the General Fund and the Utility Fund, 50% from each.

Mr. Calhoun stated that there were no major changes in Equipment Maintenance. This division received funding from both the General Fund and Utility Fund, 40% and 60%, respectively.

In Facility Maintenance there was only one change. One employee was transferred out of IT to Facility Maintenance. Account 4515 increased, this contained funds for the unexpected items. Account 4605 increased due to the Bucket Truck for $108,000, a new generator for WWTP Tower, and $67,000 for the 25% match for the truck. Councilman Cornman asked if funds for the Siemens audit were budgeted, and Mr. Calhoun stated yes, it was located on page 76.

2. Report

EMPLOYEE COMPENSATION STUDY FOR FISCAL YEAR 2014-2015: A.) REVIEW, DISCUSS, CONSIDER AND/OR ACCEPT THE COMPENSATION STUDY. B.) DISCUSS, CONSIDER AND/OR APPROVE EMPLOYEE WAGE ADJUSTMENTS AS PROPOSED IN THE STUDY.

Rhonda Clegg, City Secretary
Mrs. Clegg explained her process for gathering the data for the study and completing it.

Council thanked Mrs. Clegg for her hard work. They wondered what would be her recommendation be for implementing it. Mrs. Clegg stated that it would be ideal to implement the first option; however, it would not be possible. She suggested the last option, and phase it in over the next several fiscal years.

Council discussed the different options and possibilities. Council informed staff that they needed to cut $1.25 million from the budget; add $.04 for a tax increase; and add a 7% pay increase. Council directed staff to cut an additional 10% out of their budgets, so that we could shoot for a 7% pay increase.

3. ITEMS / COMMENTS & MAYOR AND COUNCIL MEMBERS

4. ADJOURNMENT

<u>AGENDA NOTICES:</u>

<u>Action by Council Authorized:</u>
The City Council may vote and/or act upon any item within this Agenda. The Council reserves the right to retire into executive session concerning any of the items listed on this Agenda, pursuant to and in accordance with Texas Government Code Section 551.071, to seek the advice of its attorney about pending or contemplated litigation, settlement offer or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas conflict with the Open Meetings Act and may invoke this right where the City Attorney, the Mayor or a majority of the Governing Body deems an executive session is necessary to allow privileged consultation between the City Attorney and the governing body, if considered necessary and legally justified under the Open Meetings Act. The City Attorney may appear in person, or appear in executive session by conference call in accordance with applicable state law.

<u>Attendance By Other Elected or Appointed Officials:</u>
It is anticipated that members of other city board, commissions and/or committees may attend the meeting in numbers that may constitute a quorum of the other city boards, commissions and/or committees. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of the other boards, commissions and/or committees of the City, whose members may be Agenda City Council August 8, 2013 in attendance. The members of the boards, commissions and/or committees may participate in discussions on the same items listed on the agenda, which occur at the meeting, but no action will be taken by such in attendance unless such item and action is specifically provided for on an agenda for that board, commission or committee subject to the Texas Open Meetings Act.

<u>Executive Sessions Authorized:</u>
This agenda has been reviewed and approved by the City's legal counsel and the presence of any

subject in any Executive Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the items discussed therein may be legally discussed in the closed portion of the meeting considering available opinions of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.144(c) and the meeting is conducted by all participants in reliance on this opinion.

This is to certify that the above notice of a Workshop Meeting was posted on the front window of the City Hall of the City of Bay City, Texas on Saturday, August 9, 2014 before 8:30 a.m. Any questions concerning the above items, please contact Mayor Mark A. Bricker at (979) 245-2137.

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Rhonda Clegg
City Secretary

City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

DISCUSSION ITEM (ID # 1567)

Meeting: 08/09/14 08:30 AM
Department: City Secretary
Category: Budget
Prepared By: Rhonda Clegg
Initiator: Rhonda Clegg
Sponsors:
DOC ID: 1567

REVIEW AND DISCUSS THE PROPOSED BUDGET OF THE CITY OF BAY CITY FOR THE 2014-2015 FISCAL YEAR.

City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

DISCUSSION ITEM (ID # 1568)

Meeting: 08/09/14 08:30 AM
Department: City Secretary
Category: Report
Prepared By: Rhonda Clegg
Initiator: Rhonda Clegg
Sponsors:
DOC ID: 1568

EMPLOYEE COMPENSATION STUDY FOR FISCAL YEAR 2014-2015: A.) REVIEW, DISCUSS, CONSIDER AND/OR ACCEPT THE COMPENSATION STUDY. B.) DISCUSS, CONSIDER AND/OR APPROVE EMPLOYEE WAGE ADJUSTMENTS AS PROPOSED IN THE STUDY.