**CITY OF LA MARQUE**
**CITY COUNCIL BUDGET WORKSHOP**
**MINUTES**
**of**
**JULY 28, 29 and 30, 2020**

City Council Budget Workshop Minutes of the City of La Marque City Council beginning immediately after the Special City Council meeting which begins at **10:00 a. m. on Monday, July 27, 2020, until adjourned, and resuming on Tuesday, July 28, 2020, beginning at 10:00 a.m. until adjourned, and resuming on Thursday, July 30, 2019 beginning at 10:00 a.m. until adjourned,** **by telephone and video conference (ZOOM)** until adjourned, for the purpose of considering the following agenda:

**(1) CALL TO ORDER**
Mayor Hocking called the Budget Workshop to order at 10:03 am.

**(2) ROLL CALL**

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|---|---|
| Bobby Hocking | Mayor |
| Keith Bell | Mayor Pro-Tem, Councilmember District A |
| Chris Lane | Councilmember, District B |
| Robert Michetich | Councilmember, District C |
| Casey Mc Auliffe | Councilwoman, District D |

**OTHER OFFICIALS PRESENT**:

| | |
|---|---|
| Charles “Tink” Jackson | City Manager |
| Kierra Nance | Deputy City Clerk |
| Derra Purnell | Acting City Attorney |

**(3) Review and Discuss Proposed Fiscal Year 2020-2021 Departmental Budgets and all Funds:**

**Waste Management Report by Shanna Lopez:**
- Waste volume has increased due to COVID-19 Pandemic and created challenges.
- Driver hours and tonnage have increased significantly since March.
- Have not reached a plateau to discover what new volume will be.
- Per contract 3% price increase for residential and commercial costs.

- Councilmember Michetich inquired about recycling future due to current tensions between federal government and China; Waste Management has transitioned to nearly exclusive domestic recycling processes vs China based recycling over the process of the last few years to prepare for this event.
- Mayor Pro-Tem Bell questioned if the City would be absorbing price increase or if it would be passed on to Citizens, City Manager Jackson clarified that it would be passed on to Citizens through billing.

**Gulf Coast Water Authority Status Report by City Manager Jackson:**

- City requested additional 1 Million Gallons Per Day (MGPD) to cover current needs and include room for additional growth.
- Discussed with GCWA possibility of purchasing raw water options for future needs.
- GCWA responded in January with making allowances for an additional .442 MGPD (442,000) based on current contract re-rate. However, other entities are not interested in re-rated water, so they are willing to work towards the 1 million gal/day.
- New leadership is now proposing buy-in fees that have not been determined yet as they are in discussion between GCWA staff and board but are being considered at between 1 million and 2.5 million dollars per MGPD, this potentially includes previously contracted .442 MGPD
- Considering increasing request from 1 million to 2 million in order to account for future growth over the next 5 years as new cities are looking to enter and are willing to buy all the water that is not claimed through the re-rate.
- Councilwoman Mc Auliffe questioned how conservation is being factored into this plan as just a year ago Council discussed the likelihood of possible water restrictions in the future due to water shortages.
- City Manager Jackson proposed a water workshop for Council in the future to discuss a plan of action, updates from GCWA, infrastructure needs, etc.
- Mayor Pro-Tem Bell stressed the importance of capturing the water that is currently being lost due to aging infrastructure.

**5 Year Capital Plan by City Manager Jackson:**

- In 2019-2020 (2) years' worth of projects were funded with available revenues from the implemented increases.
- Economic uncertainty in all major revenue sources due to COVID-19 pandemic.
- I45 Expansion project has reached the city and will have impact economically.
- $35 million in new growth adding to tax base.
- Capital Improvement Plan – *included as Attachment A*
- Infrastructure is to be a focus however city is a serious contender for a large allocation from the Mitigation Grant the city has applied for and City Manager would like to wait to see what comes of that before allocating significant revenues to that project.

**Proposed Salary Plan by City Manager Jackson:**

- Proposed to be implemented in (3) phases:
    - Phase 1- all employees below "entry level" moved to "entry level" (General fund costs- $50,000 Utility Fund costs- $20,000)
    - Phase 2- All employees with 10 years' experience moved to midpoint if below (General fund costs- $35,000 Utility Fund costs- $20,000)
    - Phase 3- All employees with 15 years' experience overall moved to midpoint if below (General fund costs- $25,000 Utility Fund costs- $25,000)
- Councilmember Michetich asked for clarification on if Phase 1 could be implemented in 2020-2021 budget, City Manager Jackson agreed that it would be possible.
- Also Proposed 2% Cost of Living increase to be considered separately from the 3-phase salary plan, in addition to proposed salary plan.

