

DRAFT
MINUTES
SPECIAL MEETING
August 7, 2020

A Special Meeting was held by the Schertz City Council of the City of Schertz, Texas, on August 7, 2020, at 8:00 a.m. at the Hal Baldwin Municipal Complex Civic Center Bldg. #5 - Bluebonnet Hall, 1400 Schertz Parkway, Building #4, Schertz, Texas. The following members present to-wit:

Present: Mayor Ralph Gutierrez; Mayor Pro-Tem Tim Brown; Councilmember Mark Davis; Councilmember Rosemary Scott; Councilmember Scott Larson; Councilmember Michael Dahle; Councilmember David Scagliola; Councilmember Allison Heyward

City Staff: City Manager Dr. Mark Browne; Assistant City Manager Brian James; Assistant City Manager Charles Kelm; City Attorney Daniel Santee; City Secretary Brenda Dennis; Assistant to the City Manager Sarah Gonzalez; Fire Chief Kade Long; Police Chief Michael Hansen; Assistant Police Chief Mark Bane; EMS Director Jason Mabbitt; EDC Director Adrian Perez; Public Works Director Suzanne Williams; Assistant Public Works Director Scott McClelland; City Engineer Kathy Woodlee; Engineer John Nowak; Finance Director James Walters; Assistant Finance Director Babett Martin; Financial Analyst Maya LeDoux; Planning & Community Development Director Lisa Wood; Human Resource & Purchasing Director Jessica Kurz; Parks, Rec. & Community Services Director Lauren Shrum; IT Director Myles Clauser; GIS Coordinator Tony McFalls; GIS Coordinator Tony McFalls; Public Affairs Director Linda Klepper; Court Administrator Patty Casas

Attendees: Richard Kunz, Cedric Edwards, Jill Whittaker, Officer Scott Moorehouse

Call to Order (General Comments)

Mayor Gutierrez called the Special meeting to order at 8:07 a.m. Mayor Gutierrez mentioned for those who have signed up to speak, that he would address them after the presentations have been made.

Welcome/Overview

- Discussion and direction regarding mid-budget preparations, including but not limited to City Policies and Capital Improvement Program. (M. Browne)

City Manager Dr. Browne provided the following regarding the retreat overview.

- COVID-19 Overview

Fire Chief Kade Long, City Manager Dr. Browne and Finance Director James Walters provided updates regarding current numbers, current and anticipated fiscal impact regarding anticipated savings, impact on sales tax, and lost revenues as well as addressed questions from Council.

- Current FY 19/20 Budget

Engineer John Nowak and Public Works Director Suzanne Williams provided the following updates: addressing questions from Council:

- CIP Update - Use of excess reserves were invested in core infrastructure areas: Streets - Completed projects in FY19/20, street projects ongoing funded in FY19/20, SPAM Projects, Sidewalks - completed in FY 19/20, ongoing projects funded in FY19/20, Drainage - completed projects in FY19/20 and ongoing projects funded in FY19/20.

Mayor Gutierrez recognized Mr. Cedric Edwards, 1016 Keanna Place who addressed Council regarding the need for more budgeted dollars for streets, he mentioned that he and others in neighborhood were not happy with the chip seal placed on the roads in The Estates of Wilson's Preserve.

Assistant City Manager Charles Kelm provided a Facilities update for FY19/20 addressing questions from Council.

Parks, Recreation and Community Services Director Lauren Shrum provided a Parks update for FY19/20 addressing questions from Council.

CIP Wrap-up: City Manager Dr. Browne provided a wrap-up stating we have completed a lot of projects and have many ongoing, but is it sustainable in personnel and resources? Dr. Browne addressed questions from Council.

- FY 20/21 Budget Key Messages

City Manager Dr. Browne and Finance Director James Walters provided the FY 20/21 Budget Key Message

- Budget built in with Scenario 1 in mind: Direction from Council at the pre-budget retreat - more emphasis on "business as usual."

