630 East Hopkins - Budget Workshop #2

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 5:35 p.m. Wednesday, July 26, 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 continued with the FY17-18 proposed budget presentation.

Staff reviewed the Airport budget with recommendations. Following discussion no additional direction was provided to Staff.

Laurie Moyer, Director of Engineering and Capital Improvements, provided the Council with the Planning & Zoning Recommendations related to the 10-yr Capital Improvement Program:

- Project #415 – Reconstruction of Downtown Alleys be moved from FY2020/FY2021 to FY2018/FY2019
  - Requires funding & workload reprioritization
- Completion of D.T. Underground Electric Master Plan
- Project #358 – Downtown Smartcode Water Quality Plan Implementation be moved from FY2019 to FY2018
- 2018 construction of City Park and Downtown Biofiltration ponds
- Project #656 – Spray Pads East side/West Side be replaced with 2016/17 Project #221 – Swimming Pool Complex East Side.

Following discussion the Council provided direction to proceed with the Staff's
recommended updates as follows:

• Removed #453 Columbia WW & Drainage Improvements
• Updated #36 Uhland Rd. funding (All HUD-DR Funds)
• Updated #633 Blanco Riverine Project (City funding)
• Pushed out #546 West Purgatory Creek 18-in WW 1 yr. to 2019
• Pushed out #638 SWTP Access 1 yr. for long term improvements
• Moved up #621 River Ridge Drainage – to 2019/2021
• Added #677 Network Infrastructure Exp. to County PSAP – 2018 for $75,000
• Added $1.8M in 2018 for Whisper Roadway Participation

Staff reviewed the Expedited Drainage Projects and Project options:

• #644 Sunset Acres Subdivision 2018-2020
  • Feasibility Study moved up 1 yr. to 2018 - $175,000
  • Design 2019 - $1.1M
  • Construction coordinated with TxDOT improvements - $6.3M

• #183 Bishop St Imp 2018/2020
  • Design moved up 1 yr. to 2018 - $480,000
  • Construction 2020 - $2.020M
  • Requires Old RR12 construction be delayed to Oct 2021

• Wallace Addition and FM 621 Drainage
  • Add to current W/WW project: $1.3M for drainage
  • Delay construction for 1 yr. from Jan 2018 to Jan 2019
  • Delay Public Services Mill and Overlay

• Hills of Hays Drainage Improvements
  • Design - $300,000 with FY17 #618 Various Drainage Funds
  • Add $3,000,000 for construction in 2021
  • Timing & budget updated in FY19 and FY20 CIP’s

• Willow Creek Channel Cleaning
  • Use $500,000 with FY18 #618 Various Drainage Funding
  • Assistance from Public Services for construction

• New Project - Castle Forrest Channel
  • Design FY 2019 - $200,000
  • Construction FY 2021 - $950,000
  • Earlier start would require additional Project Engineer position

• New Project – Purgatory Creek Improvements
  • Drainage Master Plan evaluating channel improvements similar to Willow Creek
    • Potential land acquisition for regional detention/WQ
    • Improvements downstream to upstream
    • LBJ Bridge @ Purgatory fails at 2-yr storm event
    • Add FY 2018 $200,000 for preliminary design
• Add FY 2020 $1.2M for construction
  • Seek TxDOT bridge funding
  • Next year’s CIP process for upstream improvements from
  • Drainage Master Plan
    • Requires delay of 2019 #372 Pat Garrison Improvements 1 yr

Mrs. Moyer reviewed the Drainage Utility Fiscal Impacts providing that there is a planned 10% increase in FY 2018, but explained that the addition of any of the expedited projects requires a rate increase of 15% for FY 2018.

The Council will make decisions on Drainage projects after they have received the Drainage Utility Fund presentation.

Mrs. Moyer reviewed the Chestnut Sidewalk Improvements Project.

Following discussion the Council provided direction to move forward with expending $60,000 in General Funds (or Sidewalk fee-in-lieu) for a change order into N LBJ/Oakridge Project, but wants this subject to be further considered along with all other general fund requests.

Council provided direction to proceed with the scope revision to FY 2019 – #477 Guadalupe/LBJ Improvements Project:
• Council direction to maintain one-way operations
• Current project $4.2M General funding for implementation of two-way
• Possible TxDOT Turn Back funding
• LBJ Bridge @ Purgatory Replacement
• Downtown Reconstruction Phase 2 – design 2020
• Underground Electric Master Plan complete 2018

Mrs. Hurlbert reviewed the Drainage Utility Fund. She provided the Revenue before rate adjustment and expenses before recommendations. She reviewed the drainage rate modeling.

Staff recommended a minimum 10% rate adjustment ($0.92/per month increase for a total of $10.07 for a medium lot) to continue funding of needed CIP projects. To include additional CIP projects a 15% increase will be needed.

Discussion related to the increase was held and Council consensus was to move forward with an increase, but an exact number could not be determined. Staff will do some additional modeling and will provide the Council with the funding
percentage increase options at the August 15 meeting. Staff will provide a more in depth presentation in October.

Mrs. Hurlbert moved onto the review of the Hotel/Motel Tax. Staff was directed to look into the maintenance of the conference center and who receives these reports.

Council provided consensus on the reductions recommended by Staff with the exception of the building repairs line item. Council would like to see the information regarding the maintenance on the conference center.

Council provided consensus for Tanger to be funded at $150,000.

Mrs. Hurlbert provided the following options related to the Village Main funding request:
• Use existing $450,000 social services budget allocation to fund the Village Main project in FY18 and CASA in FY19
• Move forward with a pay out over several years commencing in FY18
• Issue short term bond debt to fund The Village Main project and fund amounts in future fiscal years for CASA
• Borrow from the Utility Funds and pay back over several years (do not recommend as this option should only be used for special circumstances)
• Use revenue generated by tax rate increase

Council could not come to a consensus on how to move forward with funding the requests.

III. Question and Answer Session with Press and Public.

Lisa Marie Coppoletta, asked about the funding for a simple mold test and a true indoor quality test.

IV. Adjournment.

Mayor Thomaides adjourned the workshop meeting of the San Marcos City Council at 9:06 p.m.