**REVENUES by Finance Director Suzy Kou:**

- Ended 2019 audit with $4.9 Million unreserved General Fund balance, excluding $1 Million in Emergency Fund.
- City has AA- credit rating.
- Sold 1.6 million in bonds at a premium of $890,000 due to healthy fund balance and continuous growth (approx. 4% over 30 years).
- Discussed 90 days surplus, estimated property tax revenue, sales tax, and expenditures.
- Finance Director was conservative with estimates due to current climate.

**UTILITY FUND by Finance Director Suzy Kou:**

- COVID-19 Pandemic has affected usages, increase in residential vs decreases in commercial
- Mayor Pro-Tem Bell initiated discussion regarding Rental Registration line item, City Manager Jackson confirmed that it has gone to legal to be reviewed and addressed.

*** Break for lunch at 12:15pm***
***Reconvene at 2:00 pm***

**DEBT SERVICES by Suzy Kou:**

- After Initial payment for 2020 CO ($910,000) debt will be lowered and balance out.

**CONTRACT WITH THE CITIZENS by City Manager Jackson:**

- City Manager gave an update report on which items have been completed, postponed, in progress, and unfulfilled.

CITY COUNCIL:

- Review of goals set in Council Retreat
- Maintained at same levels as 2019-2020 budget year, with the addition of a special projects line item for Mayor just as the other Councilmembers received in the previous budget.

CITY MANAGER:

- Goals differ from last year including goal relating to COVID-19 pandemic, a professional development plan focusing on succession planning, Mitigation Grant, and more.
- Maintained Juneteenth line item, Certified Public Management line item.
- Introduction to development of Summer Internship Program for 10 weeks at 8 interns ($25,000).
- Mayor Pro-Tem Bell requested 10 interns for this program, Mayor agreed and volunteered to give his $5,000 project fund towards this program. Councilmember Lane offered his services and his project fund if necessary.
- City Manager, for budget clarity, proposed keeping the budget as is, dedicating the Internship Program as the project that Mayors Project fund will be utilized for.

HUMAN RESOURCES:

- Goals and Objectives- increase in training, health and wellness fairs, promotion of employee recognition programs, and more.
- No increases or changes to this year's budget.
- Councilwoman Mc Auliffe inquired about therapy sessions for employees, Human Resources Coordinator clarified that these services are offered through Dear Oaks Employee Assistance Program.

CITY CLERKS:

- Structured the same as before.
- Increase in budget due to proposed Salary increase.

UTILITY BILLING:

- No changes to organization chart apart from moving the Meter Readers into the department.
- Goals and Objectives- enhance collection of delinquent accounts, continued progress with AMI projects.
- No significant changes to budget.
- City Manager is working on a letter with Utility Billing to discuss addressing some high dollar delinquent accounts and opening dialogue to get the accounts under control.
- Mayor asked if CARES Act moneys can be utilized towards writing off some account debts, City Manager would research this possibility.

- Mayor Pro-Tem Bell initiated a conversation that included more in-depth discussions about water usage and loss, potential for a moratorium on late fees, and opportunities to resolve delinquencies.

PUBLIC WORKS:

- Organization chart relatively the same apart from moving the Meter Readers out of Public Works and into Utility Billing.
- Goals and Objectives- Monitoring TxDOT I45 Expansion project, Galveston County Road Project, Citywide Drainage Assessment, Merry/ Melody Drainage Survey, and more.
- Park Maintenance and Street Drainage is relatively the same with a slight increase to account for additional personnel. Increase in Streets and Roads to address more street issues. Overall decrease due to reduction in temporary employees in favor of full-time employees.

UTILITY LINE MAINTENANCE/ WATER WASTEWATER OPERATIONS:

- Professional fees show an increase due to excessive emergency repairs caused by the TxDOT I45 expansion project and a few aged clay waterline collapses.
- Lift Station repair projects will be a huge benefit to the future, reduction of calls, increase in services.
- 5-year capital outlay was removed due to Bond allocations.
- GCWA item can be updated, 1.3 million is a placeholder until decisions are made regarding buy-in or City Council direction per Finance Director.