Change in Revenue/Expense Projections - More aggressive/more risk - expenses - increase vacancy rate for personnel, revenues - increase sales tax percentage, increase property tax percentage. Estimated additional funding of \$440,000.

- FY 20/21 Budget Highlights & Discussion

Various Staff members provided information on the following addressing questions from Council.

- Comprehensive Land Use Plan/Unified Development Code Update (Brian James presented)

Proposed to include following components:

Updates to Future Land Use Plan, Parks Master Plan, and any sub-elements we desire to include (housing, education, etc.) Will also look at implications to Master Thoroughfare Plan and Water and Sewer Master Plan.

- CIP Funding: Streets (John Nowak presented). Parks/Trails (Lauren Shrum presented) Drainage & Sidewalks (Charles Kelm/Suzanne Williams presented)

Allocated additional funds in General Fund for following areas:

Streets - \$200,000

So how much do we have for streets next year?

Amount currently have in General Fund (recurring) -\$210,000

Estimated remaining 19/20 Reserves - \$320,000

Some bond funds from NTE left over - ?

Amount adding (one-time) - \$200,000

Total: Estimated ~\$700,000+?

Staff reviewed how we will spend the estimated \$700,000

- PCI Study \$100,000

- Contribution to FM 3009/FM 78 crossing study (with TxDot) - \$200,000

- Lindbergh (Main to Exchange) reconstruction and storm drain \$720,000 - \$1,000,000

- Will prioritize these remaining 2020 CIP Projects in early FY 2020-21 when funding amounts finalized

Parks/Trails - \$150,000

CIP Total General Fund Amount

Amount currently have (recurring) - \$235,000

Amount adding (one-time) - \$150,000

Total:\$385,000

Staff reviewed how we will spend the \$385,000

- Thulemeyer Park additional parking \$100,000

- Ashley Park Pavillion \$35,000

- Ashley Park Playscape \$65,000

- Pickrell Park Improvements \$35,000

- North Trail section \$150,000

Drainage - \$100,000

CIP Total Funding Amount

Amount currently have (recurring) - \$83,000

Amount adding (one-time) - \$100,000

Total: \$183,000

Staff reviewed how we will spend the \$183,000

Amazon Channel - Design and Construction estimate \$300,000

Remainder to be paid from Drainage Reserves

Sidewalks - \$50,000

Sidewalks (part of PW Streets budget)

CIP Total General Fund Amount

Amount currently have (recurring) - \$75,000

Amount adding (one-time) - \$50,000

Total: \$125,000

Staff reviewed how we will spend the \$125,000

Projects: Curtis Avenue (Beacon to FM 1518)

Construction estimate \$50,000

Finishes sidewalk from Clemens to 1518

Aero Ave. (Schertz Pkwy to 1518)

Construction estimate \$150,000

• Facilities Update (Charles Kelm presented)

Fleet (Building 27) renovation (Design/Build)

\$1.65M – Estimated Completion September 2021

Bldg 1 Court/Inspections/Billing Counter

\$110K – Scope Development October 2020

Community Center Interior refinish

\$20K – Scope Development October 2020

Civic Center Floor repair and replacement

\$35K – Scope Development November 2020

Building 10 renovation (Parks)

\$140K – Scope Development January 2021

Staff reviewed the Facilities CIP (Expanded Program-Funded)

• Class & Comp Implementation/employment cost index (ECI) (James Walters presented)

Fund at 97% of median over 5 years

Employment Cost Index (ECI)

1% initial (FY 20/21) - effective Oct. 1

0.25% following 4 years
End up at 2%

Funding personnel recommended by Staffing Study. (James Walters presented)

Update on 9 positions:

Patrol Officer – recruiting

Fleet Manager – hired

Engineer – offer in progress

Street Crew (3) – hired all 3

Park Maintenance Tech – interviewing, offer coming

Kennel (2) – one filled; second position interviewing phase

Evaluated requested positions based on study

Proposing 4 new positions:

Police – Captain

Police – School Resource Officer

Fire – Emergency Management Coordinator

Planning – Senior Planner

Mayor Gutierrez recessed the meeting at 11:30 a.m. for lunch break.

