



City of San Marcos

630 East Hopkins
San Marcos, TX 78666

Meeting Minutes City Council

Wednesday, June 13, 2018

4:00 PM

City Council Chambers

630 E. Hopkins - Budget Workshop #1

I. Call To Order

II. Roll Call

PRESENTATIONS

1. Receive a Staff presentation and hold discussion regarding the preliminary Fiscal Year 2018-2019 Budget, and provide direction to Staff.

Mr. Bert Lumbreras, City Manager, provided the Council with an introduction and thanked Staff for their work on the budget document.

Heather Hurlbert, Director of Finance, provided the Council with an overview of the next two days and what will be covered. Ms. Hurlbert reviewed the City Council's Strategic Initiatives and the action points of those initiatives. She indicated that Staff kept these in mind as they built their proposed budget.

Ms. Hurlbert began with the General Fund Base Budget Assumptions. She reported that we would be increasing our base budget by \$2,294,000. Ms. Hurlbert reviewed the preliminary revenue and that the revenue reflects a 4% increase, \$2.6M from prior year net of economic incentives. Ms. Hurlbert reviewed the preliminary expenditures.

Ms. Hurlbert provided the Council with the personnel recommendations. She indicated that the personnel recommendations of \$393,000 would be funded by general fund and that \$213,500 would be funded by other funding sources.

Ms. Hurlbert provided the operating recommendations and capacity alternatives. Discussion was held regarding the additional Community Enhancement Fee (CEF) revenue funding three additional Code Compliance Officers. Discussion was held regarding changing the name of the fee for transparency to Code Compliance Fee. Discussion was held about taking the \$213,000 and creating a separate fund to assist low to moderate income, senior or disabled residents to address code compliance matters such as tall grass or

junk vehicle removal. No direction was provided at that time.

Discussion was held regarding the Bond Project Operating Expenditure. City Council has requested a slide explaining where the 8.37 cents is going in FY19. Discussion was held regarding funding eight new firefighter positions.

Ms. Hurlbert explained the Economic Development Supplemental Funding. She explained that \$200,000 was being suggested as Workforce Housing Seed Funding (66% from each - general fund water/wastewater, & electric) \$50,000 from fund balance for a total of \$250,000.

Ms. Hurlbert reviewed process improvements and key items not included in the budget. Ms. Hurlbert reviewed Sales Tax Revenue; Short Term Recommendations related to potential for expanding City Hall parking and potential for short-term facilities or leased spaces. Ms. Hurlbert reviewed the recommended one-time uses of sales tax revenue. Staff is recommending a budget amendment on the June 19 agenda in the amount of \$654,000. Discussion was held regarding the expansion of the parking area at City Hall. Council asked that staff conduct a survey of all employees to determine if they would be interested in having something such as a car pool van or other options to elevate the parking issues at City Hall. Council would like to see the cost of permanent buildings and the cost of furniture. Council would like to hold off on debating and voting on the temporary office space and additional parking spaces on June 19.

The City Council recessed for dinner from 5:53 p.m. until 6:21 p.m.

Discussion was held regarding the additional CEF revenue and setting up an additional fee to provide assistance for people that need assistance addressing code violations such as tall grass or junk vehicles, as previously mentioned.

Council requested a listing, preferably in a spreadsheet format, of all of the code compliance issues that they have responded to in the last year.

Council provided consensus not to move forward with the proposed funding of three additional Code Enforcement Officers from the CEF revenue, but to find a different revenue source.

Discussion was held regarding increasing the fee and rental registration. Dr. Mihalkanin stated for the record that he was not voting in favor of three new Code Enforcement Officers.

Discussion was held regarding the Economic Development Supplemental Funding and the desire to update the Economic Development Policy. Council provided consensus to allow the Workforce Housing Seed Funding to be funded as proposed from the Economic Development Supplemental Funding and to bring back the Economic Development Policy to update it to allow the funding.

Present: 7 - Mayor Pro Tem Lisa Prewitt, Council Member Saul Gonzales, Deputy Mayor Pro Tem Scott Gregson, Council Member Melissa Derrick, Council Member Jane Hughson, Mayor John Thomaides and Council Member Ed Mihalkanin

III. Question and Answer Session with Press and Public.

None.

IV. Adjournment.

Mayor Thomaides adjourned the budget workshop of the San Marcos City Council at 7:26 p.m.

Jamie Lee Case, TMRC, City Clerk

John Thomaides, Mayor