MINUTES

FOR THE WORKSHOP FOR

CITY COUNCIL OF THE CITY OF BANDERA

AUGUST 27, 2015

AT 1:00 PM IN THE MUNICIPAL BUILDING

AT 511 MAIN STREET, BANDERA, TX

1. Workshop meeting called to order by Mayor John Hegemier at 1:00 PM. Council members Glenn Clark, Suzanne Schauman, Sheila Pumphrey, and Jim Hannah were present. City Administrator, Lamar Schulz, City Secretary, Karen Chesler and City Treasurer, Trinity Burnes were also present. Absent: Charlotte Browning.
2. Workshop Discussion:

Proposed budget for FY 2015-2016

John Hegemier stated one of the items they have in the budget is from the Library Board about A request to the city. In the past, the city has not funded the library but it is pretty common in other communities. Bill Bringhurst, VP of the library board stated John Hegemier had indicated council had questions and they are here to answer them. Back in June they had given Lamar Schulz a letter requesting funds and council was given copies. The library feels they provide a great service to the community and most of the cities help support the library but the City of Bandera does not. So they felt it was appropriate for the City of Bandera to start financially supporting the library. They looked at the population they serve according to the state and 11 percent of the population is city residents and thus, they are requesting 11 percent of their budget which is $11,600. Bill Bringhurst stated that is the basic request and asked council if they had any questions. Jim Hannah asked if the past two years of the funding from the county has been reduced. Bill Bringhurst replied the total funding had not been decreased to the three libraries in the county. However, the percentage each of the three libraries changes each year. The three libraries get together and determine a formula on how that money is going to be divided. For the third year in a row, Bandera County has given $250,000 for the three libraries. Based on the formula, two years ago they got a higher percentage and last year the percentage was less. So the funding was less last year but the total county funding was the same. Bill Bringhurst had a handout for council that shows the split between the three libraries and what the county has given for the last five years. Basically Lake Hills gets about a third, Medina gets about 25-30 percent, and Bandera gets between 35-40 percent. This year the total the county gave was $250,000 but Bandera’s portion was $90,879 and it was down from $103,064 from 2014. Council can see the amount goes up and down from year to year but they have come to the conclusion the expenditures over the years for the library is about $100,000 in operating expenses. This year with only getting $90,000 they will have a $10,000 shortfall. The county has stated they cannot keep coming to them and asking for more money but they have not put a freeze on funding this is the amount of money that they can expect to get and like other libraries expenses they continue to go up each year. The county is setting the amount steady, thus, they are going to have trouble meeting their expenses every year. Bill Bringhurst passed out another handout for council with a two-year budget history of how things are actually spent. Sheila Pumphrey asked what is the income for the library and are they always in the red. Bill Bringhurst replied a majority of the income comes from the county. They have an organization called Friends of the Library which has fundraisers and sells books to buy new books. They county restricts them on what they can spend the money on. With the county money they are not allowed to purchase books. The funding is for maintenance, operating expenses, and salaries. The Wild Hog Explosion is a fundraiser the library has. The 2013 net operating expense was a loss of $10,696 but then in 2014 the county increased the revenue and they were in the black $3,282. Bill Bringhurst stated this year it looks like they will have a loss of $500 but they also had to replace an air conditioning unit that was not budgeted so they will be short about $5,000 or $6,000. Glenn Clark stated he recalls in the letter they sent along with the request they included a statement that since the citizens of Bandera use the library the city should help fund it. This is an attitude that the county has had and he does not think they realize the citizens of Bandera are also citizens of the county. Glenn Clark stated do not mistake he is not going to support the library but he does and would not be opposed to put something in the budget for this. Glenn Clark is the one that asked John Hegemier to have them come in and talk to council. Glenn Clark stated he did not appreciate it when a board member from the library said it probably was not a good idea for council to use the library after hours for the executive sessions but that was probably political talk. Bill Bringhurst stated he was there when the discussion took place and they have to tread pretty carefully because John Hegemier is the mayor. They are trying to keep his mayoral duties and the library duties separate. They are not coming here because John Hegemier is mayor. They are looking at a shortfall in the near future and they are looking for other ways to get funds to cover the shortfall. Glenn Clark replied he understands where Bill is coming from but knows of other entities using the library after hours. Suzanne Schauman pointed out council used the library when John Hegemier was on City Council and it was not until he was elected mayor that they were not allowed to use the facilities. Jim Hannah stated he is in favor of giving what they can afford. Suzanne Schauman stated she would support a donation but would like to point out in the projected budget in the revenues and the library did not project any donations but it has been about $10,000 each year and they should project in the budget. Bill Bringhurst stated they would be happy to do that but traditionally they don’t forecast donations because they do not know if they are going to get them every year or not. Suzanne Schauman stated the library projected the cost for the fines, copies, faxes, and fees. Bill Bringhurst replied they have an idea how much that brings in. Suzanne Schauman replied it looks like the library averages between $9,000 and $10,000 a year. Suzanne Schauman does agree they will support the library if they can afford it. Council thanked them for coming in.

