

CITY COUNCIL MINUTES
BUDGET WORK SESSION MEETING
MAY 19, 2017 AT 4:00 PM

1. CALL TO ORDER

Mayor Bradley called the meeting to order at 4:00 pm.

2. ROLL CALL & CERTIFICATION OF A QUORUM

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

Mayor Scott Bradley
Councilmember Jennifer Berthiaume
Councilmember Betty Nichols Spraggins
Councilmember Sarah Fincanon (arrived at 5:53pm)
Councilmember Don Reilly

Absent:

Deputy Mayor Pro Tem Siddiqui

3. PRESENTATIONS

- A. General Fund - Community & Economic Development – *Jared Mayfield, Community & Economic Development Director*

Community & Economic Development Director Jared Mayfield presented an overview of the Community Development and Economic Development to Council. The following is a summary of the PowerPoint presentation.

Community Development FY2017 Budget Issues: Interim Directors is changed to a full permanent staffed department (vacancies created savings). Inspection fees/Building official – FY17 budget assumed a building official would be hired in October 2017, continuation of the Bureau Veritas contract at \$12,000/month for seven (7) months (\$84,000) and budget did not include funding for this additional cost. No budget amendments necessary.

Community Development FY2018 Budget Overview: Variances for Personnel (elimination of a code compliance officer position); Materials & Supplies (increase for motor vehicle fuel) and Contractual Services (inspection feeds added to accommodate third party vendor for building inspections, plan review, etc. as needed and reductions in consulting, engineering services, printing, public notices and cell phones). Supplemental requests include legal services (legal expenses associated with zoning and development cases as well as code compliance cases are currently charged to City Council budget. Funding will allow proper tracking of related expenses), inspection fees (residential and commercial inspections by third party vendor (Bureau Veritas) on an as needed basis and vehicle replacement (replace 2003 GMC Envoy, cost shared between Murphy Development District and General Fund).

Economic Development FY2017 Budget Issues: Personnel savings due to vacancy of the Director's position. Overtime (numerous special meetings and vacancies created additional work load) and contractual services (legal services budgeted for and not used, reductions in training, printing, cell phones and incentives for Munch in Murphy program) were all factors to the Budget Issues.

Economic Development FY2018 Budget Overview: Variances for Personnel (increase due to fully staffed department), Materials & Supplies (increase in office supplies), contractual services (reduction in legal services, travel, printing, cell phones, incentives for Munch in Murphy program and increase in dues/memberships) and zero funds in Capital Outlay.

Questions and other discussions included:

Community & Economic Development Director Mayfield explained that the Community & Economic Development Department is made up of two funds.

Five employees in the department and a couple of the employees are split between the two funds. The five employees are a Building Official, a Code Compliance Officer, an Administrative Assistant, a Community Development Coordinator and the Director. The funds discussed are not the MCDC or the MMDD funds, they will be discussed at a different time. The differences between the prior year and the current year was asked and answered. The Engineering hours were discussed and it was explained that those hours are billed back out to the applicants. Contracted inspection fees are budgeted to fill gaps for time off. The legal fees are to assist tracking in the various areas of legal assistance. Other questions regarding travel, training and dues were asked. The department has eliminated one staff member (from six budgeted in FY17 to five budgeted in FY18).

The MCDC and MMDD budgets will probably be discussed in late June.

The Munch in Murphy program slowed due to additional Planning and Zoning activities but the thought is to bring it back up to speed in FY18. That program involves the \$5 off wooden tokens used at local Murphy restaurants. The distribution of the tokens was discussed. More discussion is to occur regarding PSA involvement with the program.

The legal services allocation for FY17 has not been tracked in the Economic Development either.

B. General Fund - Public Services (Public Works, Facilities, Parks and Recreation) – *Tim Rogers, Public Services Director*

Public Services Director Tim Rogers presented to Council an overview of the Facilities, Parks, Public Works and Recreation FY17 budget and FY18 proposed budgets. The following is a summary of the PowerPoint presentation.

Facilities – FY17 Overall variance is \$-988,293, the majority of that is in Building and Grounds Contracts. An amendment request of \$995,000 is requested which includes hailstorm and unexpected city hall/fire department repairs. FY18/FY17 Overall variance is \$-791,803. Supplemental requests for Facilities include Maintenance Tech position; City Hall boiler; Fire department boiler; Police department boiler; Public Works HVAC; Fire department garage doors; Replacement truck #111; Replacement truck #113; Public Works UPS; Bathroom cleaning equipment and Bucket truck. More information is in the supplementals.