EMERGENCY MANAGEMENT:

- No major changes.

INFORMATION TECHNOLOGY:

- Building Maintenance Tech position was added budget includes adjustments to account for addition as well as additional storage for data.

LIBRARY:

- No changes to organizational chart.
- Goals and Objectives- maintaining Texas State Library accreditation, continued involvement with community events, update library policies, and update technology.
- Discussion about Library involvement and assistance to the community during COVID-19 pandemic and virtual learning partner.

DEVELOPMENT SERVICES:

- Director has been hired, proposed inspector position.
- Mayor Pro-Tem Bell clarified questions about the role of the Development Department Director and appointment, City Manager clarified that it is within his duties to appoint the director position but Council’s responsibility to appoint said director as City Attorney.

*** Meeting was adjourned for the day at 3:45***
*** Meeting Reconvened July 28, 2020 at 10 am with all members present***

Before beginning, City Manager Jackson announced the receipt of the Distinguished Budget Presentation Award from the Government Finance Officers Association for the 2019-2020 Budget Year.

<u>CODE COMPLIANCE:</u>

- Organizational chart updated to show additional compliance officers.
- Goals, Objectives, and Accomplishments- streamlined lien process, decreased demolitions, expanded staff to (3) officers, Rental Registration at 95% renewal rate.
- Mayor Pro-Tem Bell addressed concerns regarding the Rental Registration Ordinance and revenues collected.
- Code Compliance supervisor requested an ordinance revision to account for owners of multiple single-family residential homes, requiring the $100 registration per single family home, is working with legal to potentially add mobile homes to the project.
- Budget is relatively the same with increases to account for additional postage and filing expenses.

<u>ECONOMIC DEVELOPMENT CORPORATION:</u>

- Presented a standard conservative EDC budget.

<u>FUND 99:</u>

- Repairs and Maintenance have been reduced (to $16,000) as a result of bonds.
- Windstorm is projected at a 5% increase.
- Mayor Pro-Tem Bell questioned if an “Office of City Attorney” will be created in this budget cycle, City Manager Jackson suggested it be a part of next budget cycle.

<u>MUNICIPAL COURT:</u>

- Organizational chart changes include Juvenile Case Manager.
- Goals, Objectives, and Accomplishment- new system to allow virtual court and new Court Notification Program, new fingerprint kits, new City Marshall vehicle, to implement new Teen Court program, and continued education for new court clerks.
- Difference in salary is formalizing the transition from part time to full time for the Juvenile Case Manager, otherwise consistent.

<u>TECHNOLOGY FUND:</u>

- Nothing new was added.

COURT SECURITY FUND:
- Court fines have declined, reflected in budget.

JUVENILE REVENUE FUND:
- Used to fund Juvenile Case Manager position.

HOTEL, MOTEL, FUND:
- Bayou Fest has a 0 balance, due to cancellation.
- Crawfish Bash Sponsorship has a 0 balance, due to cancellation.
- Christmas Event significantly reduced, due to uncertainty.

BAYOU FEST FUND:
- No expenditures, Waste Management donation still shown, will roll over to next budget.

DONATION FUND:
- Youth fund committee assembled, to help create City sponsored youth activities.

LIBRARY MEMORIAL FUND:
- Utilized for small projects and events in Library.

PARKS FUND:
- Estimate of the donation revenue.
- No requests have been made to date from the Parks Board.

KEEP LA MARQUE BEAUTIFUL FUND:
- Budget supplemented from General Fund as in 2019-2020 budget.
- Councilman Michetich requested Chairman of Keep La Marque Beautiful Commission to come before council and present how they have utilized their fund.

CEMETERY FUND:
- Majority of budget spent on Wreaths Across America

METER REPLACEMENT FUND:
- Fund used to purchase new meters to account for growth.

SANITATION FUND:
- Budget allots for 3% contractual increase from Waste Management

PARKS SURCHARGE:
- Fund captures the $2 Parks surcharge included in Utility Bills
- Researching different avenues to get public input regarding the revitalization and creation of parks.

- New growth since implementation has shifted projection of $2.5 million every 15 years to $2.8 million
- Early stages of Parks Master Plan underway.

