

# DRAFT

## MINUTES REGULAR MEETING August 6, 2021

A Special Budget Workshop Meeting was held by the Schertz City Council of the City of Schertz, Texas, on August 6, 2021 at 8:30 a.m. in the Hal Baldwin Municipal Complex Council Chambers, 1400 Schertz Parkway, Building #4, Schertz, Texas. The following members present to-wit:

Present: Mayor Ralph Gutierrez; Councilmember Mark Davis; Councilmember Rosemary Scott; Councilmember Jill Whittaker; Councilmember David Scagliola; Councilmember Allison Heyward; Councilmember Tim Brown

Absent: Mayor Pro-Tem Michael Dahle

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; Economic Development Director Adrian Perez; EMS Director Jason Mabbitt; City Engineer Kathy Woodlee; Public Affairs Director Linda Klepper; Human Resource Manager Lindsey Cox; Director of Parks, Recreation & Community Development Lauren Shrum; Assistant Public Works Director Scott McClelland; Finance Director James Walters; Public Works Director Suzanne Williams

Attendees: Glen Outlaw, Judith Williams, Richard Dziewit, Michele Tereletsky

### **Call to Order (General Comments)**

Mayor Gutierrez called the Budget Workshop to order at 8:30 a.m.

### **WELCOME/OVERVIEW**

Mayor Gutierrez recognized City Manager Dr. Mark Browne who began the meeting with a COVID update.

### **DISCUSSION AND ACTION ITEMS**

#### **Budget Prioritization Process -**

- Discussion and direction for prioritizing the FY2021-22 budget, including but not limited to funding all programs needed to accomplish the City Mission and taking into consideration factors such as population growth, tax base development, large time sensitive infrastructure projects, right of way issues, staffing levels and structure, American Rescue Plan funding priorities and process, and prioritizing expanded programs that may be required in the future. (M. Browne/Executive Team)

City Manager Dr. Mark Browne provided the following retreat overview topics:

- ARP Update
- Workforce Discussion
- Parks Events Overview
- FY 21/22 Budget Highlights & Discussion
- Cut Line Discussion

### **ARP Update**

- Based on 6/17/21 Council Workshop and the Final Interim Treasury Rule released 6/23/21, staff has made adjustments to proposal
- Finance has confirmed application to TDEM for funds
- Current status – waiting on delivery of funds
- Receiving more money than we anticipated
  - Was: \$9,166,792.19
  - Now: \$10,417,416.86
  - Approx. \$625K more per tranche
  - Recommend allocating this to water/sewer projects (FM 1518 Utility Relocates project)
- ARP funds not factored into FY 21/22 budget – pending Council approval of Staff's recommendation
- Staff will bring Resolution to Council
- Revised Proposal for Spending

### ***Staff's spending proposal for 1st tranche - \$5.21 million***

Category 1: Support public health expenditures

§ Was: \$423,250

§ Now: \$303,000

Category 2: Address negative economic impacts caused by the public health emergency

§ Was: \$1.4 million

§ Now: No Change

Category 3: Replace lost public sector revenue

§ Was: \$63,500

§ Now: \$525,000 (up to 1.4 million)

Category 4: Provide premium pay for essential workers

§ Was: \$500,000

§ Now: No Change

Category 5: Invest in water, sewer, and broadband infrastructure

§ Was: \$2.2 million

§ Now: \$2.48 million

Combined proposed amount: \$5,208,000

### ***Second Tranche- \$5.21 million***

- Use entire amount in category 5 – investments in water, sewer, and broadband infrastructure
- Recent approval of Water/Wastewater rate factors the commitment of this money to this category
- Example projects
  - FM 1518 Utility Relocates (625K - "new" ARP money)
  - Greytown to Pfeil Loop Line Construction (\$664K)
  - Aviation Heights Phase 8 Waterline replacements (\$550K)
  - SCADA replacement Phases 1,2,3 (\$189K total) Replace I35 Elevated Storage Tank piping (\$400K)
  - Greenshire Drive AC Waterline Design & Construction (\$3.3M)
  - Ware-Seguin Water Tank (\$350K)
  - Wastewater Town Creek Phase IV Route Study/Design/Easement (\$900K)

### **Tentative Framework for Grant Program**

- Communication of program
- Application Process
- Application Review
- Establish Review Committee
- Awarding of funds

