

CITY OF SANGER, TEXAS

MINUTES: CITY COUNCIL WORK SESSION

June 18, 2018 - 6:00 PM

502 Elm Street, Sanger, Texas

COUNCIL MEMBERS PRESENT: Mayor Thomas Muir, Councilman Bill Boutwell, Councilman Lee Allison, Councilman David Clark

COUNCIL MEMBERS ABSENT: Councilman Gary Bilyeu, Councilman Allen Chick

The Mayor and three (3) Council Members were present constituting a quorum.

STAFF MEMBERS PRESENT: Alina Ciocan, Acting City Manager; Clayton Gray, Finance Director; Cheryl Price, City Secretary.

1. Call Meeting to Order

Mayor Muir called the Work Session to order at 6:05 PM.

2. Presentation by Norm Bulaich, Municipal Manager of Waste Connections Regarding Recycling.

Norm Bulaich and Marty Grant of Waste Connections were recognized and gave a presentation on recycling. Marty Grant presented the information regarding recycling and the problems with contamination. They have provided information for the City to send out to residents noting what residents can recycle. They are switching their recycle trucks to rear load so the drivers can view the contents before putting the recycle in the truck. They noted they are absorbing the costs of paying the higher rate to take the recycling to Fort Worth or Pratt Industries. They are back to using Pratt Industries right now and Pratt Industries is not accepting glass for recycling. He noted that he did not know when they might switch back to accepting glass. He noted he did not know what the long-term plan is for the change. It has to do with the overseas market and whether they can make money. He noted they were at that point taking the material, when they were making money; now, that they are not making money they do not want to take the recycle. When the market gets better they will want to take the recycle again. Norm Bulaich noted that they would work with the city as much as they can, that it is not just Sanger, it is in every city. Mayor Muir noted that he had his container out last Thursday and his container was not emptied. He asked if they would have some way of notifying the residents such as a sticker or something. Marty Grant noted they are getting stickers made to place on the carts so the residents know. There was miscellaneous discussion regarding the collection of trash and recycle. Mayor Muir noted that with the twice a week pickup that the regular trash runs two trucks two times a week and the recycle runs one truck once a week. That is three heavy trucks a week going down the streets and adding wear and tear for our streets. There was discussion regarding the twice a week pickup. Mr. Grant noted that there are not very many cities that have two times a week pick up. If residents needed another cart they would be able to get one for a minimal fee. There was miscellaneous discussion regarding pick-up once a week vs two times a week, brush pick up, and additional discussion on recycling. In summary, Mr. Bulaich noted that he is always available if Council has any questions. They

noted they will continue to provide information regarding the recycling changes and will keep the Council updated. Council thanked them for coming to the meeting and educating the Council. Councilman Boutwell shared a story on recycling from a city in California where he once lived. He noted that they had a City Code Inspector who spot checked the recycling containers for violations and quarterly they would choose three citizens who regularly passed the inspections and were regular recyclers. They had the three chosen citizens come to the City Council Meeting and awarded them a \$150 Gift Certificate and their picture was in the paper along with information on the recycling program.

3. Budget Workshop.

City Manager, Alina Ciocan provided a summary of the proposed 2018-2019 Budget overview. Staff is carrying on with the same philosophy for preparing the budget and are planning for it to be fiscally conservative. When we do our estimates in all funds we have conservative revenue estimates based on history and on anticipated cost increases. Capital expenditures are based on actual needs and department heads were asked to provide lean budgets while continuing to provide for the same level of services. She provided the Budget time line and noted one change from the past was there used to be one on one meetings with the City Manager and each Department Head. This year we had a more transparent process and had all departments present their budget at the same time in one meeting. This gave everyone an overview of the “big picture” and how each department can impact another department’s operations. She provided a time line and noted we are going to have another budget workshop on July 2nd and if another one is necessary again on July 16th. Councilman Boutwell asked if staff has considered all of the future items such as FM 455, etc. Ms. Ciocan stated that staff is looking into it and timelines and actually has a meeting set up with the engineer of TxDOT the following day. What also was helpful is that we have updated our Capital Improvement Plan for Water and Wastewater so we have a pretty solid idea of what projects need to be completed within the next five years. She noted that we received a budget award and introduced Clayton Gray, Finance Director to summarize. He noted that the Government Finance Officers Association is comprised of government finance officers from all over North America. They have a program for a distinguished budget presentation award. He noted that he submitted our budget from last year and just received notification that we are going to receive the award. The idea of the program is that the document is easier to understand for the average individual. As the Council may have noticed our budget has increased in size, with much more narrative, and more charts and graphs to help make it easier to read and more understandable. Ms. Ciocan noted that Mr. Gray was being modest, as he was also recognized individually. She also commended him on the tremendous help he has been in the budget preparation process. She noted that there are three main funds for operation: General Fund; Enterprise Fund; Internal Service Fund. There are also other main funds: Debt service Fund Capital Projects Fund; Enterprise Capital Fund; 4A; 4B. The Special Revenue Funds are: Hotel Motel Tax; Beautification; Library; Court; Security; Court Technology; Child Safety; Police Donations; Fire Donations, Park Donations; and, Library Donations. On the revenue side, current property tax collections, year to date are 3.2 million, and we are ahead of projections. Sales Tax should end the year right on budget projection; we projected \$900,000. Building Permits year to date are \$192,000 and they are expected to exceed projections by