Lamar Schulz stated council was handed the salary changes they wanted to see. Lamar Schulz pointed out to make Jannette Pieper full-time it is going to cost $19,109. The second page has the changes that were made last year and how much those changes cost. For example, Will Dietrich and Mike Armstrong were the major changes for last year and the total dollars associated with the change. The other salary change is moving Alan Calaway from part-time to full-time. Lamar Schulz stated the General Fund is in pretty good shape with $6,697 in the black. Our problem is in the Utility Fund with $135,108 in the red. He pointed out the city no longer has the Flying L PUD contract which reduced the budget by $44,880. Lamar Schulz explained the city has not increased the rates for garbage, water, and wastewater for the pasted 5 years. The city is now at a point where the Utility Fund does not sustain itself. Lamar Schulz stated they are showing the true operating expenses and the true revenue for the Utility Fund. Thus, the General Fund has to support the Utility Fund and that should not be the case. Lamar Schulz stated the Utility Fund should be producing some income for break downs because the lines eventually have to be replaced. Glenn Clark stated the price of everything council does needs to get back on track. Lamar Schulz stated if you consider the garbage rates for the past five years to the city but none of the increases have not been passed on to the consumer. Thus, cumulatively every month they have to add money to pay the bills. Trinity Burnes stated the garbage bill is about $2,000 in the red each month. Lamar Schulz replied that is just to pay the bill and does not include having someone collect the payments and processing the bills. John Hegemier stated for a long time the Utility Fund was transferring money to the General Fund as that was the revenue maker. Lamar Schulz replied we need to address this before it gets too bad. Suzanne Schauman stated the rates with the garbage company are going up and she expects to have an increase in rates. Lamar Schulz explained the garbage rates go in effect September 1 and nothing has been passed along to the customer. The contract with the garbage company does not include any of the Utility Clerks salary, postage, and materials to produce the bills. Lamar Schulz stated the Indian Waters pipes will need to be replaced but they are not tax payers for the City of Bandera. John Hegemier stated the customers in Indian Waters are charged a higher rate for water and sewer. Lamar Schulz stated he suggests they have someone who professionally analyzes utility rates go over all of this. The rough estimate he received from them was $7,000 and that is what he put in the budget. Lamar Schulz replied it depends on how the records are kept and how they have been kept in the past. Lamar Schulz explained this way the city has a third party who is analyzing it and you are paying for their expertise. Lamar Schulz stated the water pressure has been low and to increase the pressure could blow some of the lines in the area. Houses and buildings have been built over these lines which may cause some issues and they will have to be redirected.

Suzanne Schauman stated before the contract with the county expires on April 28th we will need to send notice prior to get back control of the ETJ. They will probably fight the city on this. Lamar Schulz stated he does not see why this is a problem with the county. John Hegemier stated he does not understand what they are talking about. Suzanne Schauman replied the City of Bandera will have to give a 30 to 45-day notice to the county to gain control back of the ETJ. Jim Hannah stated the city can require to go into mitigation and they should rule with the city because of the high density areas where as the county does not. The city’s need to control the ETJ trumps the county because the city has ordinances for high density areas. John Hegemier stated we need to give at least 45 days advanced notice. Glenn Clark stated he wants to have the lawyers highly involved in this situation. John Hegemier stated they just do not want to pay the city taxes but they want all of the benefits. Lamar Schulz stated he wants to look at what the city charges for bulk water. He does not think they should get a break for quantity purchases because the city has to have a worker leave what they are doing to meet them. Glenn Clark stated they are setting up maintenance schedules for the equipment and vehicles.

