

CITY OF SANGER, TEXAS

MINUTES: CITY COUNCIL WORK SESSION

June 19, 2017, 5:00 PM

502 Elm Street, Sanger, Texas

COUNCIL MEMBERS PRESENT: Mayor Thomas Muir, Councilman Bill Boutwell, Councilman Lee Allison, Councilman David Clark, Councilman Gary Bilyeu, Councilman Allen Chick

COUNCIL MEMBERS ABSENT: None

The Mayor and All Council Members Were Present Constituting a Quorum.

STAFF MEMBERS PRESENT: Mike Brice City Manager, Cheryl Price City Secretary. Neal Welch, Pubic Works Director, Jim Bolz Water/Wastewater Supervisor, Ray Vinson Lead Plant Operator

1. Call Meeting to Order.

Mayor Muir called the Meeting to Order at 5:04 PM.

2. Tour of Wastewater Treatment Plant and Related Construction Improvements.

Staff and Council went to the Wastewater Treatment Plant at 300 Jones Street for summary and tour of the construction improvements at 5:04 PM. Public Works Director Neal Welch, Water/Wastewater Supervisor facilitated the tour and Ray Vinson, Lead Plant Operator explained the current and future plans for operation of the plant and answered any questions. Councilmembers requested a layout of the wastewater treatment plant as it will look upon completion. It was also noted that there will be additional tours as various phases of construction are completed. After the tour, the meeting reconvened at City Hall at 6:12 PM.

3. Budget Workshop.

City Manager Mike Brice summarized anticipated budget increases and significant budget changes. He noted there is an expected four percent (4%) increase in wholesale water cost from Upper Trinity – this is preliminary and not definite yet. About a five percent (5%) increase in electric transmission and congestion cost. We have increased street maintenance funds from \$125,000 to \$150,000. We are trying to slowly build it up. This year we are looking at \$450,000 for street rehabilitation. The first street we are looking at doing is Plum to build a reliever for the future proposed FM 455 construction. We might have enough money to do it next year and may have to do it in 2019. This led into additional discussion and questions on the future construction of FM 455 and the I-35 Expansion. It was noted the meeting by TxDOT was going to be this Thursday night (June 22nd). He advised that the \$25,000 for the Transmission Operator Services from LCRA is included in the Budget. One of the big changes is that we are creating a Facilities Maintenance Department in the internal service fund. We are doing this as we move towards centralized procurement for efficiency and to save money. This will not increase the budget because we would combine the funds out of the individual departments (where the money already is) to fund this department. As far as ongoing Capital Projects; McReynolds Road is a two-year project and the Wastewater Treatment Plant Expansion is on-going. The Nitrification improvements may be done before the end of the fiscal year. Other Projects, FM-455 and I-35 and

