

DRAFT

MINUTES SPECIAL MEETING April 2, 2021

A Special Meeting was held by the Schertz City Council of the City of Schertz, Texas, on April 2, 2021, at 8:30 a.m., in Fire Station #3 Training Room, 11917 Lower Seguin Road, Schertz, Texas. The following members present to-wit:

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

City Staff: City Manager Dr. Mark Browne; Assistant City Manager Brian James; Assistant City Manager Charles Kelm; City Attorney Daniel Santee; Assistant to the City Manager Sarah Gonzalez; City Secretary Brenda Dennis; Finance Director James Walters; Executive Director Economic Development Adrian Perez; Human Resources & Purchasing Director Jessica Kurz; Engineer John Nowak; Parks Manager Jared Montney; Water/Wastewater Manager Stephen Mayfield

Call to Order (General Comments)

Mayor Gutierrez called the Special Pre-Budget Workshop meeting to order at 8:30 a.m.

WELCOME/OVERVIEW

Mayor Gutierrez recognized City Manager Dr. Browne who provide the retreat overview:

- Welcome/Introduction
- Activity
- FY 21-22 Budget Development
- Bonding Discussion
- Council Priorities for FY 21-22 Budget

Discussion and Action Items

Pre-Budget prioritization process -

- Discussion and direction in preparation for pre-budget prioritization process and budget goal setting, including but not limited to key growth and service provision indicators such as population growth, tax base development, large time sensitive road projects/right-of-way issues, staffing levels and structure, and how to apply the information to assist in appropriate priority based decision-making. (M. Browne/Executive Team)

City Manager Dr. Browne, Department Heads, Mayor and Council discussed the following:

FY 21-22 Budget Development

Increase in Sales Tax Revenue - sales tax is up

Decrease in Fee Revenues - Civic Center rentals, Court, Investments

Update on Personnel Budget to Actual

FY 2021	Budget	Actual	% Used
General Fund Personnel*	\$24,180,401	\$12,309,533	51%
*Exactly halfway through the year, personnel has already used 51% of the budget before merit raises			

FY 2020	Budget	Actual	% Used
General Fund Personnel	\$22,209,294	\$10,781,793	49%

Department Year-end Projections

- Budgeted Fund Balance Drawdown - \$1,633,000
- Year End Projected Drawdown - \$1,575,000
- \$58,000 additional for FY 2021-22

Any "extra" money? What is our bottom line at this moment

FY21-22 Budget Development

- Expected stimulus package – American Rescue Plan (\$9 million)
- Limited in where we can use this

(A) Response to Public Health Emergency (COVID-19) assistance to households, small businesses, and nonprofits or aid to impacted industries such as tourism, travel, and hospitality

(B) Response to essential workers during COVID-19 (Hazard Pay)

(C) Cover reduction in revenues for government services (Tied to tax rate)

(D) Investments in water, sewer, or broadband infrastructure

- Expected to receive funds in two tranches
- First tranche (equal to 50% of the allocation) within 60 days of enactment
- Second tranche (the remaining 50%) not earlier than one year after the first disbursement
- Funds available until December 31, 2024
- Expected to receive funds in two tranches
- Expected Winter Storm reimbursement - approximately \$75K
- CARES Money: How much do we have to spend?

Right now, the City has \$1 million available to spend for projects and programs
The City could get another \$360K from FEMA and CARES, leaving us with \$1.36 million to spend

- *Expanded Programs built into the budget*
 - New Personnel - \$200,000
 - Small Equipment - \$20,000
 - Large Equipment/Projects - \$500,000 (Incode/Animal Adoption Center AC Fix)
 - Act of Class & Comp - \$250,000
 - Total New Programs - \$970,000
 - Prioritize 500K to 750K of expanded programs in case we have additional funds at year-end

- ***CIP Projects***

Water/Wastewater CIP Funding

FY 19-20: Projects funded from Impact fees and Operation funding

- Water/Wastewater Master Plan (\$500K)
- Corbett Elevated Storage Tank (\$2.7M)

FY 20-21: Projects funded from reserves

- Aviation Heights Waterline Replacements (\$1.8M)
- Design 16" Dedicated line from E Live Oak to IH35 (\$500K)

FY 21-22: Proposed Debt Issuance (\$11M)

- Crest Oak Sewer Line upsize (\$1M)
- Construction 16" Dedicated line from E Live Oak to IH35 (\$5M)

(\$1.5 million reserves and \$3.5 million in debt issuance)

- FM 1518 Utility Relocation (Construction)

FY 22-23: TBD Combination: Issue Debt, impact fees, EDC, reserves

- Lookout Sewer Line upsize
- Cibolo West Wastewater trunk main (route study)

Streets Spam CIP Funding

FY 20-21: bond funds and general fund (\$210,000 recurring and \$200,000 one time)