Lamar Schulz stated EDC is looking at purchasing some of the items from the 2014-2015 budget to get things for the city and the city is purchasing the remaining items from the budget from the current year and not carry them into the new year. The city was moving the money from the Infrastructure to the areas where they need the funding. Lamar Schulz stated the budget amendments have to be done for the accounting process from the line item to Fund Balance, from Fund Balance to the other Fund Balance to the line. Lamar Schulz stated they are ordering the chlorine dispensers for the wells. The current equipment has been there for a number of years. Lamar Schulz stated they want to purchase mules, cement picnic tables, and barrels. Lamar Schulz stated they tried to clean the budget up as best as possible.

Glenn Clark asked why all items for Skate Park trust have zero balances. Lamar Schulz replied this is because no funds were anticipated to be received prior to September 30, 2015. Joe Hearn stated the EDC has agreed to move the $50,000 to the Skate Park trust in the current year budget. Lamar Schulz replied they have not gotten into the EDC or the Skate Park trust information yet. Trinity Burnes stated the EDC has different account numbers for everything.

Suzanne Schauman stated she would like to see a balance sheet for all of the different funds. Lamar Schulz replied when the budget is complete it will show you how much is in the accounts. Suzanne Schauman stated she wants to see the HOT Fund, Sales Tax receipts, EDC, BBA, and balances. Lamar Schulz replied the information will be in these sheets but Trinity Burnes has not had a chance to get to this done.

John Hegemier stated what council needs to worry about is how much more they can rise with raising garbage, water and sewer rates. Council has a lot of requests and needs to figure out what to keep and get rid of. Suzanne Schauman asked how much they can get if they increase the prices. Lamar Schulz stated they are currently moving money out of the General Account to the Utility account to cover expenses. John Hegemier stated they show $128,000 in the red but they have a lot of requests.

Jim Hannah asked how much is the park bringing in. Lamar Schulz replied a total of $7,100 last weekend. He is monitoring it to determine how long to stay open. Joe Hearn stated the revenue to the park is up and the expenditures are way up to but they had over 400 hours for the month in the park. Glenn Clark stated Roy Clayton has cleaned up other areas of the park and mowed more and it has made the park look better. Trinity Burnes stated in the Parks Department line our current budgeted amount is $88,000 and the current revenue for the park admission is $71,000 but they have about a month left. Lamar Schulz stated it may get close to paying for itself.

Glenn Clark stated council has a request for a part-time employee to be a full-time employee for the Municipal Court but did council get the amount it will generate. Trinity Burnes stated the $58,000 is based on the fines they collect and the fees that the city keeps. $65,000 is the projected budget but you are not supposed to look at it that way. Lamar Schulz stated council is not supposed to look at it like that because just like the Marshal’s office it does not generate revenue. Suzanne Schauman stated she does not see how the Municipal Court projected $88,000 through September and you are coming in at $65,000. Lamar Schulz asked if that is the total. Suzanne Schauman asked is the amount we retain the $88,000. Glenn Clark replied he thought it was $58,000. Suzanne Schauman replied she does not think so. Lamar Schulz stated they have not figured out it yet. Glenn Clark stated $57,993 is the actual after we paid the state. Trinity Burnes replied yes. Suzanne Schauman stated after another $30,000 but we pay about $9,000 a month to the state.