### **Workforce Discussion Overview**

- High Turnover Departments
- Potential COVID Impacts
- Benchmark Data
- Minimum Wage Analysis Discussion and recommendation
- Accelerate Class & Comp Discussion and recommendation

### **Parks Events Overview**

- Brief review of 4 major City events
  - Jubilee
  - Trunk or Treat

- Holidayz
- New Year's Eve Masquerade
- Parks Schedule for FY 2021/22 & Labor Hour discussion
- Comments/Direction from Council

## **FY21/22 Proposed Budget**

### **• FY21/22 Budget Highlights**

- Expanded Programs Proposed to Fund
  - Incode Replacement
  - Increase Minimum Wage - \$15/hour
  - New Personnel
  - Contracted Building/Facilities Cleaning
  - Fleet programs
  - Animal Care HVAC
  - Additional SPAM Funding

## **FY2021-22 Budget**

General Fund Proposed Budget \$39,314,984

- Increase of \$1,012,404 or 2.7%, from FY 2020-21 Adopted Budget, not including infrastructure funding
- Non Personnel Budgets decreased 2.3% due to the falloff of business incentive payments and completion of the public safety restroom remodel
- Personnel Budgets increase 5.4% to act on the Class & Comp Study, Merit, insurance, ECI, and add 3 positions

Sales Tax - Franchise - Permit - Fees - Personnel - Operating - Capital Outlay Information Update

### ***General Fund***

- Proposed Budget assumes a 26% Fund Balance requirement
- Choices made in this budget will reduce the fund balance to 26% over the next 5 years
- Long Term Debt Model
  - For I&S Fund - 5 Year Summary
  - Purpose: To avoid large tax increases in the future
  - Design:
    - Model is long term in nature
    - Includes all current debt obligations
    - Takes into account the growth of the tax base
- 2021 Property Values

Tax Rate

<b>No-New Revenue:</b>	The tax rate which will generate the same revenue for the city from property on the previous year's tax roll.
<b>Voter Approval Rate:</b>	The rate if exceeded triggers an automatic election on the tax rate.
<b>Current:</b>	The rate currently adopted by the City.
<b>Proposed Max:</b>	The maximum rate set at which the final adopted rate cannot exceed.

No New Revenue: \$0.5146  
 Voter Approval: \$0.5242  
 Current: \$0.5121  
 Proposed Max: \$0.5121

Proposed budget assumes this rate

\$0.01 is equal to \$406,000 revenue or \$26.25 on the average home

### Target Tax Rate

<u>Tax Rate</u>	Current	Proposed Maximum	
M&O	\$0.3470	\$0.3517	For day to day operations
I&S	\$0.1651	\$0.1604	To pay the City's debt
Total	<u>\$0.5121</u>	<u>\$0.5121</u>	

### FY2021-22 City Tax Rate

- At \$0.5146 No New Revenue Rate

Existing Residents Average City Tax Bill  
 2020 Tax Bill = \$1,252 Avg Home Value \$244,500  
 2021 Tax Bill = \$1,351 Avg Home Value \$262,500  
 Increase = \$ 99\*

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

- At Current Rate \$0.5121

Existing Residents Average City Tax Bill  
 2020 Tax Bill = \$1,252 Avg Home Value \$244,500

2021 Tax Bill = \$1,344 Avg Home Value \$262,500

Increase = \$ 92\* (decrease of \$6.56)\*\*

\*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 \$0.5242 Voter Approval Rate

Existing Residents Average City Tax Bill

2020 Tax Bill = \$1,252 Avg Home Value \$244,500

2021 Tax Bill = \$1,376 Avg Home Value \$262,500

Increase = \$ 124\* (increase of \$25\*\*)

\*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

Historic Tax Rates - M&O & I&S Discussion/Overview

### Cut Line Discussion

- Personnel Funded Now (Enterprise Funds or Other Items)

ENTERPRISE FUNDS			
	Department	Request	Proposed Cost
FUND	Water & Sewer	SCADA Tech*	82,800.00
FUND	EMS	24 to 12-Hour Shifts	120,588.00

\*Programmed with Water & Sewer Rate Increase Study

- Programs Funded Now (Enterprise Funds or other Items)

ARPA FUNDING			
FUND	Police	Plexiglass for Booking Area	10,250.00
FUND	Fleet	Generator for NACO Water Tower	166,677.00
FUND	Fleet	Generator for Ray Corbett Water Tower	108,179.00
FUND	Fleet	Generator for Morning Drive Water Tower	150,000.00
FUND	Fleet	Building 27 Fuel Storage	85,000.00

