

CITY OF ROCKPORT

MINUTES

CITY COUNCIL BUDGET WORKSHOP MEETING

9:00 a.m., Monday, July 20, 2015

Rockport Service Center, 2751 State Highway 35 Bypass

On the 20th day of July 2015, the City Council of the City of Rockport, Aransas County, Texas, convened in Workshop Session at 9:00 a.m. at the Rockport Service Center, 2751 State Highway 35 Bypass, Rockport, Texas, and notice of meeting giving time, place, date and subject was posted as described in V.T.C.A., Government Code § 551.041.

CITY COUNCIL MEMBERS PRESENT

Mayor Charles J. Wax
Mayor Pro-Tem Pat Rios, Ward 3
Council Member Rusty Day, Ward 1
Council Member J.D. Villa, Ward 2
Council Member Barbara Gurtner, Ward 4

CITY COUNCIL MEMBER(S) ABSENT

STAFF MEMBERS PRESENT

City Manager Kevin Carruth
City Secretary Teresa Valdez
Finance Director Patty Howard
Police Chief Tim Jayroe
Communications Center Administrator Lee Zapata
Public Works Director Mike Donoho
Parks & Leisure Services Director Tom Staley
IT Manager Brian Jacobs

ELECTED OFFICIALS PRESENT

Opening Agenda

1. Call to Order.

With a quorum of the Council Members present, the Budget Workshop Meeting of the Rockport City Council was called to order by Mayor Wax at 9:15 a.m. on Monday, July 20, 2015, at the Rockport Service Center, 2751 State Highway 35 Bypass, Rockport, Texas.

Regular Agenda.

2. Hear and deliberate on presentation of proposed Fiscal Year 2015-2016 Budget.

City Manager Kevin Carruth gave a PowerPoint presentation on the proposed Fiscal Year 2015-2016 Budget that included discussion on the following topics:

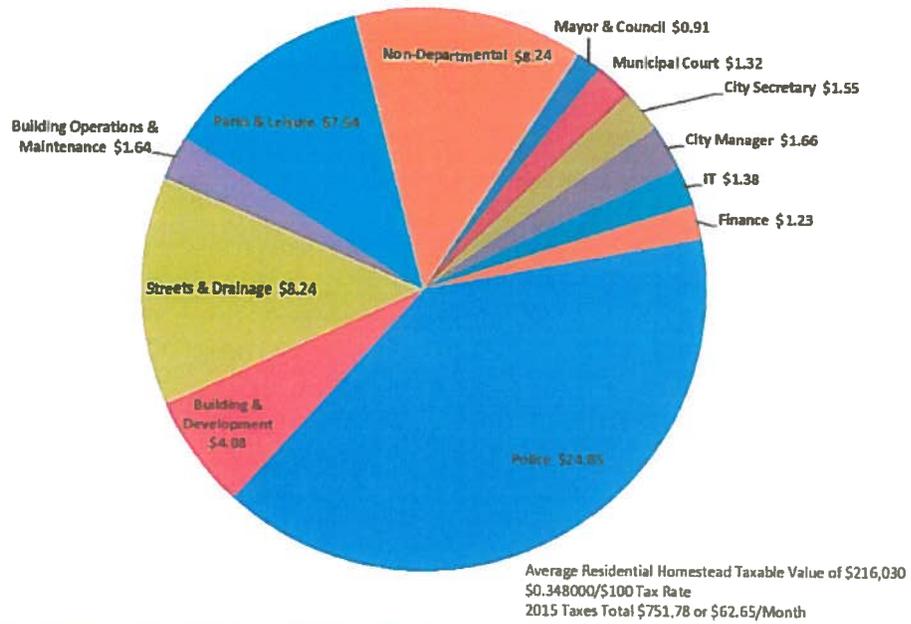
- Assumptions: Tax Rate – 8% over Effective Tax Rate; Sales Tax – 6.7% increase; Group Medical Insurance – 5% increase (split evenly with employees);

Merit Increases – 3%; Compensation Plan Phase 1 - 5% at second quarter of FY 2015-2016.