continuing with the Railroad Lift Station design and easement acquisition. Over the next 10 years we will paint the Acker Water Tower. We had it in this year's budget but used the money for the Nitrification. We are putting it back in next year's budget and if we do not need it for other unplanned projects we will paint the water tower. Before we do the street improvements on Plum Street we need to replace the water and sewer lines. At some point, when we have a user, we are going to have to extend the water and sewer lines from Lois to View Road. Railroad Lift Station (formerly called Cowling Road Lift Station) is something we have to do to. Several of our thoroughfares still need to be rebuilt and widened. Those include Bolivar, Marion, and we may be able to get by with some resurfacing on Belz Road and also will do Jennifer Court at the same time. At some point, we will have to do something with Duck Creek Road. There have been some discussions with Hugh Coleman on this; the only way we will get these projects done is with some help from the County. They are doing some work on the culverts there at this time. The County is not sure when they are going to do their next bond issue. Bolivar Street is future planned to be a really nice entrance into Town and we would like to do it into an urban street. All of the drainage would go underground and there would be some design elements to it. The Water has been replaced the entire length and the Sewer from 6th to 9th Streets. The big future project is still the utility relocations for FM 455 and I-35. We have no idea what that is at this point and probably won't for a few more years. FM 455 could be quite expensive because all of our lines run under it or right next to it. So far, we have not had any luck in getting any assistance with funding on these projects. On I-35 what we have is about five crossings underneath and some of them may be ok such as the wastewater crossing they did at Belz in 2004 which has been cased and is outside of the new road. Some of others, nobody has a clue because they were there when they built the highway originally. The one at Bolivar is about 70 years old and continues under the interstate. On Personnel changes, this year is one of the biggest personnel changes that he has proposed since he has been here, and he has always been very conservative on personnel. During the recession, we have left a lot of the positions stay open and not filled them; even eliminated some positions. Fortunately, we did not have to lay anyone off. We have been very frugal on adding new positions and will continue to be cautious because the last thing we do not want to do is put people in positions and then have to lay them off. However, with the growth we are experiencing now we are going to have to add some personnel. We are proposing a 3% merit increase which is the same as what we had this year. He noted that he and Jeriana Staton are also looking at a new pay grade schedule with a Target Date of January 1, 2018. We have budgeted money to implement that plan in next year's budget. The ranges have not changed since 2007 and it needs to be updated as wages have changed in the last 10 years. As far as new personnel we have added an additional Sargent to the Police Department Budget. Two years ago, we had a Chief a Sargent and everyone else was a Police Officer, which was a very flat structure. Fortunately, we have had several officers that have been here a while and could operate without direct supervision. We have added new officers in the last couple of years and added a Lieutenant position last year. This new structure will give us a Chief, a Lieutenant, two Sergeants and the rest will be Police Officers. This will give more supervisory coverage on nights and weekends and gets another officer on the street, as these will be working positions, not desk jobs, and they will be out on patrol with everyone else. There will be a Sargent on each shift. Fire Department will be adding a full-time Lieutenant position to the Fire Department and converting one Firefighter Position to a Lieutenant Position. This would provide 24-hour supervisory coverage on all shifts. We currently have four positions (part or full time) on each shift and this will add a fifth position to one shift with a goal over the next few years of six positions on each shift. We are going to add a construction inspector to Public Works. We have borrowed an employee from the Street Department for the last couple of years to do the inspections and it is at the point that inspection is all he does. Basically, this position inspects our projects and goes to new subdivisions and inspects the infrastructure, water, sewer and streets. We are going to fill the position in Streets. We are also going to add a Sewer Plant Operator. When we get the plant expanded and up and running it really needs to be run 7 days a week and this third person will give us that option. We want to bring this individual on now so they can see the plant

as it is built which goes a long way in knowing the operation. As far as Reserves, we still have over a million dollars in reserves in the general and enterprise fund. Back in 2014 we started adding to the storm recovery fund and will be to about \$800,000 after this year, so we are making good progress there. We are continuing as we have done in the last several years to take 10% of the wastewater revenue. This fund is what we use to replace the wastewater lines under the street. We do not have this right now for the water lines and we are having the consultant (five-year utility rate study) look at this. The 5-year utility rate study was authorized last month and we hope to have that information in August or September. That will drive the utility rate increases for next year and they are currently preliminarily listed at about 5 or 6%. We talked about it last year, but did not do it but may have to go up \$1.50 a month to cover the increased Electric Transmission Cost and the TO Cost. The reason we have not done it this year is we have not had to pay the TO cost yet. LCRA has filed the paperwork with ERCOT to be our TO. They have to go through ERCOT's process and are not going to charge us the money until that time. General Fund, again because revenues are up we are doing well and are going to end up with about an estimated \$100,000 this year, and estimate \$126,000 for 2018 in fund balance. Enterprise Fund is a bit different because of the addition of the Bond Payments. We are looking at about a \$200,000 fund balance increase at the end of this year and about an estimated \$35,000 balance in next year's Enterprise Fund. There were a few questions regarding Personnel, General and Enterprise funds. It was noted that the Council Budget was increased by \$30,000 for the demo of the Lumber Yard; however, he noted he may move it to facilities. He solicited any questions, there being none, he noted this is a good place to stop and continue with the next meeting in July.

4. Overview of Items on Regular Agenda.

There was no discussion regarding this item.

5. Adjourn.

The Work Session adjourned at 6:56 pm.