***Break for lunch at 12:00 pm***
***Reconvene at 2:00 pm***

ANIMAL SERVICES:

- Increase of 1.15%

FIRE/EMS:

- Organizational Chart is different, same number of employees as FY 2019-2020, now includes Deputy Chief.
- Goals and Objectives- continue training, increasing personnel trained and certified to EMS level (40% of staff certified), standard operating guidelines revision, and more.
- Salary line item takes into account Deputy Chief and increase required by CBA otherwise attempted to stay flat.
- Mayor Pro-Tem Bell expressed concern about resource allocation and staffing in relation to the (2) fire station. Chief Weidman explained the current staffing plan to conclude at minimum (3) personnel at the East side station and (2) personnel at the West side station.
- Mayor Pro-Tem Bell requested an official staffing plan, City Manager agreed.

POLICE:

- Organizational chart now includes corporals.
- Accomplishments- Finalized and implemented cadet program, finalized policy revision committee, and more.
- Goals- Implementation of weekly training briefing, produce more community information videos, and improve the aesthetics of the police department.
- Mayor Pro-Tem Bell requests continued conversation about constructing a new police station.
- Supplemental items (as shown in Fund 99)- Evidence drying cabinet, digital cameras for patrol officers, mobile computer terminals total of supplemental items is approximately $60000.
- Councilmember Michetich allocated his $5000 project fund to the purchase of a remote camera system.
- Councilwoman Mc Auliffe asked for clarity on funding for some of the supplemental items, specifically the requested vehicles.
- Discussion relating to a Civilian review Board.
- Discussion relating to adding administrative position, Assistant Chief, the logistics, and how the Police CBA addresses this position.
- The difference in the budget is a direct reflection of CBA required increases and step-up pay.

** Adjourned for the day at 3:38 pm**

***Reconvened July 30,2020 at 10 am with all members present***

**WATER USAGE AND LOSS by Dinh Ho, ADICO ENGINEERING**

- Assessed by calculating GCWA allowance and amount billed
- Reviewed 2016 ARKK ENGINEERING Water Assessment spoke of what areas have already been addressed
- Engineer estimates that if 30-40% of known leaks can be repaired it would capture approximately 1 million gallons of water for usage.
- Leak Detection survey resulted in capturing 250,000 gal/day.
- There will always be some water loss due to operational use.
- City is looking to grant funding to assist with correcting these issues.
- Mayor Pro-Tem Bell requests a Water Loss Control Plan be drafted.

**<u>RECAP:</u>**

- Mayor Pro-Tem Bell requested a review of the Police Department.
- Discussion about additional patrol personnel and possibly adding to aging fleet.
- Councilwoman Mc Auliffe suggested adding more resources and support personnel in lieu of additional officers, due to both costs and the social implications- revisits the idea of an Assistant Police Chief.
- Councilwoman Mc Auliffe opened the discussion for a Resource Advocate.
- City Manager Jackson recommends adding the Assistant Police Chief position to get the most tenured and qualified officers out of the office on administrative duties and back into the community. His second recommendation would be to investigate the mental health aspects. Thirdly, he would recommend looking into the amounts of overtime being used and how that can be reduced yet keep the department running sufficiently.
- Chief Jackson states need priority as Assistant Chief, a mental health advocate, cameras, and additional workspace.
- Mayor Pro-Tem Bell suggests potential locations for office space until a new police station can be addressed, including; fire administrative building, and area previously discussed for police sub-station.
- Mayor's suggestion is for an Assistant Chief, (1) Patrol Officer, and (1) Advocate, funded in April.
- Councilwoman Mc Auliffe spoke of possible grant funding available to police departments to offset the cost of new personnel.
- Discussion about making one single purchase from the Game Room fund to alleviate police budget.

***Break for lunch at 1:00 pm***

<u>CONSENSUS:</u>

- No tax increase
- Implement Phase 1 of Salary Equity Plan
- COLA will include City Manager
- 1 Assistant Chief, 2 Patrol Officers, and 1 contracted licensed Social Worker

<u>TAX RATE:</u>

- Maintain current tax rate

**(4) ADJOURNMENT**

Meeting was adjourned at 4:28 pm

This unofficial copy of the minutes from the above meeting are posted for convenience only. Executed or certified copies of the minutes can be requested by contacting the City Clerk.