OTHER FUNDS			
FUND	EMS	EMS Station 4 Replacement	50,000.00
FUND	HOT	Event Management Software - Civic Center	21,000

MISCELLANEOUS			
FUND	Facilities Services	Re-Key All City Buildings*	25,000.00
FUND	Facilities Services	Install Parking Lot for Building 27**	200,000.00

\*Move to Phase 2 of Access Control Project

\*\*Will be completed in 2020-21 Fiscal Year

- Proposed Programs/Personnel Funded at Current Rate: \$051.21

	Department	Request	Proposed Cost
Personnel	Human Resources	Volunteer Coordinator*	\$ 70,000.00
Personnel	Police	Patrol Officer	\$ 144,808.00
Personnel	Police	Evidence Technician	\$ 71,984.00
		SubTotal:	\$ 286,792.00

	Department	Request	Proposed Cost
Program	Human Resources	Increase Minimum Wage (\$15/hour)*	\$ 117,580.00
Program	Finance	Incode Replacement	\$ 500,000.00
Program	Facilities Services	Cleaning of Public Safety Buildings	\$ 47,000.00
Program	Fleet	Heavy Duty Tire Machine	\$ 41,000.00
Program	Fleet	GPS Tagging for Vehicles (Pilot Program)	\$ 10,000.00
Program	Parks	Restroom Cleaning Service	\$ 27,675.00
		SubTotal:	\$ 743,255.00

<b>Total:</b>	<b>\$ 1,030,047.00</b>
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\*Council priority from pre-budget retreat

- Programs/Personnel Funded at No New Revenue Rate: \$0.5146
- Could fund additional \$118K in recurring costs (recommend personnel in green)

	Department	Request	Proposed Cost
Personnel	Human Resources	Volunteer Coordinator*	\$ 70,000.00
Personnel	Police	Patrol Officer	\$ 144,808.00
Personnel	Police	Evidence Technician	\$ 71,984.00
Personnel	Facilities Services	Plumber Position**	\$ 62,840.00
Personnel	IT	Client Services Tech	\$ 50,000.00
		SubTotal:	\$ 399,632.00

	Department	Request	Proposed Cost
Program	Human Resources	Increase Minimum Wage (\$15/hour)*	\$ 117,580.00
Program	Finance	Incode Replacement	\$ 500,000.00
Program	Facilities Services	Cleaning of Public Safety Buildings	\$ 47,000.00
Program	Fleet	Heavy Duty Tire Machine	\$ 41,000.00
Program	Fleet	GPS Tagging for Vehicles (Pilot Program)	\$ 10,000.00
Program	Parks	Restroom Cleaning Service	\$ 27,675.00
		SubTotal:	\$ 743,255.00
		<b>Total:</b>	<b>\$ 1,142,887.00</b>

\*Council priority from pre-budget retreat

\*\*The requested Parks Irrigation Technician would be covered by the Plumber Position

Cut Line Discussion at Voter Approval Rate - \$0.5242

- Could fund additional 500K recurring personnel (in yellow)

	Department	Request	Proposed Cost
Personnel	Human Resources	Volunteer Coordinator*	\$ 70,000.00
Personnel	Police	Patrol Officer	\$ 144,808.00
Personnel	Police	Evidence Technician	\$ 71,984.00
Personnel	Facilities Services	Plumber Position**	\$ 62,840.00
Personnel	IT	Client Services Tech	\$ 50,000.00
Personnel	Fire	Fire Inspector	\$ 82,000.00
Personnel	Parks	Park Maintenance Tech	\$ 39,935.00
Personnel	Inspections	Plans Examiner	\$ 75,285.00
Personnel	Engineering	Administrative Assistant	\$ 53,570.00
Personnel	Police	Records Specialist	\$ 38,495.00
Personnel	Parks	Park Maintenance Tech	\$ 39,935.00
Personnel	Parks	Trail Development Coordinator	\$ 62,579.00
Personnel	Parks	Recreation Coordinator	\$ 62,579.00
Personnel	Parks	PT/Seasonal Park Ranger	\$ 26,000.00
SubTotal:			\$ 880,010.00

