I. Call To Order

With a quorum present, the workshop meeting of the San Marcos City Council was called to order by Mayor Hughson at 5:03 p.m. Thursday, August 1, 2019 in the City Council Chambers, 630 E. Hopkins, San Marcos, Texas 78666.

II. Roll Call

Council Member Rockeymoore arrived after roll call at 5:10 p.m.

Present: 6 - Mayor Pro Tem Lisa Prewitt, Council Member Saul Gonzales, Council Member Melissa Derrick, Mayor Jane Hughson, Council Member Joca Marquez and Council Member Mark Rockeymoore

Absent: 1 - Council Member Ed Mihalkanin

1. Receive a Staff presentation and hold discussion regarding the proposed Fiscal Year 2019-2020 Budget, and provide direction to Staff.

Bert Lumbreras, City Manager, provided an update regarding this final workshop on the Fiscal Year 2019-2020 Budget.

Heather Hurlbert, Finance Director and Melissa Neel, Assistant Finance Director provided the presentation. Ms. Neel reviewed the revision to the General Fund which included that the certified tax rolls resulted in $250K net revenue over prior forecast, and explained that revenue from plant sales and other activities of the Discovery Center in the amount of $40K was moved to General Fund to align with expenditures.

Ms. Neel explained that from gross revenue approximately 79% is utilized to fund recurring operations, with 21% allocated to debt service, economic development incentives & capital outlay. She explained that revised projections indicate $850,000 available capacity in the General Fund to fund core services and other additional expenditures. Ms. Neel explained that they are proposing that with the revised capacity funds 10.6% of the identified department needs be funded within core services and operations.
Ms. Neel reviewed the revised proposed personnel expenditures as follows:

Youth Services Specialist reclass from part-time to full-time: $11,000
Habitat Conservation Spec promotion to Coordinator will be offset by revenue
Discovery Center Attendant reclass from part-time to full-time will be offset by revenue
Fire Paramedic Program - No additional funding (June workshop included $67K from operations for Paramedic Program) Mr. Lumbreras mentioned previously that the Paramedic Program is currently being developed. This is a modification to the preliminary recommendation to include a headcount with the funding.
Procurement Specialist: $61,000
Natural Area Maintenance Crew: $112,500
Natural Area Maintenance Supplies: $25,000
Construction Tech (hired mid-year): $48,000

Council provided consensus to move forward with the prior proposed funding for operating in the total of $265,210, prior proposed funding for personnel in the total of $318,120 and the additional proposed funding needed for proposed personnel in the total of $257,500 for the Grand Total of proposed expenditures of $840,830.

Ms. Neel reviewed additional considerations related to proposed Community Enhancement funding in a total amount of $430,000.
Council provided consensus to move forward as proposed:
FY19 Funding - Unsafe Structures $200,000
Downtown Arch - $50,000
Special Projects $110,000
Operating Expenditures for a total of $270,000, as follows:
$205,000: Mowing
$50,000: Matching grant programs (dumpsters enclosure, neighborhood improvement program)
$5,000: Education & promotion
$10,000: Equipment maintenance (trailer tools, street/sidewalk sweeper)

Ms. Neel introduced Mr. Thomas Rhodes, Chair of the Human Services Advisory Board who was available to answer any questions that the Council had regarding their recommendations for funding. Following discussion, the Council provided consensus to move forward as proposed with the recommended Human Services Advisory Board funding as follows:
Hays County Food Bank $52,000
San Marcos Housing Authority $27,000
San Marcos Youth Service Bureau $17,500
Southside Community Center $78,000
Hays Caldwell Women’s Center $63,000
SMCISD Age Parenting Program $15,000
Combined Community Action $15,000
Scheib $41,000
Any Baby Can $14,500
Nosotros La Gente $9,000
Greater San Marcos Youth Council $57,000
Society of St. Vincent de Paul $18,000
Casa of Central Texas Inc. $17,500
Community Action $16,000
Cenikor Foundation $27,500
Hays County Child Protective Boards $15,000
Salvation Army $10,000
Hands of Hope $3,000
San Marcos Texas Community Radio Assoc $2,000
Central Texas Dispute Resolution Center $2,000

Ms. Neel reviewed the proposed funding for the Economic/Business Development Manager position. Following discussion, the Council provided consensus to move forward as proposed for the FY20 Economic Development:
Economic/Business Development Manager - $150,000
Economic Develop Program Funds - $50,000