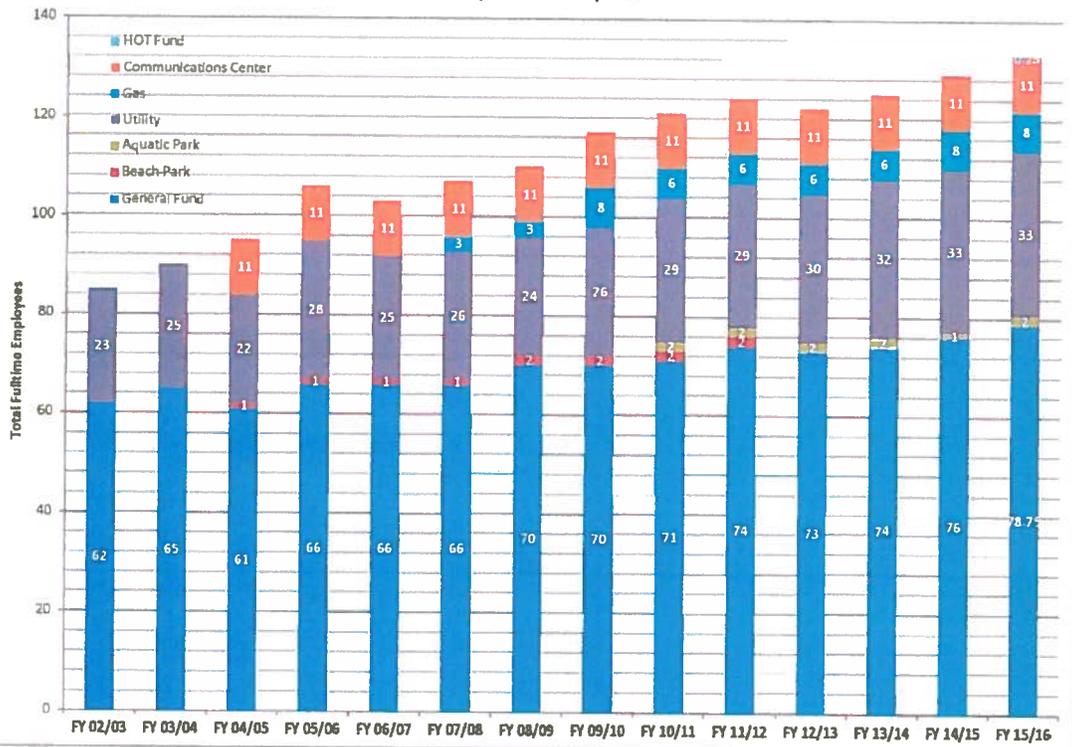
- City of Rockport Building Values & Permits Issued 2005-2014
- City of Rockport New Construction Value by Type 2005-2014
- Aransas County Residential & Land Sales – Total Units Sold & Average Days on Market 2008-2014
- Aransas County Residential & Land Sales – Total Sales & Average Sales Price 2008-2014
- Aransas County Residential, Commercial & Land Sales – Comparison of Total Annual Sales to Rolling 3-Year Average 2005-2014
- Aransas County Hotel Room Revenues & Nights Sold 2005-2014
- Aransas County Gross Sales & Sales Outlets 2006-2014
- Sales Tax History - Rolling 12 Month for Last 20+ Years (with year-over-year growth rates)
- Sales Tax History - Rolling 12 Month for Last 20 Years by TML Region
- Sales Tax History - Rolling 12 Month for Last 20+ Years (Coastal Bend - Corpus Christi)
- Rolling 12 Month for the Last Year + Growth Trend through 2020
- Commercial Water Customer Totals by Month 2010-2015
- Residential Water Customer Totals by Month 2010-2015
- Taxable Value History & Forecast with Percentage Change & Five Year Rolling Average - FY 1996-1997 to FY 2020-2021
- Ad Valorem Tax Rate Comparison FY 2015-2016