Trinity Burnes stated they added into the budget from last time to this time is the Cop Sync software. They reached out to the vendor and they have an integration where the person signs the ticket and it will automatically send it to Incode. All of the information is sent over to Incode and the Municipal Court does not have to key anything in or try to figure out the hand written information. It is $3,500 for Cop Sync and an estimate of $5,000 for Incode to integrate but it is a onetime fee. Suzanne Schauman asked if that will cut down on Jannette Pieper’s need. That is an expense of $8,500 over 3-5 years opposed to giving Jannette Pieper $19,000 next year. Lamar Schulz stated this is a long term solution to reducing the workload and it is hard to determine what is written on the ticket. Trinity Burnes stated the first year it does not cost anything. The city will pay approximately $8,000 per year in the 2nd, 3rd, and 4th year of the contract. John Hegemier stated he does agree as that would save us $19,000 to keep her part-time. Trinity Burnes stated one more thing included on the front page in the $105,000 and includes the raises and the integrated software. Lamar Schulz stated the expense will go in the Municipal Court’s expense. Suzanne Schauman asked is this something that could be used from the municipal technology fees. Lamar Schulz replied he does think so. Suzanne Schauman replied because these funds are to be kept in a separate account and only used for the court. Suzanne Schauman asked how much is in that account. Trinity Burnes replied about a grand or so. Trinity Burnes stated it is a very small amount. Lamar Schulz stated they have not always kept it separately.

Suzanne Schauman asked if Frances Kaiser asked for a raise. Lamar Schulz stated yes but it is just for $19.00 from $18.36. Lamar Schulz stated it is the smallest of all of the raises. Trinity Burnes stated it would look similar to Jose De La Fuentes raise for the numbers.

Suzanne Schauman stated we are going to have to cut the raises to the bones. She does want to see Joe De La Fuentes get his raise. Suzanne Schauman asked if council has figured out the deal with Jannette Pieper’s request.

Suzanne Schauman asked Karen Chesler how much of her overtime does she use. Karen Chesler replied she probably used more lately when they did not have a Treasurer. Suzanne Schauman replied you are a department head and you are the only department head that gets overtime. How is council going to do that? Sheila Pumphrey asked if she got a $3.00 an hour raise. Karen Chesler replied it is still to be determined. Trinity Burnes stated she is almost maxed out on her overtime. Karen Chesler stated she worked in the park when they did not have anyone available to work the gate. Suzanne Schauman stated as a department head you are the only department head that gets paid for overtime. Trinity Burnes does not get paid for all of her extra time she is putting in. Suzanne Schauman suggested if we give you the raise then you don’t get the overtime. Suzanne Schauman replied that is the way it is in a small organization or business. Glenn Clark asked how do they determine who is exempt and who is not. Karen Chesler stated it is because she does not have anyone who reports to her. Lamar Schulz stated she does not have an employee to supervise. Lamar Schulz stated when you get into the Fair Standards Labor Act it does require an exempt employee to have someone that reports to them.

John Hegemier asked if council is looking at $61,000 in salary increases. Lamar Schulz replied no, that is what happened last year. Trinity Burnes stated it is a comparison for what happened last year. Lamar Schulz stated this is $45,000 with all of the benefits figured in. We need to discuss the ones that were left out last year. Except for the three new guys, and Joe De La Fuente, everyone in the Public Works Department got raises last year. Lamar Schulz explained for Karen Chesler she has been here 17 or 18 months and no change in pay.

Jim Hannah stated in regards to the public works employees we have three mature men besides Joe De La Fuente that deserve raises. Lamar Schulz replied Brian Cummings and Jerry Alcorta will get certification pay this year. So each one of them is going to get a $1,000 more that they go last year based on the certification. Certification pay is not paid until the certification has been earned. Jerry Alcorta is getting close. Jim Hannah stated he wants council to consider Alan Calaway for a raise. Suzanne Schauman stated she only thinks that Joe De La Fuentes should be up for a raise this year. John Hegemier stated maybe we should put pay raises aside and look at some other stuff and then come back.

John Hegemier stated the animal control went up $6,000. Lamar Schulz stated they changed the employee to one of the new guys performing this function and thus the big decrease.

John Hegemier stated it looks like Streets Department had some big changes. Lamar Schulz replied on page 23 in the infrastructure line originally had $140,000. However, the budget has been amended and the $140,000 has now been moved to other lines and other departments. That one line accounts for the bulk of the difference between the FY 2014-2015 budget and the FY 2015-2016 budget. Lamar Schulz stated if Cowboy comes on full-time half of his salary will likely be in this department. Trinity Burnes stated she did put Cowboy in as full-time. He is split 50-50 between Parks Department and the Streets Department.