Ms. Neel reviewed the accrued funding for prior years and explained that funds for Downtown Vitality would be used for landscaping, benches, art with sidewalk and street signage. Multi Modal Transportation funding would be used to design the shared use path between River Road and Thorpe Lane, bus shelters at the Outlet Mall and on Hutchison. She explained that Workforce Housing funding was reduced by $100,000 to allow for one-time Economic/Business Development incentives, and that the Workforce Development funding would be used for scholarship fund, city facility and marketing.
Following discussion, the Council provided consensus to move forward as proposed related to the Accrued Funding Prior Years:
Multi Modal Transportation $200,000
Downtown Vitality $200,000
Workforce Development $75,000
Workforce Housing $225,000
One-time Economic/Business Development Incentives $100,000
Mr. Neel reviewed a request that was received by City Council regarding the demolition of Historic Buildings. Following discussion, the Council provided consensus to move forward as proposed related to a new consideration of adding Demolition of Historic Buildings staff will:

Propose a fee schedule for Historical Buildings
Lower fee for structurally unsound
Higher fee for structurally sound
Work with Council Sustainability Committee to develop options
Propose recommendation to Council after Budget Adoption

Ms. Neel explained that the Hays Caldwell Women's Center (HCWC) needed a funding commitment prior to starting construction on their Transitional Housing project. The prior proposal left FY20 & FY21 funding uncommitted and dependent on revenues exceeding budget. Ms. Neel explained that with Council consensus the revised proposal would provide HCWC with upfront funding commitment and prevent delays in construction to the Transitional Housing units.

Following discussion, the Council provided consensus to move forward as proposed related to a new consideration of adding HCWC Transitional Housing Funding as follows:
Funding request $400,000
FY19 proposed budget amendment $150,000
FY20 Capital Outlay reallocation $150,000
FY21 Funding subject to appropriations $100,000

Ms. Neel reviewed the FY20 Hotel/Motel Funding adjustments.
Council provided consensus to move forward as proposed related to the revised Hotel/Motel Funds for FY20 Funding Adjustments as follows:
Tanger reduced from $150,000 to $50,000
Conference Center Repairs added an additional $10,000 bringing the total to $20,000.
Main Street/Downtown Special Events added an additional $30,000 bringing the total to $63,790
Arts Commission Funding added an additional $64,500($12,500 for Arts projects, $12,500 for Permanent Art and $39,500 to Arts Coordinator position to full time status).
Arts funding is now as follows:
Arts Project funding: +$12,500, total budget now $137,500
Permanent Art: +$12,500, total budget now $137,500
Ms. Neel reviewed the rate recommendations made by the Citizens Utility Advisory Board for all utilities, and explained that they were recommending a rate adjustment of 5% for water and 3% for wastewater. She explained that per the financial policy reserves are properly funded and the debt coverage is set. She explained that Debt Coverage is how much revenue remains to cover debt obligations after operating expenses. The Council provided consensus to move forward as proposed related to the Debt Service and Potential Rate Adjustments from FY20 Rate Modeling (See Exhibit A).

Ms. Neel reviewed the proposed personnel expenditures for water/wastewater in the total personnel expenses of $369,050 for the following:
- Equipment Op 2 (reclass) – 3 FTE
- Crew Leader
- Equipment Op 1 – 3 FTE
- Water Quality Tech

Ms. Neel reviewed the proposed operating expenditures for water/wastewater in the total of $79,300 for the following:
- Contracted services - $6,800
- Technology (rounded) - $47,500
- Arborist Supplies - $25,000

Ms. Neel reviewed the proposed capital expenditures in the total amount of $525,000 for water/wastewater. Council provided consensus to move forward as proposed related to the revised Water/Wastewater fund additional expenditures totaling $973,350.

Ms. Neel reviewed a new Lineworker Career Progression plan. She explained that it will enhance our lineworker apprentice program with additional training and specific milestones for completion. Following discussion, the Council provided consensus to move forward as proposed related to implementing a Line worker Career Progression Plan as follows:
- Employee retention & competitive salaries
- Create career progression for line workers: Sr. Linework & Apprentice levels I – IV
- Increase headcount by 3 FTE at $440K
- Generates capacity for pole & line construction at half the current contracted cost

Ms. Neel reviewed the revised personnel expenditures for the electric fund for the following:
- Senior Engineering Tech - reclass
Senior Administrative Assistant - reclass
Lineworker Career Progression Plan
GIS Technician
for a total of proposed personnel expenses of $522,000.

Ms. Neel reviewed the revised operating expenditures for the electric fund for the following:
- Technology - $65,000
- Contracted Services - $605,000 (this includes a 5-year plan on tree trimming)
- Vehicle Lease & Maintenance - $35,300
- Professional Development - $50,700
- Arborist supplies - $25,000
for a total of proposed operating expenditures of $778,400.

Ms. Neel reviewed that there was no change to the proposed capital expenditures for the electric fund and that the total remained at $257,500.

Council provided consensus to move forward as proposed related to the proposed additional expenditures as requested above for the Electric Fund in the total amount of $1,557,900.

