I. Call To Order

With a quorum present, the workshop meeting of the San Marcos City Council was called to order by Mayor Thomaides at 5:36 p.m. Monday, July 24, 2017 in the City Hall Conference Room, 630 E. Hopkins, San Marcos, Texas 78666.

II. Roll Call

Present: 7 - Mayor John Thomaides, Mayor Pro-Tem Jane Hughson, Deputy Mayor Pro Tem Lisa Prewitt, Council Member Saul Gonzales, Council Member Ed Mihalkanin, Council Member Scott Gregson and Council Member Melissa Derrick

1. Receive a Staff presentation and hold discussion regarding the preliminary Fiscal Year 2017-2018 Budget, and provide direction to Staff.

Heather Hurlbert, Director of Finance, provided the Council with the Fiscal Year (FY) 2017-2018 proposed budget presentation.

Following discussion regarding the recently approved Bond Project by the voters the Council provided direction to issue all $29.45 million in either FY17 or FY17 and FY18 and increase up to the rollback rate in FY18 and increase the remainder in FY19. Council discussed the possibility of creating a Bond Oversight Committee. Staff will bring back the topic during the bond discussion on July 26.

Following discussion regarding Sale Tax the Council provided direction to not include Best Buy forecasted sale tax generation in the FY17-18 budget and to review their performance in the first quarter. Council also provided direction to use 2% instead of 3% base sale tax increase in calculation factors.

Following discussion regarding Franchise Fees staff will show modeling at an 8% increase in the drainage utility on July 26.

Following discussion regarding Expense Assumptions the Staff will review quarterly compensation expenses. Council provided direction to keep Non-Civil service employee compensation at 4% instead of the proposed 3.2%
and directed Staff to find alternative sources to make up the difference between 3.2% and 4%.

Council suggested that allocating headcount and $105,000 to fund Budget Manager position, $10,000 to fund Marshal's Office requests, $12,000 to fund Code Compliance requests, and $13,000 to fund Park Ranger requests to be the City Manager's decision.

Council provided direction to Staff to confirm that the following funding proposals would be ok with the agencies:
The Village funding—does not begin until FY19
– $442,000 funding over 10 years
– Funding begins after building completion

CASA funding—does not begin until FY19
– $350,000 funding over 10 years
– Funding begins after building completion

III. Question and Answer Session with Press and Public.

None.

IV. Adjournment.

Mayor Thomaides adjourned the special meeting of the San Marcos City Council at 8:40 p.m.

Jamie Lee Case, TRMC, City Clerk                                      John Thomaides, Mayor