year end. We budgeted \$175,000 for 17-18 and already have exceeded that figure. Municipal Court fines year to date are \$60,000 and expected to end at 25% under budget. Councilman Clark began discussion regarding what the reason behind the Court revenues coming in lower. Property tax projections; preliminary property valuations are trending 15% over last year; however, we won't know for sure until we get a certified tax roll which should be July 25th. The Enterprise Fund revenues are slightly down over projections due to a mild winter. As you know this can fluctuate quite a bit due to weather. When consumption is down, so are our projection costs. Budgeting for 2018-2019 is based on the projections that were provided to us by NewGen Strategies. Projections for electric revenues have been adjusted to account for a realignment of service territory. On the expenditures side, she noted some significant changes: the wholesale cost from Upper Trinity on the volume charge is about a 5% increase and the demand charge a 3% increase. These are preliminary numbers that have been provided by Upper Trinity. We are increasing the water system maintenance fund from \$70,000 to \$100,000 which is more aligned with past expenditures and the trends we have been seeing. We are dealing similarly with wastewater system maintenance funds from \$130,000 to \$150,000 which is more consistent with expenditures and how we operated in the past. We are increasing the General Fund Transfer to Capital Improvement for streets and street rehabilitation from \$450,000 to \$542,000, to continue our commitment to focus on infrastructure and infrastructure improvements. We have significant IT infrastructure upgrades in the amount of \$77,000 planned for the Police Department to accommodate the need for additional storage for the Body Cam video and the Watch Guard videos. We are reducing the Enterprise Fund transfer to Electrical Storm Recovery Fund from \$160,000 to \$80,000; and, the General Fund from \$100,000 to \$35,000 in an attempt to make sure we balance the budget. We have about \$900,000 in the Enterprise and the Recovery Fund. We are increasing legal services from \$25,000 to \$50,000. For Capital Projects, we still have McReynolds Road to be completed; the wastewater treatment plant is on-going; and, will be completed next year. On upcoming projects we are working on a timeline for the FM 455 widening project and the relocation of utilities which also triggers the reconstruction of Plum Street from 5th Street to 10th Street as an alternate route for FM 455; and, with that comes replacing the water and sewer lines on Plum. Painting of the Acker Water Tower, it was in the budget this year and we are once again deferring it to next year. On the outfall pipeline project we are also working on a timeline; the Cowling Road Lift Station is an upcoming project, at some point in the future; the rebuilding of Marion Road and Bolivar Street; and, we have other projects that were identified in the water and wastewater improvement plan. Our number one focus right now is to get timelines established for FM 455 and Plum Street which will be coming up soon. As far as personnel changes, in 2017-18 City Council approved a pay plan that is already been established and that pay plan increased wages in all departments. This year we are only proposing one additional position for the Fire Department; and, we also have the Safer Grant that the Fire Department applied for which will cover three full-time firefighter positions and that money is covered for in the budget on the expenditure side as well as the grant revenue side. Once again, we are proposing a 3% merit increase for employees and our city's TMRS rate is increasing from 7.93 to 8.05. Both the Reserves General and Enterprise Fund each have over one-million dollars in reserves. The proposed budget includes setting aside \$542,000 for Street Improvements (as mentioned before) and \$80,000 for Storm Recovery and the cash balance in the account is approximately \$900,000. We are also setting aside

\$156,000 for water and wastewater capital projects. She noted the slides which detailed the general fund figures. She noted there is a new planner which has been added this year in the Development Services Department; and, the IT increase in funds for Police. For Solid Waste, the current budget is \$700,000 and staff is currently looking at the renewal or bidding of the contract which expires on December 31st. On the Enterprise Fund there is an increase on system maintenance for water from \$70,000 to \$100,000 and system maintenance for wastewater from \$130,000 to \$150,000. Councilman Allison wanted to if there were plans for a construction inspector because he has spoken with developers that would like to have inspections after hours and on weekends. Ms. Ciocan noted that in Building Inspection we have one building inspector and we can also use Bureau Veritas. She noted that we can use a similar service and stated that she was not aware that there was a need for inspections after hours. Councilman Allison noted that the developers are willing to pay extra for off hours-after hours inspections. She noted that Councilman Boutwell asked about Cleaning services for the buildings and she noted that the City used to have an employee who did Janitorial Services for the City and she passed away. The Department was formed last through the parks department where a contract takes care of these services. She noted that the numbers needed to be reviewed. In new equipment, the Police Department requested two vehicles and five 5 Tasers. The Fire Department has an increase for equipment. In Parks we have budgeted in the 2017-2018 for irrigation upgrades and sidewalks for downtown, Phase II of the project. The water tower is still on the current budget and the payment kiosks for utilities in the current budget is proposed to move to the 2018-2019 Budget. For 4A and 4B highlights, we had it in our budget year to do the updated comprehensive land use plan and with the transition of staff, it has not occurred. We are also moving this to fiscal year 2018-19 and increasing the amount to \$45,000. On 4B - Grant Guidelines were established at the last Council Meeting. They will allocate \$50,000 for Community Grant Projects. They are also allocating \$15,000 for master planning future phases of the John Porter Park. On the horizon we will be looking at additional staffing to maintain appropriate levels of service. Additional vehicles and equipment for new staff. Utility relocation for FM 455 and other big-ticket items such as the ambulance, the plant, the fire station; and, the library. In conclusion we continue to focus on infrastructure and we are committed to the rehabilitation of streets, water lines and sewer lines and also making sure we have adequate staffing levels to be able to deliver those needs. Again, 2019 is going to be another busy year, as we are growing, so do our challenges and opportunities. Staff commends the Mayor and Council for their forward thinking; in planning for the future; and, for being pro-development and conservative minded. She noted she would forward the proposed budget spread sheets to Council for review and there would be another Budget at the Work Session on July 2nd.

4. Overview of Items on Regular Agenda.

There was no discussion of items on the Regular Agenda.

ADJOURN

There being no further business, Mayor Muir adjourned the Work Session at 7:06 PM.