Ms. Neel reviewed the proposed personnel expenditure in the transit fund for a Transit Support Specialist in the amount of $60,000. Council provided consensus to move forward as proposed.

Ms. Neel reviewed the budget timeline and Council provided consensus as follows:
- Aug 20 - Public Hearing & 1st Reading of the Tax Rate
- Sept 3 - Public Hearing & 1st Reading of the Budget & utility rates 2nd Reading of Tax Rate
- Sept 17 - 2nd Reading of the Budget & Utility Rates & Adoption of the Budget & Ratification of the Tax Rate

Laurie Moyer, Director of Engineering and CIP, provided an update to the FY2020 Capital Improvements Project (CIP).
The general fund projects were revised to handle extra debt of facilities and there was no delay to Victory Gardens construction, Sunset Acres, or Hills of Hays.

Ms. Moyer reviewed the project list for Downtown TIRZ funding and potential 2022 Bond Election. The potential FY 2020 TIRZ funding include:
• Downtown Alley Reconstruction
  • Design funding
  • Kissing Alley to University
• Downtown Pedestrian and Safety Improvements
  • Smaller scale projects
  • Improve sidewalks and aesthetics
  • Benches, bike racks, lighting
  • Downtown Pattern Book guidelines
  • Involvement with Main Street & Downtown Association

The potential bond projects for 2020 include:
• Funding for Design
  • Ensures good project scope/costs for bond election
  • Shovel ready projects for bond construction
• Potential Bond Projects with 2020 design funds:
  • Hopkins Street – Moore to Guadalupe
  • Old Ranch Road 12 Bike and Pedestrian Project (electric)
  • Purgatory Creek Bridge and Trail Improvements
• Additional projects have 2021 funding for design

The following 2020 General Fund Projects were Revised:
• #745 – 40 acres Master Plan deleted
• #547 – Ed JL Green Improvements delayed 3yrs.
• #438 – City Park ADA funding accelerated
• #739 – Dunbar Bldg. Rehab phased with design in 2020
• #336 – Gary Softball Complex phased. Add ’1 Phase 1 funding in 2020
• #740 – River Parks Restroom delayed 1 yr.
• #616 – Cemetery Land Acquisition revised to actual
• #62 – Replace Smeal Pumper delayed 1 yr.

General Fund Beyond 2020:
• Complete 2017 bond projects
• Continue work on development of potential 2022 Bond Election projects
  • Establish Bond Committee - Summer 2021
  • Bond Election – May 2022
  • Issue bond debt – Spring 2023
• Continue seeking alternative funding through:
  • Grants
  • TxDOT
  • TWDB
Mr. Lumbreras stated there will be future discussions related to proposed bonds. Mayor Hughson stated her concerns with the bond timeline for 2021.

PUBLIC HEARINGS - 6:00PM

2. Receive a Staff Presentation and hold the first of two public hearings to receive comments for or against the voluntary annexation of and service area plan for a 92.787, more or less, acre tract of land out of the Barnette O. Kane Survey, Abstract No. 281, generally located within the 1900 Block of Redwood Road between SH 123 and Old Bastrop Road.

Michael Consentino, City Attorney, provided a brief update on this item as new Legislation will take place regarding voluntary annexation so at this time the Public Hearing that was published is not necessary, but as a courtesy to the public Mayor Hughson opened the Public Hearing at 7:30 p.m. There being no comments, the Mayor closed the Public Hearing at 7:30 p.m.

3. Receive a Staff Presentation and hold the first of two public hearings to receive comments for or against the voluntary annexation of and service area plan for a 102.434, more or less, acre tract of land out of the Barnette O. Kane Survey, Abstract No. 281, located at 2357 Redwood Road.

Mayor Hughson opened the Public Hearing at 7:32 p.m. There being no comments, the Mayor closed the Public Hearing at 7:32 p.m.

III. Adjournment.

A motion was made by Council Member Derrick, seconded by Council Member Rockeymoore to adjourn the workshop meeting at 7:33 p.m. The motion carried by the following vote:

For: 5 - Mayor Pro Tem Prewitt, Council Member Derrick, Mayor Hughson, Council Member Marquez and Council Member Rockeymoore

Against: 0

Absent: 2 - Council Member Gonzales and Council Member Mihalkanin

Jamie Lee Case, TRMC, City Clerk                           Jane Hughson, Mayor
Notice of Assistance at the Public Meetings

The City of San Marcos does not discriminate on the basis of disability in the admission or access to its services, programs, or activities. Individuals who require auxiliary aids and services for this meeting should contact the City of San Marcos ADA Coordinator at 512-393-8000 (voice) or call Texas Relay Service (TRS) by dialing 7-1-1. Requests can also be faxed to 855-461-6674 or sent by e-mail to ADArequest@sanmarcostx.gov