- Tri County Reconstruction (EDC Funded \$3,500,000 - \$4,050,000 includes engineering)
- Schertz Parkway Concrete Repair Work (\$150,000)
- 2018 SPAM Residential Chip Seal Upgrades (\$200,000)
- 2020 Slurry Seal Projects (\$2,500,000)
- PCI Study (\$100,000)
- FM 3009/FM 78 Intersection Planning Study (\$200,000)
- Elbel Road (pending additional funding - \$1,400,000)
- Aviation Heights and Lindbergh Street Repair on hold pending policy discussion (\$1,900,000)

FY 21-22: \$210,000 recurring going forward if not more bond funds (does not include impact fee funds for expanded capacity)

- Project(s) from CIP will be identified based on final costs of 2020/2021 funds or needing to save up funds over multiple years (Next up Schertz Parkway Woodland Oaks to IH-35 Preservation Overlay = estimated cost \$800,000 – so short about \$600,000)

Parks CIP Funding

FY 20-21: bond funds and general funds (\$235,000 recurring and \$150,000 one time (for trails))

- Pedestrian Bike Routes and Bike Lanes Construction,
- *Great Northern Trail Segment Design and Construction*
- *Veteran's Memorial Plaza Landscape Renovation*
- *Thulemeyer Parking Lot*
- *Crescent Bend Entry Improvements*
- *Ashley Park Playscape and Pavilion*

FY 21-22: \$235,000 Proposed Priorities (pending Parks Board Input)

- Dietz or Northern Trail Section
- *Thulemeyer Restroom*
- *Crescent Bend Master Plan (to help deal with increase in visitors)*
- *Complex Well and Pumps (moved up based on impact of freeze)*

Major Projects

- Evaluate Wendy Swan Pool Conversion to Splash Pad

- *Pursue other funding for Hilltop Park (Grants)*
- *Consider funding adjustments for current facilities (Rec Center/Senior Center)*

Drainage CIP Funding

- FY 19-20: \$487,789; DESIGN: Colonies, Osage, Castle Hills, Desilt three ponds
- FY 20-21: \$1,472,870 Colonies, Osage, Castle Hills, Desilt three ponds, FS #2, Design: Amazon Ditch
- FY 21-22: \$750,000 Woodland Oaks
- FY 22-23: \$650,000 FM 78(Sely's)
- FY 23-24: \$550,000 Whisper Branch/Whisper Trace
- FY 24-25: \$500,000 Buffalo

Based on current budget, first drainage project will be in FY 24-25

Drainage Fee: \$5.20/LUE – FY 12-13 last increase

General Fund or Bonds may need to supplement

Bonding Discussion

- Discussion was held at Strategic Planning Retreat
- Making the shift from bonding to recurring money in the General Fund
- Doing this means not having as much to spend while we make that shift
- Debt Issuance Plan (lower I&S) Plans discussion
- FS #4
- FM 3009 Extension across FM 78
- Public Safety Building
- CIP Projects

Can we wait to do new projects/programs until we have bonding capacity?

Can we live with the amounts for the next 10 years in order to make the shift from I&S to M&O?

Council Priorities Discussion

- Staff Compensation – hourly rate

Recommendation:

- Raise City minimum wage to \$14/hr in FY 21-22

COST: ~\$29K

- Raise City minimum wage to \$15/hr in FY 22-23

COST: ~\$59K

Discussion:

- #1 reason for separations is pay

- Reduce turnover in these positions
- No compression issues between employees & immediate supervisors or job family series (Worker I, II, etc.)
- Provides ability in current Personnel Budget to add 2-3 positions in FY 21-22

Volunteer Schertz - New Position: Volunteer Coordinator

- Essential Functions:
 - Consults and coordinates volunteer activities with departmental representatives to develop, implement, and administer volunteer programs which support City goals and objectives.
 - Recruit volunteers for support work through interaction with faith-based organizations, educational institutions, trade organizations, businesses and corporations, and neighborhood organizations.
 - Develops training programs for volunteers and City staff who use volunteers.
 - Develops and presents regular reporting on volunteer efforts, initiatives and results.

Estimated Cost:

\$40K - \$50K Salary

\$55K - \$70K Salary weighted with benefits

Position resides in Human Resources

- Discussion regarding how to make the City of Schertz a destination location. (Mayor Gutierrez)

Mayor Gutierrez and members of Council provided their thoughts on how to make Schertz a destination location with ideas such as different art installations around the city i.e., various parks, Main Street, Schertz Parkway etc. Council discussed other possible projects and ideas to draw individuals to Schertz.

ADJOURNMENT

Mayor Gutierrez adjourned the Special Pre Budget workshop at 1:10 p.m.

Ralph Gutierrez, Mayor

ATTEST:

Brenda Dennis, City Secretary