

CITY OF SANGER, TEXAS

MINUTES: CITY COUNCIL WORK SESSION

July 1, 2019 – 6:00 PM

502 Elm Street, Sanger, Texas

COUNCIL MEMBERS PRESENT: Mayor Thomas Muir; Mayor Pro Tem Gary Bilyeu; Councilmember Marissa Barrett; Councilmember Dennis Dillon; Councilmember David Clark.

COUNCIL MEMBERS ABSENT: Councilmember Allen Chick.

The Mayor and all four (4) Council Members were present constituting a quorum.

STAFF MEMBERS PRESENT: City Manager Alina Ciocan; City Engineer Tracy LaPiene; Fire Chief David Pennington; City Secretary Cheryl Price, Josh Bishop, Police Department.

1. Call Meeting to Order.

The Work Session was called to order on July 1, 2019 at 6:02 PM by Mayor Muir.

2. Budget Workshop – FY 2019-20

City Manager Alina Ciocan presented the 2019-2020 Preliminary Budget. She provided an introduction and budget philosophy. She summarized the Budget Development and provided the following budget timeline:

- July 1st – Budget Workshop
- July 15th - Budget Workshop
- July 25th - Chief Appraiser Certifies Tax Roll
- July 29th - Proposed budget filed with City Secretary
- August 5th – City Council discuss Tax Rate
- August 19th – 1st Public Hearing on Budget and Tax Rate
- September 3rd – 2nd Public Hearing on Budget and Tax Rate
- September 16th – City Council adopt Budget and Tax Rate

City Manager Alina Ciocan explained the organization of the budget and noted the various funds for operations, noting that the three main funds are the General Fund, the Enterprise Fund and the Internal Service Fund. She provided general fund revenue summaries and property tax projections with a chart on the latest property tax numbers. On Enterprise Fund Revenues she noted that these revenues can fluctuate dramatically due to weather. We are slightly below projection due to a mild winter. When consumption is down, so are production costs and wholesale utility costs. She advised that the water and wastewater revenues for FY 2019-20 are based on projections provided by NewGen Strategies.

She also provided a summary of proposed significant budget changes:

- Development Services - Personnel: Add a plans examiner/back-up inspector and a new vehicle for building inspector.
- Streets - Cul-de-sac maintenance program and Street Rehab Projects (capital project) which both have been previously discussed with Council.
- Water Department - \$60,000 in repairs to Well #6 and projected increases in wholesale water costs with volume and demand charges at 3%.
- Wastewater Department – Increased personnel cost due to adding WWTP Supervisor position in FY 2018-19 and increased cost of sludge removal to \$65,000.
- Electric – System improvements \$50,000. There was brief discussion regarding improvements that may be necessary.

- Transfers – Transfer to ISF increased due to engineering.
- Mayor and Council – eliminated the capital outlay expenditure - \$30,000 and decreased the line item for technical support – cost re-allocation.
- Public Works – Moved the construction inspector position to the Engineering Department; split the cost of the administrative position – 50% with Engineering and the Public Works Director salary is split between General Fund and Enterprise Fund.
- Engineering – Established an Engineering Department and provide a new vehicle for construction inspector.
- 3% proposed merit increase
- City’s TMRS rate increasing from 8.05% to 8.31%
- Social Services Contributions: Span Program \$13,200 and Children’s Advocacy Center \$13,703.
- Ongoing – Wastewater Treatment Plant Rehabilitation
- Upcoming:
 - FM 455 Widening – relocation of utilities
 - Outfall pipeline project
 - Railroad Lift Station (Formerly known as Cowling Road Lift Station)
 - IH-35 Project – relocation of utilities
 - Other projects as identified in the updated Water and Wastewater Capital Improvement plan.
- 4A – proposed increases to the Marketing and Professional Services line items: Marketing \$12,000 and Professional Services \$55,000 (Includes funding for Comprehensive Plan)
- 4B – Allocation of \$40,000 for Comprehensive Plan

In addition to the items above, City Manager Alina Ciocan noted items that staff is currently working through. For Police and Fire, we are in the process of reviewing the pay plans to make sure that we are staying competitive. For the Fire Department we are pursuing the Safer Grant again. We are budgeting the purchase of an ambulance – we are actually going to remount it and will be paying for it up front instead of issuing a note. She noted that we are also pursuing a grant for Arial apparatus. The grant provides 95 percent of the cost and the City is responsible for 5%. She explained the way the grant works is that they give us the money up front and we have 30 days to meet the 5% and buy the equipment. If we get the match, the City match will be factored in the budget. There was discussion as to what the chances are in getting it. David Pennington explained he could not say whether or not we will get it, that it is a high priority year and we have points towards it with the hotel coming in. It was noted that we would have to maintain the equipment and it would be audited twice a year for maintenance and usage. After 12 months, after the closeout on the grant, it would be ours.

City Manager Alina Ciocan concluded noting that the 2020 budget continues focus on infrastructure improvement including rehabilitation of streets, water lines and sewer lines. We are slowly adding employees to keep pace with growing service demands. 2020 looks to be another very busy year. She commended the Mayor and City Council on their forward thinking and planning for the future as well as their commitment to funding of our infrastructure needs.

Miscellaneous discussion regarding various areas of the budget ensued. City Council members requested a copy of the Budget Calendar.

3. Overview of Items on the Regular Agenda.

There was no discussion of items on the Regular Agenda.

4. Adjourn.

There being no further discussion Mayor Muir adjourned the City Council Work Session at 6:54 PM.