Lamar Schulz stated on page 21 for the Parks Department they have put in $31,400 for Capital Improvements and $10,000 for equipment purchases which is part of the $140,000 previously discussed. Suzanne Schauman asked if they are going to put anything in capital improvements for next year. Lamar Schulz stated no, they are going to get them in this year instead. The chlorine dispensers need to be done now. At the well, they put in a motor instead of waiting for it to go out. This will be funded in the current budget. John Hegemier asked if there is more that they want to get done this year instead of waiting until next year. Lamar Schulz stated they are trying to eliminate everything in the budget for next year if they can afford it this year.

Suzanne Schaman stated if worst comes to worst we know that the Utility Fund is not self-sustaining now. Is it legal to take $135,231 from the General Fund and put it into the Utility Fund? Lamar Schulz stated it is not really that way because we put it from Fund Balance to bring it back out. Suzanne Schauman stated we need to show the public a balanced budget. Lamar Schulz replied it is going to show a transfer in from the General Fund so it will end up balancing. Lamar Schulz stated it is just a certain way you have to go about legally making all of the changes.

John Hegemeir stated he wants to write in that he is going to raise the rates up to $1,165,000 and that would take it off of the bottom to balance the budget. Lamar Schulz stated until they file the budget with the City Secretary on September 17th anything can be changed. Lamar Schulz stated council does not want to be too optimistic on your revenues and spend it. If it doesn’t come in then council has created a problem. Lamar Schulz stated he would want the revenues to come in above and the expenditures below and he has told people that unless they really need it like office supplies then let’s hold off. Lamar Schulz stated they have to buy park passes and they ordered a considerable amount of them. They held off ordering until now and they cleaned out the old ones but the colors did not always match. They are about to run out and will need some for next year. John Hegemier asked if they raise the revenue to calculate an amount on what they want to charge for bulk water, water, and sewer. Lamar Schulz stated they need to also look at paying debt services and other repairs coming down the line and they need to plan ahead on how they are going to replace them. Jim Hannah replied save a little every month. Lamar Schulz state and build up a fund balance because right now when they say Utility Fund balance they do not have anything. Jim Hannah stated he likes the idea of saving the $7,000 for a rate analysis and trying to do it themselves, if they can.

John Hegemier stated so if we raise utilities and revenues are $40,000 and council does not give Jannette Pieper full-time to save $19,000 and it puts council halfway there. Lamar Schulz stated that some of the changes he is trying to make should help the city collect what they should be collecting.

Glenn Clark asked, when we have our bulk pick up and when people continue to put out brush, are we collecting to get this chipped up or hauled away. Lamar Schulz replied he is not sure we are doing a good job of charging when we are getting this picked up. Glenn Clark stated we should have a code or something so we are charging when we need to do so because he sees this all the time. Karen Chesler stated when they put a work order the system it charges the customer for the half hour or hour. Lamar Schulz stated he fells public works employees have picked up brush and that the data on the collection was never submitted for billing. Glenn Clark stated the rule is that people should not be putting stuff out until 2 weeks before the pickup. Lamar Schulz stated some of the individuals get busy and do not get the bulk stuff out to be picked up. Glenn Clark asked what is the rate did I hear $30. Karen Chesler stated the system she thought charged $30 per half an hour but was not positive about it. Lamar Schulz stated the chipping last year was very small in comparison to other years. Lamar Schulz stated he thinks they chipping and they do not say a word. John Hegemier asked if they want an opportunity to look into this. Jim Hannah stated he wants Roy Clayton to sit in on the next workshop so they can get into a discussion about the staff in the public works. Glenn Clark asked Lamar Schulz if $30 for a half hour, two men and the chipper equipment is enough. Lamar Schulz replied we are still losing money. Glenn Clark stated he wants Lamar Schulz to get with Roy Clayton and come up with a better figure for chipping.

1. Adjourn - **Council member Glenn Clark made a motion to adjourn at 2:30 pm, seconded by Council Member Charlotte Browning. All in favor none opposed. Motion carried.**

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Karen Chesler John Hegemier

City Secretary Mayor