



City of San Marcos

630 East Hopkins
San Marcos, TX 78666

Meeting Minutes City Council

Tuesday, December 4, 2018

3:00 PM

City Hall Conference Room

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, December 4, 2018 in the City Hall Conference Room, 630 E. Hopkins, San Marcos, Texas 78666.

II. Roll Call

Present: 5 - Mayor Pro Tem Lisa Prewitt, Council Member Saul Gonzales, Council Member Melissa Derrick, Mayor Jane Hughson and Council Member Ed Mihalkanin

Absent: 1 - Deputy Mayor Pro Tem Scott Gregson

PRESENTATIONS

1. Receive a Staff presentation and hold discussion on cost recovery and fee philosophy with focus on the Community Services and Development Services Fees.

Mr. Bert Lumbreras provided a brief introduction regarding the cost recovery and fee philosophy with a focus on Community Services and Development Services Fees. He provided that his hope was that a long-term structure could be created. He introduced Ms. Melissa Neel, Assistant Director of Finance, who provided the presentation.

Melissa Neel, Assistant Finance Director, provided a brief history of the City's fee policy, which explained how fees were developed. Those included:

- **Fragmented fee setting process across departments: peer city comparison, cost of service study, Council directive**
- **Fees remained flat for many years. FY16 began CPI adjustment, and 3 year cost of service study cycle**
- **Direct costs evaluated every 3 years, but without consideration to overhead or indirect costs**

Ms. Neel explained that a fee policy is a tool for evaluating services and programs and establishing appropriate fees. It is also a long-term strategy to support financial stability, a structured framework for sustainability and

provides consistency and transparency in fees. She reviewed the components of the fee policy and explained that it evaluates cost recovery and types of cost; it identifies who benefits from the services/programs (fee areas), provides flexibility in price structure for special considerations, and standardizes how fees are set across all fee areas.

Council held discussion regarding rates paid by residents vs. non-residents. Discussion was held regarding how the needs are determined. Ms. Neel explained that boards and commissions would review and provide a recommendation.

Discussion regarding partnership programs and a partner not paying their proportionate share.

Council asked that those partnership programs be included in the 3 year review to ensure that fees are being paid proportionately.

Discussion was held regarding the process. Ms. Neel explained that they would sit down with staff first and then bring in any stakeholder feedback.

Discussion was held related to electric utility fees.

Discussion was held regarding retiring and upgrading technology such as computers within the organization.

Council was comfortable with the proposed recommendations of Staff and will see this again in April.

- 2. Receive a Staff presentation regarding the Community Development Block Grant Program Year 2018, and provide direction to Staff**

Mr. Lumbreras introduced the presentation related to the Community Development Block Grant Program strategy prior to beginning the budget process for the FY19-20 budget.

Mr. Aaron Harris, Community Initiatives Program Administrator and Ms. Stacy Brown, Housing & Community Development Manager provided the City Council with the presentation. Mr. Harris provided that the previously directed priorities had been:

Housing - Preserving Housing, Providing Homebuyer Assistance, and Purchasing land for affordable housing construction.

Public Facilities - Parks

Public Services - CASA, Women's Shelter, and Rec Scholarships

Mr. Harris provided the current year projects list:

Rehabilitation of homes through Southside Community Center

City Parks - Improvements: Dunbar, Dog Park, Anita Reyes, and Children's Park Tree Planting.

Homebuyer Assistance Program

CASA legal assistance/protection

Land acquisition for LMI/Workforce Housing

Discussion was held regarding funding for emergency repairs under \$5000.

Stacey Brown, Housing & Community Development Manager, explained that we do not currently have anything within our program to aid immediate needs such as holes in a roof or HVAC.

Council provided consensus to add this to the Housing Rehab program. Not for recurring costs.

Mr. Harris reviewed the timeline for the CDBG Program Year 2019 Action Plan Process.

Discussion was held regarding disallowing personnel cost for public services.

Discussion was held regarding utilizing CDBG funds for studies or consultants.

Council provided consensus to disallow personnel cost for public services.

Council provided consensus for creating an Emergency Housing Repair Program within the city organization.

No further direction was provided.

EXECUTIVE SESSION

- 3. Executive Session item in accordance with Section §551.087 of the Texas Government Code: Economic Development - to receive a staff briefing and deliberate regarding a potential Chapter 380 economic development incentive agreement with Urban Mining.**

A motion was made by Council Member Mihalkanin, seconded by Mayor Pro Tem Prewitt, to enter into Executive Session at 4:29 p.m. The motion carried by the following vote:

For: 5 - Mayor Pro Tem Prewitt, Council Member Gonzales, Council Member Derrick, Mayor Hughson and Council Member Mihalkanin

Against: 0

Absent: 1 - Deputy Mayor Pro Tem Gregson

III. Adjournment.

**Mayor Hughson adjourned the Work Session of the San Marcos City Council
at 5:45 p.m.**

Jamie Lee Case, TRMC, City Clerk

Jane Hughson, Mayor