Mayor Gutierrez reconvened the meeting at 12:43 p.m.

- FY 2020-21 Budget

City Manager Dr. Mark Browne and Finance Director James Walters provided Council with information on the General Fund Proposed Budget \$37,214,581.

Increase of \$972,075 or 2.7%, from FY 2019-20 adopted budget, not including infrastructure funding.

Non Personnel Budgets decrease 4.5% due to fewer capital purchases and lower tax abatement payments.

Personnel Budgets increase 6.9% to act on the Class & Comp Study, Merit, insurance, ECI, and add 4 positions.

General Fund: Proposed budget assumes a 26% fund balance requirement. Choices made in the proposed budget will reduce the fund balance to 26% over the next 5 years.

Long Term Debt Model discussion:

For I&S Fund - purpose to avoid large tax increases in future

Design: Model is long term in nature, includes all current debt obligations, takes into account the growth of the tax base, ensures fund balance never falls below a certain level

At I&S rate of \$0.1651: includes the following upcoming debt issuances:
FY20/21 - FM 1518 \$9,400.000 - committed/voter-approved
Infrastructure \$1,500.000 - not assigned to projects

After FY20/21 - includes the following upcoming debt issuances:

FY22/23 - \$20 Million - Fire Station 4 - \$10.1 million;
Roads/drainage/parks/facilities equipment
FY24/25 - \$21 Million - Public Safety Building - \$15-21 million
FY26/27 - \$15 Million - Infrastructure

Discussion regarding 2020 Property Values

Tax Rate discussion:

- No New Revenue: The tax rate which will generate the same revenue for the city from property on the previous year's tax roll. \$0.5079
- Voter Approval Rate: The rate if exceeded triggers an automatic election on the tax rate. \$0.5247
- Current: The rate currently adopted by the City. \$0.5146
- Proposed Max: The maximum rate set at which the final adopted rate cannot exceed. \$0.5146 this amount the proposed budget assumes this rate. - \$0.01 is equal to \$390,000 revenue or \$24.45 on the average home.
- Target Tax Rate

M&O Current rate \$0.3496, Proposed Maximum \$0.3495 - For day to day operations

I&S Current rate \$0.1650, Proposed Maximum \$0.1651 - To pay the City's debt
Total: \$0.5146 Current - Proposed \$0.5146

At \$0.5079 No New Revenue Rate

Existing Residents Average City Tax Bill

2019 Tax Bill = \$1200 Avg Home Value \$233,200

2020 Tax Bill = \$1241 Avg Home Value \$244,500

Increase = \$ 41*

*This represents the increase of the tax bill on the average taxable home value, including new construction.

At Current Rate \$0.5146

Existing Residents Average City Tax Bill

2019 Tax Bill = \$1200 Avg Home Value \$233,200

2020 Tax Bill = \$1258 Avg home Value \$244,500

Increase = \$ 58* (increase of \$17)**

*This represents the increase of the tax bill on the average taxable home value,

including new construction

**This represents the increase of the tax bill on the average existing home

At \$0.5247 Voter Approval Rate

Existing Residents Average City Tax Bill

2019 Tax Bill = \$1200 Avg Home Value \$233,200

2020 Tax Bill = \$1282 Avg Home Value \$244,500

Increase = \$ 82* (increase of \$41**)

*This represents the increase of the tax bill on the average taxable home value, including new construction

**This represents the increase of the tax bill on the average existing home

- Discussion and direction regarding the proposed expanded programs. (M. Browne)

Ms. Gonzales reviewed the programs/personnel now funded:

Department	Request	Proposed Cost	
Fleet	Purchase Tool Boxes for Shop	35,000.00	Part of FFE of new building
Fire	Fire Ladder/Platform Truck Co. (Budget FY 23)	911,211.00	Contingent on approval of station 4
Water	Purchase Main Waterline Leak Detection	18,000.00	Fund Now
	Purchase a Mainline Camera	80,000.00	Fund Now
Drainage	Replacement of a 2007 Wheel Loader	145,000.00	Fund Now
	Purchase 6' Rotary Shredder Deck	7,000.00	Fund Now
	Purchase 12' mower with a 15' batwing Mower	22,000.00	Fund Now
	Purchase a 2021 John Deere HPX815 Gator	15,000.00	Fund Now
EMS	Full time training instruction		Fund Now
	Full time 12 Hrs shift staff		Fund Now
	Full time 24 hrs shift paramedic		Fund Now

Ms. Gonzales provided proposed programs/personnel that would be funded at the Current rate of \$0.5146:

	Department	Request	Proposed Cost
Personnel	Police	Captain Position	133,705.00
Personnel	FIRE	Emergency Management Coordinator (EMC)	112,000.00
Personnel	Police	School Resource Officer	53,283.20
Personnel	P & Z-154	Senior Planner	80,915.00
		SubTotal:	379,903.20
Program	P & Z-154	Comprehensive land (CLP), Parks Master plan, and UDC	400,000.00
Program	Facilities Services	Preventative Maintenance (requested \$120K)	55,000.00
Program	Parks	Trail system Funding (requested \$250K)	150,000.00
		SubTotal:	605,000.00
		Total	984,903.20

Personnel funded at No New Revenue(Effective Rate) \$0.5079 - Cut \$260K recurring costs (Captain, EMS, Senior Planner Positions)

	Department	Request	Proposed Cost
Personnel	Police	School Resource Officer	53,283.20
		SubTotal:	53,283.20
Program	P & Z-154	Comprehensive land (CLP), Parks Master plan, and UDC	400,000.00
Program	Facilities Services	Preventative Maintenance (requested \$120K)	55,000.00
Program	Parks	Trail system Funding (requested \$250K)	150,000.00
		SubTotal:	605,000.00
		Total	658,283.20

Discussion regarding cut line programs/personnel at voter approval rate \$0.5247. Could fund additional 400K recurring personnel (in green)

	Department	Request	Proposed Cost
Personnel	Police	Captain Position	133,705.00
Personnel	FIRE	Emergency Management Coordinator (EMC)	112,000.00
Personnel	Police	School Resource Officer	53,283.20
Personnel	P & Z-154	Senior Planner	80,915.00
Personnel	Police	Property/Evidence Technician	38,227.00
Personnel	Police	Patrol Officer	141,683.20
Personnel	Engineering	Administrative Assistant Position	45,568.00
Personnel	Police	Kennel Tech Positions	34,505.00
Personnel	FIRE	Deputy Fire Marshal (DFM)	80,000.00
Personnel	Library	FT Administrative Assistant	49,500.00
		SubTotal:	769,386.40
Program	P & Z-154	Comprehensive land (CLP), Parks Master plan, and UDC	400,000.00
Program	Facilities Services	Preventative Maintenance (requested \$120K)	55,000.00
Program	Parks	Trail system Funding (requested \$250K)	150,000.00
		SubTotal:	605,000.00
		Total	1,374,386.40

Cut Line Discussion at Voter Approval Rate - \$0.5247
OR Fund additional \$400,000 in one-time programs (in green)

	Department	Request	Proposed Cost
Personnel	Police	Captain Position	133,705.00
Personnel	FIRE	Emergency Management Coordinator (EMC)	112,000.00
Personnel	Police	School Resource Officer	53,283.20
Personnel	P & Z-154	Senior Planner	80,915.00
		SubTotal:	379,903.20
Program	P & Z-154	Comprehensive land (CLP), Parks Master plan, and UDC	400,000.00
Program	Facilities Services	Preventative Maintenance - FULLY FUND	120,000.00
Program	Parks	Trail system Funding - FULLY FUND	250,000.00
Program	Park	Restroom Cleaning service	27,675.96
Program	IT	Administrative CAD Training on site	10,000.00
Program	Police	Brazos Ticket Writer Moudule Expansion	8,330.00
Program	Police	Intoxilizer Interview Room Camera System	5,360.00
Program	Police	Project Lifesaver	6,000.00
Program	Civic Center	Event Management Software	20,000.00
Program	FIRE	Emergency Management Budget	5,100.00
Program	Park	Additional Mowing Service	50,000.00
Program	Police	Communications Console Replacement	98,923.00
Program	Public Affairs	Contracted Videography/Editing Services	5,000.00
		SubTotal:	1,006,388.96
		Total:	1,386,292.16