Parks – FY17 Overall variance is \$30,138. FY18/FY17 Overall variance is \$-140,632. Supplemental requests for Parks include Groundskeeper I position (new); Rye grass seeding (MCP/TNP); Sign for Timbers; Mustang Park repairs; Contract mowing; Contract labor; ½ ton P/U Truck (replacement);

Two (2) Trailers (replacement); ¾ Ton P/U Truck (new); Two (2) ZTR Mowers (replacement); Central Park soccer goals; Central Park Pond fountain; FM544 Irrigation Central Control Conversion; Inclusive playground equipment – Mustang Park and Bike repair stations.

Public Works – FY17 Overall variance is \$9,050. FY18/FY17 Overall variance is \$-39,200. Supplemental requests for Public Works include two (2) tailgate sand spreaders, signal systems, electricity, traffic lights, construction inspector position, ½ ton P/U truck _CI (new), Maintenance worker II, ½ ton P/U truck_MW2 (new) and Maintenance worker I.

Recreation – FY17 Overall variance is \$-15,239, amendment request of \$16,000. FY18/FY17 Overall variance is \$-51,351. Supplemental requests for Recreation include new part time recreation staff; recoat gym floors; banner install seven (7) per year; podiums/public announcement system; volleyball net system; air and ventilation equipment (MAC) and contract labor pay. Some of the presented items can be funded by MCDC.

Questions and other discussions included:

The hailstorm damages and checks received should be explained separately. Discussion about deferred maintenance and actual expenditures for FY17 and its relationship to estimated expenditures in the FY17 budgeted explained most of the shortfall and the need for budget amendments. Fully staffed is 32 people for all of the Public Service's departments and currently only one vacancy. End of life discussion on various equipment that is 10 to 15 years old and the fact that they may still be in working condition if parts were still available for repairs. Staggering the replacement of the boilers was discussed. Scavenging of parts was also discussed. The CPAC list was also discussed and how it might change the requests if the Bond proposals are approved. The Fire Department doors were discussed and the relationship with response times and other safety issues. Opening the doors by dispatch was also discussed. The hail damage on vehicles was discussed and the method used by the insurance company to determine loss. Benchmarks about FM544 are to be used to establish estimates for Murphy Road. The pay plan in Parks and playground equipment replacement (including a question about Mustang Park) was discussed. Back-up cameras were discussed and their ability to help prevent accidents. The thirty year lease with PSA was discussed. Because of the MS4, some budget requests are to get closer to compliance. Part-time at Recreation was explained in more detail and safety concerns for people being alone closing at the MCC. Council asked for the actual costs of events.

C. General Fund - Information Technology (IT) – *Gavin Cox, Interim IT Director*

Interim IT Director Gavin Cox presented to Council FY2017 year-end projections. Over budget on leases 27%; hardware & software maintenance 49% and consultant services 116%. Total projected budget is \$1,404,895 and overall for FY2017 at 15.65% over budget. Budget amendments total \$193,240 that are currently being prepared to correct these issues. FY2018 Budget: \$1,586,029 increases 2017 projected budget by 13%. Assumption of static costs for hardware and software, maintenance for majority of line items. Increase of 5% factored in when assumption is not feasible. No plans to purchase capital software. Increase in consultant services necessary for projects requiring specialized or high-level expertise and to minimize staff overtime. Supplement requests include salaries/insurance; hardware & software maintenance; consulting services; computer hardware; networking equipment; leases and telephones.

Questions and other discussions included:

Administratively, changes have occurred and an inventory of all the various software programs that are being used by all departments has been completed. All departments are more involved in the budget process than they have been in the past. It was publically stated that the City Manager is to make sure all departments are run properly and fiscally sound. Staff is 4.5 persons and their roles were explained. Leases for computers were not recommended moving forward.

D. General Fund – Administration – *Mike Castro, City Manager*

City Manager Mike Castro presented to Council an overview of the Administration budget for FY2017: Personnel (benefit amounts for previous employees were overestimated); Materials and Supplies (marginally unchanged); Contractual Services (reduced travel & training and unregistered software (budget amendment)) and Capital Outlay (not applicable in FY17 or FY18). Administration for FY2018: Personnel variance of \$98,749 (elimination of CM separation obligations); Materials and Supplies variance of \$3,600 (marginal reduction in employee relations); Contractual Services variance of \$-9,300 (anticipated increase in general insurance) and Capital Outlay nothing projected in 2018. Total fund variance in the FY2018 budget of \$93,049. Supplemental request for Administration is General Insurance \$13,300 for anticipate a 10% increase to this line item and will have rerate information mid-June.

Questions and other discussions included:

Staff consists of two in the department. Salary adjustment was mentioned. Budget transparency was discussed. More presentations on Monday and the ranking on the supplementals will be presented as well as dates for future meetings are to be discussed.

4. ADJOURNMENT

With no further business, a motion was entertained by the Mayor Bradley and the Council meeting adjourned at 6:07 pm.

APPROVED BY:



Scott Bradley, Mayor

ATTEST:



Susie Quinn, City Secretary