	Department	Request	Proposed Cost
Program	Human Resources	Increase Minimum Wage (\$15/hour)*	\$ 117,580.00
Program	Finance	Incode Replacement	\$ 500,000.00
Program	Facilities Services	Cleaning of Public Safety Buildings	\$ 47,000.00
Program	Fleet	Heavy Duty Tire Machine	\$ 41,000.00
Program	Fleet	GPS Tagging for Vehicles (Pilot Program)	\$ 10,000.00
Program	Parks	Restroom Cleaning Service	\$ 27,675.00
SubTotal:			\$ 743,255.00
Total:			\$ 1,623,265.00

\*Council priority from pre-budget retreat

\*\*The requested Parks Irrigation Technician would be covered by the Plumber Position

Cut Line Discussion at Voter Approval Rate - \$0.5242

OR Fund additional \$500,000 in one-time programs (in yellow)

	Department	Request	Proposed Cost
Personnel	Human Resources	Volunteer Coordinator*	\$ 70,000.00
Personnel	Police	Patrol Officer	\$ 144,808.00
Personnel	Police	Evidence Technician	\$ 71,984.00
Personnel	Facilities Services	Plumber Position**	\$ 62,840.00
Personnel	IT	Client Services Tech	\$ 50,000.00
SubTotal:			\$ 399,632.00

	Department	Request	Proposed Cost
Program	Human Resources	Increase Minimum Wage (\$15/hour)*	\$ 117,580.00
Program	Finance	Incode Replacement	\$ 500,000.00
Program	Facilities Services	Cleaning of Public Safety Buildings	\$ 47,000.00
Program	Fleet	Heavy Duty Tire Machine	\$ 41,000.00
Program	Fleet	GPS Tagging for Vehicles (Pilot Program)	\$ 10,000.00
Program	Parks	Restroom Cleaning Service	\$ 27,675.00
Program	Human Resources	Training Incentive Program	\$ 94,000.00
Program	Facilities Services	Additional HVAC Maintenance Funds	\$ 76,000.00
Program	Police	Dispatch Console Replacements	\$ 120,500.00
Program	Library	HotSpot Program	\$ 2,000.00
Program	Police	Replace Cat Kennels	\$ 20,700.00
Program	Fire	OT for Life Safety Inspections	\$ 25,000.00
Program	Streets	Accelerate Street Light Replacement	\$ 40,000.00
Program	Parks	Trail Funding (partial - requested 250K)	\$ 130,000.00
SubTotal:			\$ 1,251,455.00
Total:			\$ 1,651,087.00

\*Council priority from pre-budget retreat

\*\*The requested Parks Irrigation Technician would be covered by the Plumber Position

Cut Line Discussion - Remaining Unfunded Requests

	Department	Request	Proposed Cost
Personnel	Library	Administrative Assistant	\$ 51,730.00
Personnel	Library	PT/Programming Specialist	\$ 17,700.00
Personnel	IT	Supervisor	\$ 85,000.00
Personnel	IT	GIS Specialist/Database Analyst	\$ 55,000.00
Personnel	Engineering	Inspector	\$ 80,000.00
		SubTotal:	\$ 289,430.00

	Department	Request	Proposed Cost
Program	Parks	Additional Mowing Services	\$ 50,000.00
Program	Library	Additional Library Materials	\$ 31,000.00
Program	IT	Network Management Systems Upgrade	\$ 24,750.00
Program	Human Resources	Internship Program	\$ 19,270.00
Program	Purchasing	Asset Tracking System	\$ 10,000.00
Program	Finance	Court Office Furniture	\$ 15,000.00
Program	Finance	Remove Court Officer Funding	\$ 18,000.00
Program	Facilities Services	Campus Maintenance Supplies	\$ 70,000.00
Program	Fleet	Generator for City Hall/Community Center	\$ 116,134.00
Program	Fleet	Generator for Emergency Services	\$ 162,957.00
Program	Fleet	Generator for Civic Center	\$ 130,923.00
		SubTotal:	\$ 648,034.00
		Total:	\$ 937,464.00

During the above discussion sections changes were made that the Volunteer Coordinator will be moved below the cut line and Plumber position moved up, allocating \$1 million to the business grant program instead of \$1.4, updating the minimum wage to \$15.00, Contracted Building/Facilities cleaning, fleet programs, Animal Care HVAC, additional SPAM funding and Incode replacement.

**ADJOURNMENT**

Mayor Gutierrez adjourned the workshop at 12:55 p.m.

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Ralph Gutierrez, Mayor

ATTEST:

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Brenda Dennis, City Secretary