Cut Line Discussion - remaining unfunded requests (in yellow) - Personnel

Department	Request	Proposed Cost
Police	Captain Position	133,705.00
FIRE	Emergency Management Coordinator (EMC)	112,000.00
Police	School Resource Officer	53,283.20
P & Z-154	Senior Planner	80,915.00
Police	Property/Evidence Technician	38,227.00
Police	Patrol Officer	141,683.20
Engineering	Administrative Assistant Position	45,568.00
Police	Kennel Tech Positions	34,505.00
FIRE	Deputy Fire Marshal (DFM)	80,000.00
Library	FT Administrative Assistant	49,500.00
Police	Patrol Officer	141,683.20
Police	Kennel Tech Positions	34,505.00
Engineering	Engineering Inspection Position	107,049.00
Police	Police Records specialist Position	38,495.00
Park	FTE Park maintenance Technician I	39,939.00
Park	FTE Park maintenance Technician I	39,939.00
Facilities Services	Plumber Position	62,840.00
Inspections	Plans Examinar	74,407.00
Library	PT Programming Specialist (20Hrs)	17,500.00
Utility	Utility Billing Clerk	42,700.00
Park	PTE or Seasonal Park Ranger (2)	26,000.00
Park	FTE Recreation Coordinator	50,000.00
Park	FTE Park maintenance Technician I	39,939.00

Remaining Unfunded Requests (in yellow) - Programs

Department	Request	Proposed Cost
P & Z-154	Comprehensive land (CLP), Parks Master plan, and UDC	400,000.00
Facilities Services	Preventative Maintenance	120,000.00
Park	Trail system Funding	250,000.00
FIRE	Overtime for life Safety and Fire inspection	25,000.00
Park	Restroom Cleaning service	27,675.96
IT	Administrative CAD Training on site	10,000.00
Police	Brazos Ticket Writer Moudule Expansion	8,330.00
Police	Intoxilizer Interview Room Camera System	5,360.00
Police	Project Lifesaver	6,000.00
Civic Center	Event Management Software	20,000.00
FIRE	Emergency Mangement Budget	5,100.00
Park	Additional Mowing Service	50,000.00
Police	Communications Console Replacement	98,923.00
Public Affairs	Contracted Videography/Editing Services	5,000.00
Police	Intake and Isolation Cat Kennels	75,000.00
Library	Library Materials (minimum 15%) of overall budget	31,000.00
IT	PA System for Library	35,000.00
HR	Training Budget	3,000.00
Finance-868	Transparency Software	11,150.00
HR	Paid Parental Leave	0
Facilities Services	Bid 1 HVAC replacement Program	101,000.00
Facilities Services	Bid 2 HVAC replacement Program	26,000.00

Cut Line Discussions continued for the remaining unfunded requests for personnel and programs.

Assistant City Manager Charles Kelm provided a PowerPoint on options and an overview of the police compression issues. Council concurred to continue to meet with the association to address their issues. HR and City Management to work with the employees, have ongoing conversations and come back with a report to Council in 60 days.

Hearing of Residents

Mayor Gutierrez recognized Mr. Richard Kunz, 2960 Red Tip Drive who provided general comments regarding the budget for 2020 and appreciation with discussions regarding the compression issues.

Adjournment

As there were no further discussions, Mayor Gutierrez adjourned the meeting at 1:21 p.m.

Ralph Gutierrez, Mayor

ATTEST:

Brenda Dennis, City Secretary