

MINUTES
CITY COUNCIL BUDGET WORKSHOP
August 12, 2019 at 4:30 p.m.

1. Call to order.

Mayor Danner called the meeting to order at 4:32 p.m.

2. Quorum check.

Mayor James W. Danner, Sr., Mayor Pro Tem John McAnelly, Councilman Eric Torres, Councilman John E. Villa, Councilwoman Ann-Michelle Long, City Manager Kim Davis, City Secretary Miguel Cantu

Absent: Councilman Bobby Vela

Staff: Assistant Finance Director Dee Willman, Director of Aviation Ryan Elder, Economic Development Director Genevieve Flores, Public Works Director Michael Schmidt, Police Chief Brian Valenzuela, Lieutenant Rick Garza

3. Discussion regarding proposed FY 2019-2020 Budget.

Mrs. Kim Davis stated that changes have been made as requested by City Council. Some of the changes included an update to the Property Tax Current Year Levy and Delinquent Taxes because numbers from Medina County Tax Office had only been recently provided necessary data. In addition, the K9 for Cops Grant was removed because Hondo ISD will be funding the School Resource Officer. The K9 for Cops Grant will expire and funding from the grant will no longer be available. She said, Hondo ISD will now fund the K9 for Cops Officer. In addition, a line item for SADD (Students Against Destructive Decisions) requires their own line item to track expenses. Street capital was increased by \$300,000 at the request of the Council during a budget workshop and includes an additional \$300,000 from this year's sales tax to be spent in the upcoming fiscal year. The Non-Profits presentation originally did not include the utility amounts for the Garden Club of \$3,600 and the Medina County Food Pantry in an amount of \$2,000 because they both had credit balances. The budget now includes \$1,200 to the Medina County Museum for utilities per City Council's request. The utility delinquent cut-off figures were provided, as requested by City Council. In the past 12 months, there were 312 individuals cut-off for non-payment. Mrs. Davis emphasized that there were 6 individuals that accessed the after-hours reconnect services. Councilman Torres asked what the cost is for a reconnect? Mrs. Davis stated that the amount was \$50 for the first offense and \$100 thereafter. Councilman Villa asked if there were any proposed changes in the budget for cut-off fees. Mrs. Willman responded that the proposed amount is \$90 for the first offense and \$150 thereafter. Councilman Villa stated that his concern was for the elderly and asked that the reconnect not be removed from the fee schedule. Councilman Torres expressed his concern that if a bill was not paid the individual is already in a bind and placing the extra fees on only causes more of a dilemma. Council did not agree to the change in cut-off fees. Mrs. Davis presented the community center and park after hours contact. Staff had contacted other cities for their community center costs. Councilman Torres was concerned about the high penalties. Mrs. Davis stated that staff is providing courtesy calls to pick up the key to the community center. For those who forget to pick up a key, arrangements can be made for the renter to pick up a key at the Recreation Center after hours. Staff is not proposing any increase regarding the fees. Councilman Torres asked if there was an appeal process if a renter was unable to hold their event and loses their deposit because of family emergencies. Mrs. Davis stated that there was not a process policy because the process could be subjective. After discussion, Mrs. Davis said she will review and present an appeal process and discuss her findings with council at a later meeting. Mrs. Davis then talked about the Hondo Cemetery fees. At the time of the purchase of a plot the city collects the perpetual care fee; whereas, in the past the fee was collected at the time of the burial. Mayor Pro Tem McAnelly stated that the Cemetery Board was reviewing the fees for the burials and has proposed an increase for the maintenance of the cemetery. Councilman Torres proposed that a fee could be removed from perpetual care fee and placed a the plot price. Mrs. Davis stated that the cost for the care of the cemetery was approximately \$63,000 a year. The city can only use

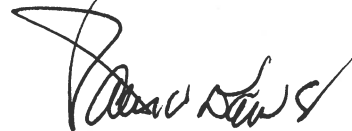
the principal and interest for the care of the cemetery in accordance with past legal advice Mrs. Davis received. Mayor Danner asked Mrs. Davis to provide City Council with a clear recommendation and policy for transfer monies from the perpetual fee service. Councilwoman Long noted that other areas are double in citizen costs. Mayor Pro Tem McAnelly stated that an increase in basic fees is better than a clean-up fee. Mayor Danner stated that another concern he had was regarding police escort. He understood that there was a funeral home charging for police escort when the city is providing the police courtesy service, but not turning in the money to the city. Mrs. Davis confirmed the Mayor's concern. Councilman Villa stated that he did not think it was fair that the customer is being charged but the funeral home to keeps the money. Mayor Danner proposed that Mrs. Davis send a letter to the funeral home stating that if they are going to charge the customer a fee, then the fee should be given to the city. Regarding the Non-Profits requesting General Funds and agencies requesting Hotel Motel Tax Funds, there were no questions. Councilman Torres asked Mrs. Davis to speak with the Medina County Fair Association regarding placing ceiling fans in the building. Mrs. Davis said she will work with the association to do so. She then added that the funds for the Water, Waste Water, and a Sanitation funds were very healthy. Mayor Danner noted that there seemed to be a significant amount of funds in the Sanitation Fund and asked if the vendor increase could be absorbed rather than increase the fees to the customer. Mrs. Davis stated she would look into removing the fee. Mayor Danner asked about the budget increase 3% in personnel compensation. Mrs. Davis stated that the percentage is based on the bell curve for personnel raises. The bell curve is based on performance and emphasized that the percentage is a merit increase and not a cost of living increase. Mayor Danner asked about \$261,000 in committed and restricted funds in information and technology. Mrs. Davis stated that the funds would be used for technology and is based on paying licenses to use software and other required technology to make the departments functional through technology. The City continues to purchase 10 computers a year to replace the old computers. She also stated that the technology budget is not fluffed by adding additional costs it is based on what is required to make the city functional. Mayor Danner asked about the overhead allocation from the Airport. Mrs. Davis stated that it was based on the amount of time administration and council utilized regarding the airport with an allocation of 10.27% and it is the fund account with the least money. He said cutting some money coming out of the Airport Fund would be a good idea. Maybe sooner or later we could get down to zero fund balance. Mayor Danner asked that the amount to be dropped to 5% on overhead and administration on the Airport. Also stated that there was \$20,000 budget for repair of the roof at the STRTC and asked if amount could be put to the current year to start the project. Mayor Danner asked it would be possible to complete the total water sprinkler Highway 90 project rather than half next year and the other half the following year. Mrs. Davis stated that the City had to work with Texas Department of Transportation and the railroad to complete the project and phasing was the best plan.

With no more discussion, Mayor Danner asked for a motion to adjourn.

4. Adjourn.

Councilwoman Long moved to adjourn at 5:44 p.m. Motion seconded by Mayor Pro Tem McAnelly.
Motion carried 4-0.

PASSED AND APPROVED THIS 9th DAY OF AUGUST 2019.



JAMES W. DANNER, SR., MAYOR

ATTEST:



Miguel Cantu, City Secretary

