

CITY COUNCIL MINUTES
BUDGET WORK SESSION MEETING
MAY 15, 2017 AT 6:00 PM

1. CALL TO ORDER

Mayor Pro Tem Bradley called the meeting to order at 6:00 pm.

~~**2. INVOCATION AND PLEDGE OF ALLEGIANCE**~~

~~Mayor Pro Tem Bradley gave the invocation and led the Pledge of Allegiance.~~

2.3. ROLL CALL & CERTIFICATION OF A QUORUM

City Secretary, Susie Quinn, certified a quorum with the following Councilmembers present:

Mayor Pro Tem Scott Bradley
Deputy Mayor Pro Tem Owais Siddiqui
Councilmember Jennifer Berthiaume
Councilmember Betty Nichols Spraggins
Councilmember Sarah Fincanon
Councilmember Don Reilly

Absent:

Mayor Eric Barna

3.4. PRESENTATIONS

A. General Fund Overview – *Mike Castro, City Manager*

City Manager Mike Castro presented to Council an overview of the General Fund. Six month revenue is at 81.5% with ad valorem collections at 99.5% and sales tax collections at 52.3%. Expenditures are at 50.7% and projecting to make budget for FY17 with revenues less expenditures at a total of \$8,479 dollars. Also this year, staff is refining the budget process going forward. Positive developments, short term concerns and long term concerns were explained in more detail.

FY18 Initiatives were discussed to include inflationary and commodity increases, hardware and/or software maintenance, FY17 deferred items, employee safety, pay plan implementation and Capital Project Advisory Committee influences.

General Fund review included a new term "Supplementals", a new system that highlights significant changes or adding new items to the budget line item with a threshold of \$2,500.

Discussed in detail were the General Fund balances for FY2016-2017, FY2017-2018 and Pay Plan information.

Highlighted key dates for the budget calendar for FY2018: Staff/Council Budget Retreat dates are May 15, 19 and 22; MCDC Budget meeting will be June 5; MDD Budget meeting will be June 12; Council Budget Review will be July 11 and 12; Proposed Budget filed with City Secretary will be August 4; First Hearing on Budget will be August 22; Second Hearing on Budget will be September 5 and Adopt Budget and Tax Rate on September 19.

B. General Fund Review Projections – *Karen Montgomery, Finance Director*

Finance Director Karen Montgomery explained to Council how to read the FY2017 Budget

projection handout as each department presents to Council. A budget amendment for Council approval will be a June meeting. FY18 Budget Supplement handouts are a comprehensive list of the department's submissions with departmental ranking. The City Manager ranking will be provided at a later date. An overview of the General Fund Revenue explaining the many revenue sources and other sources of funds, provided a recap for FY14 actuals through FY17 budget was presented. The FY17 projection/assumptions and FY18 proposed/assumptions were explained.

- C. General Fund Human Resources (HR) – *Jana Traxler, Human Resource Director*
Human Resource Director Jana Traxler presented to Council an overview of the FY17 HR projections and budget status to end the year with a favorable variance of \$2,200. A budget transfer of \$1,400 was required to cover the mandatory Patient-Centered Outcomes Research Institute (PCORI) fee. FY18 Budget proposal supplement requests are for consultant services in the amount of \$11,950.
- D. Citywide Personnel and Insurance Cost Assumptions – *Jana Traxler, Human Resource Director*
Human Resource Director Jana Traxler presented to Council that the city is committed to competitive compensation and, on an annual basis as part of the budget process will review ten (10) classifications from five (5) similarly sized and situated cities within the surrounding DFW labor market. Two (2) cities, Highland Village and Rockwall have an average movement of 1.00%. Also taken into account was the Consumer Price Index (year ending March 2017) for the DFW Metroplex which was an increase of 2.2%. Staff is proposing a 1% cost of living adjustment (COLA) increase to both the sworn and non-sworn employees for all classifications for a total cost of \$53,761. Merit increases will be provided, per Council approval, based upon the employee's performance evaluation rating as outlined in the handbook.

The FY18 Insurance cost projections were discussed with the annual rerate process to be conducted in late May for property and liability insurance coverage (FY17 annual contribution increased to 22%) and workers' compensation coverage (FY17 annual contribution decreased to 9%). Medical, dental, vision coverage first renewal offer is due from current carriers this week. If no agreement is reached, an RFP to market will be sent at the end of May with negotiations finalized by June 28, 2017. The premium amount for medical coverage increased 12% for FY17.

- E. General Fund City Council – *Susie Quinn, City Secretary*
City Secretary Susie Quinn presented FY2017 year-end projections for City Council budget with overall funds returned to the FY2017 budget in the amount of \$30,515. FY2018 assumptions for City Council budget with total fund changes in the FY2018 budget of \$118,837.
- F. General Fund City Secretary – *Susie Quinn, City Secretary*
City Secretary Susie Quinn presented FY2017 year-end projections for City Secretary budget with a budget amendment to the FY2017 budget of \$10,000. FY2018 assumptions for City Secretary budget with a total reduction to the FY2018 budget of \$33,092. Two supplement requests include a records analyst and the expensive publication printing of the required notice of election for the upcoming Bond Election.

G. General Fund Police – *Trey Cotten, Police Chief*

Police Chief Trey Cotten presented to Council an overview of the Police budget. Status of the police budget was at 58.96% of the budget with a \$99,559 favorable budget balance. Projections overall indicate overtime is \$9,000 over budget, contractual services over 472% of the budget. The initial projection on fuel costs was \$55,000, but now projecting to spend \$35,000 with a savings of \$20,000. Capital outlay is within budget and remaining funds are for equipment for the Tahoe which has been delivered. Police department has no budget amendments.

FY2017/2018 Fiscal budget request increase of \$165,609 to add Faro software for mapping and two new ticket writers. Future budget issues: Personnel cost increases are related to the new pay plan. Add one (1) patrol officer in 2018, 2019, 2020 to staff each shift in 2020 would be five (5). That would result in less overtime, more training and more coverage during time off periods. Adding one (1) dispatcher would get the department closer to two (2) dispatchers on duty at peak times. In 2017, one (1) Tahoe was budgeted but it is best to replace two (2) Tahoes a year. Three (3) Tahoes are needed to get back on schedule as average life of each vehicle is five (5) years.

H. General Fund Animal Control – *Trey Cotten, Police Chief*

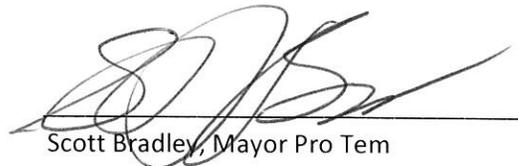
Police Chief Trey Cotten presented to Council an overview of the Animal Control budget. Status of the animal control budget at 58.16% of the budget and projections include workers compensation rates which have increased. Projected to be over budget by \$1,687 and project a \$1,223 unfavorable budget balance. Capital outlay is within budget and the remaining funds is for equipment for the animal control truck which was ordered in February and expected in mid-June. There are no current concerns but staffing may become an issue. Budget amendment is for workers compensation rate increase of \$1,687.

FY2017/2018 Fiscal budget requests adding two (2) part time employees to result in better city coverage related to animal services.

4.5. **ADJOURNMENT**

With no further business, a motion was entertained by the Mayor Pro Tem Bradley and the Council meeting adjourned at 8:21 pm.

APPROVED BY:


Scott Bradley, Mayor Pro Tem

ATTEST:


Susie Quinn, City Secretary

