



City of San Marcos

630 East Hopkins
San Marcos, TX 78666

Meeting Minutes City Council

Tuesday, February 18, 2020

3:00 PM

City Council Chambers

630 E. Hopkins - Work Session

I. Call To Order

With a quorum present, the work session meeting of the San Marcos City Council was called to order by Mayor Hughson at 3:00 p.m. Tuesday, February 18, 2020 in the City Council Chambers, 630 E. Hopkins, San Marcos, Texas 78666.

II. Roll Call

Council Member Derrick arrived after roll call at 3:05 p.m. Council Member Marquez was absent due to business travel.

Present: 6 - Council Member Melissa Derrick, Mayor Jane Hughson, Mayor Pro Tem Ed Mihalkanin, Deputy Mayor Pro Tem Mark Rockeymoore, Council Member Maxfield Baker and Council Member Saul Gonzales

Absent: 1 - Council Member Joca Marquez

PRESENTATIONS

1. Receive a Staff presentation and hold discussion regarding the proposed Parks and Recreation programs and services fees based on cost recovery, and the introduction of an Administrative Fee for Nuisance Abatement for the Code Compliance Division of Neighborhood Enhancement, and provide direction to the City Manager.

Mr. Lumbreras, City Manager, provided a brief introduction regarding the cost recovery fees for Parks and Recreation programs and services and the possible implementation of an administrative fee for Code Compliance when nuisance abatement is necessary.

He explained that setting fees appropriately is necessary for a number of reasons, and especially during tight budget times. It helps fund programs the community enjoys, and decreases reliance on property or sales tax revenue.

This process began over a year ago and he acknowledged the hard work of staff and the Parks and Recreation Advisory Board to get us to this point and providing the recommendation council is receiving this afternoon.

Drew Well, Director of Parks and Recreation and Jamie Lee Case, Assistant Director of Parks and Recreation led the presentation.

Mr. Wells discussed the General Fund FY20 Budget.

- **Parks & Recreation Dept (PARD) operating budget consumes ~ \$5.3M or 6% of the FY20 budget**
- **PARD Programs generate \$545K in revenue with \$4.8M supported by sales & property tax revenue**
- **FY21 budget General Fund property tax revenue could potentially face significant constraints due to SB2-property tax cap and pending changes to over 65 property tax.**

Please See EXHIBIT A: Operating Budgets Compared to other Cities (attached)

Setting fees based on cost recovery accomplishes the following:

- **Diversifies revenue to reduce property and sales tax dependency**
- **Utilizes tax dollar subsidies on community based programs**
- **Meets state mandates requiring all user fees be justifiable**
- **Moves toward self funding programs the community currently enjoys**

He explained fee calculation using the cost recovery pyramid methodology.

He provided the timeline on how we got to this point:

Nov. 6, 2019: Provided proposed assumptions in finalizing cost recovery implementation for Parks and Recreation Programs and Services.

- **Council provided direction to move forward with taking the proposed assumptions to the Parks and Recreation Advisory Board for their recommendation**

Dec. 19, 2019: The Parks and Recreation Advisory Board created a committee to review the proposed fees and to bring back a recommendation to the Board.

Jan 13, 2020: The Board received the committee's recommendation and adopted a Recommendation Resolution recommending the proposed fees within this presentation.

Summary of Changes:

- **Simplify to only use "Resident" or "Non-Resident" fee categories.**

- **Remove the fee categories of: Non-Profit, Business/Commercial, Senior Spouse (will only have Senior rate)**
- **Increase the qualifying age for the senior discount from 50 to 65.**
- **Future fee increases will be reviewed during the budget process annually.**

Rate Proposal: Facilities

- **Staff recommends that Non-Profits receiving Community Development Block Grant (CDBG) Funding or Human Services Grants for the provision of social and human services/programs have facility rental fees waived up to 9 times per month.**
- **It is recommended that facility rental fees be waived when the non-profit is utilizing the facility to provide social and human services or programs to the community, and not for fundraising or similar events.**
- **The reservation process would be unchanged and would remain subject to availability.**

Council asked Staff to review current funding received by non-profits and provide a more thorough explanation of fees.

Council provided the following consensus:

Change the qualifying age for the senior discount to 60 years of age, instead of the proposed 65 years of age.

Increase the Non Resident Rental Rates another 5% of the proposed rate.

Staff stated they will come up with a target amount, apply it and look at it with a 3 year implementation timeline. This schedule will be presented prior to action on the March 17th meeting.

DerryAnn Krupinsky and Shanna O'Brien provided the next presentation regarding administrative fee for nuisance abatement.

The current process includes:

- **Seek voluntary compliance - communicate and educate**
- **Notice of violation - sent to all interested parties at every identified address**
- **Informal conference / hearing with Code staff - set corrective plan and timeline**
- **Once all options for compliance are exhausted, the City can abate the nuisance**
- **Statement of abatement costs, including an administrative fee established by**

the city council, will be filed as a lien with the county clerk's office

Without an administrative fee, property owners have used the City as a mowing/clean-up service, even when they had their own resources. Forced abatement is infrequent and has not been utilized in close to a year due to new code compliance initiatives that match needs with resources.

Staff proposes a \$150 administrative fee for nuisance abatement. Staff will bring this back to council in a year to review this fee to make sure it is working as intended.

Council provided consensus to establish a \$150 administrative fee. Additionally, if the property owner does not remit payment to the City by the due date, the City will file a lien with the County for the cost of the abatement, the administrative fee, an additional \$50 fee, and the filing cost.

EXECUTIVE SESSION

2. Executive Session in accordance with the following Government Code Sections:
 - A. Section § 551.072 - Real Property: to receive a staff briefing and deliberation regarding acquisition of property in Downtown San Marcos for Public Use.

A motion was made by Council Member Baker, seconded by Mayor Pro Tem Mihalkanin, to enter into Executive Session at 4:03 p.m. The motion carried by the following vote:

For: 6 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

Absent: 1 - Council Member Marquez

III. Adjournment.

Mayor Hughson stated Executive Session concluded at 4:49 p.m.

A motion was made by Mayor Pro Tem Mihalkanin, seconded by Council Member Baker, to adjourn the work session meeting of the City Council at 4:52 p.m, February 18, 2020. The motion carried by the following vote:

For: 4 - Mayor Hughson, Mayor Pro Tem Mihalkanin, Deputy Mayor Pro Tem Rockeymoore and Council Member Baker

Against: 0

Absent: 3 - Council Member Derrick, Council Member Marquez and Council Member Gonzales

Tammy K. Cook, Interim City Clerk

Jane Hughson, Mayor

EXHIBIT A

Operating Budgets Compared to other Cities

Recovery	PARD Operating Cost	PARD Revenue	Recovery %
San Marcos	\$5.3M	\$545K	10.2%
New Braunfels	\$7.8M	\$3.6M	46.3%
Georgetown	\$11.8M	\$2.8M	24.1%
Round Rock	\$12.4M	\$3.5M	28.5%

Fees	Current Fee	Target Cost Recovery Fee	Proposed Fee	Golds Gym	Metroflex	NB Das Rec
Activity Center Adult Annual Membership	\$84	\$220	\$105	\$480	\$299	\$420