Ad Valorem Tax Rate Comparison FY 2015-2016									
Percentage M & O Increase	Effective	Alternate	Alternate	Alternate	Rollback	Alternate	Alternate	Alternate	Alternate
	Tax Rate (ETR)	\$0.01 Increase Above ETR	\$0.01 Increase Above Rollback						
	0%	-5.01%	13.13%	4.00%	8.00%	9.00%	10.00%	11.00%	
M & O Tax Rate	\$ 0.173244	\$ 0.183244	\$ 0.220320	\$ 0.202534	\$ 0.210320	\$ 0.212275	\$ 0.214212	\$ 0.218175	
I & S Tax Rate	\$ 0.137680	\$ 0.137680	\$ 0.137680	\$ 0.137680	\$ 0.137680	\$ 0.137680	\$ 0.137680	\$ 0.137680	
TOTAL TAX RATE	\$ 0.310924	\$ 0.320924	\$ 0.358000	\$ 0.340214	\$ 0.348000	\$ 0.349955	\$ 0.351892	\$ 0.355855	
Total Taxable Value	\$ 1,200,225,936	\$ 1,200,225,936	\$ 1,200,225,936	\$ 1,200,225,936	\$ 1,200,225,936	\$ 1,200,225,936	\$ 1,200,225,936	\$ 1,200,225,936	
Total Tax Levy									
Total Tax Levy	\$ 3,731,760	\$ 3,851,813	\$ 4,290,809	\$ 4,083,337	\$ 4,178,786	\$ 4,200,251	\$ 4,223,499	\$ 4,247,059	
Over 65 Frozen taxes	\$ 758,815	\$ 758,815	\$ 758,815	\$ 758,815	\$ 758,815	\$ 758,815	\$ 758,815	\$ 758,815	
Disabled Frozen taxes	\$ 15,445	\$ 15,445	\$ 15,445	\$ 15,445	\$ 15,445	\$ 15,445	\$ 15,445	\$ 15,445	
Total Tax Levy	\$ 4,504,950	\$ 4,624,073	\$ 5,068,080	\$ 4,855,597	\$ 4,948,046	\$ 4,972,511	\$ 4,995,759	\$ 5,018,319	
Total Tax Revenue									
Total Levy	\$ 4,504,950	\$ 4,624,073	\$ 5,068,080	\$ 4,855,597	\$ 4,948,048	\$ 4,972,511	\$ 4,995,759	\$ 5,018,319	
Collection Rate	99%	99%	99%	99%	99%	99%	99%	99%	
Total Tax Revenue	\$ 4,460,910	\$ 4,577,832	\$ 5,018,378	\$ 4,807,041	\$ 4,898,566	\$ 4,922,788	\$ 4,945,801	\$ 4,969,128	
Revenue Allocation by Fund									
M & O General Fund (59.43%)	\$ 1,888,689	\$ 1,987,491	\$ 2,428,037	\$ 2,218,700	\$ 2,309,215	\$ 2,332,445	\$ 2,355,460	\$ 2,378,785	
I & S Debt Service Fund (40.57%)	\$ 2,580,341	\$ 2,580,341	\$ 2,580,341	\$ 2,580,341	\$ 2,580,341	\$ 2,580,341	\$ 2,580,341	\$ 2,580,341	
Total Tax Revenue	\$ 4,469,030	\$ 4,577,832	\$ 5,018,378	\$ 4,807,041	\$ 4,898,566	\$ 4,922,788	\$ 4,945,801	\$ 4,969,128	
Revenue Difference									
Additional Revenue	\$0	\$118,822	\$550,368	\$348,031	\$440,546	\$463,776	\$468,791	\$510,118	
% Increase in Revenue	0.0%	2.7%	12.9%	7.8%	8.9%	10.4%	10.9%	11.4%	
Residential Taxpayer Impact Analysis									
Residential Value	ETR	Difference in Tax Paid from Effective Tax Rate							
		Alternate Tax Rate 1	Alternate Tax Rate 2	Alternate Tax Rate 3	Rollback Tax Rate	Alternate Tax Rate 4	Alternate Tax Rate 5	Alternate Tax Rate 6	
Average - \$222,088	\$692.14	\$22.29	\$104.79	\$85.20	\$82.33	\$88.89	\$91.20	\$95.57	
Average Homebased - \$216,030	\$672.54	\$21.83	\$101.83	\$83.38	\$80.20	\$84.43	\$86.62	\$92.88	
Median - \$171,365	\$532.81	\$17.14	\$80.87	\$50.10	\$63.54	\$68.89	\$70.20	\$73.67	

Monthly Allocation of Average Residential Homestead Ad Valorem Tax



Fulltime Staffing by Fund FY 2002/2003 - FY 2015/2016



Mr. Carruth then called the Council's attention to the City of Rockport – Budget Requests and Reductions for Fiscal Year 2015-2016 as follows:

Departmental FY 2015-2016 Budget Requests						
Account Number	Description	Total Request	Difference Over Prior Yr	% Difference	Approved Amount	Comments
GENERAL FUND						
Mayor & Council						
800-0040	Contracted Services	\$ 1,200	\$ 200	33.33%	\$ 1,200	Higher expenses
800-0001	School/Seminars	\$ 20,000	\$ 4,800	24.00%	\$ 20,000	Additional TMS training and greater participation by Council
Subtotal Mayor & Council		\$ 21,200	\$ 5,000	23.63%	\$ 21,200	
Municipal Court						
800-0001	Overtime Pay	\$ 1,000	\$ 1,000	100.00%	\$ 1,000	Additional court fee waiver
800-0001	Court Proceedings	\$ 28,000	\$ 9,200	32.86%	\$ 28,000	Increase in base volume of City Attorney
Subtotal Municipal Court		\$ 29,000	\$ 12,200	41.72%	\$ 12,200	
Finance						
800-0040	Contracted Services	\$ 18,500	\$ 3,500	18.92%	\$ 18,500	Increase in mobile phone maintenance
Subtotal Finance		\$ 18,500	\$ 3,500	18.92%	\$ 18,500	
City Secretary						
800-0040	Published Fees	\$ 4,000	\$ 1,800	45.00%	\$ 4,000	Increase in volume of advertising
800-4001	School/Seminars	\$ 9,000	\$ 3,000	33.33%	\$ 9,000	Increase in certification school/seminars for staff
800-0001	Print & Subscriptions	\$ 700	\$ 500	71.43%	\$ 700	Additional certifications for Assistant City Secretary
Subtotal City Secretary		\$ 13,700	\$ 5,300	38.69%	\$ 13,700	
City Manager						
800-4001	Over & Under Expense	\$ 2,000	\$ 700	35.00%	\$ 2,000	Increase for ICMA annual conference
800-0001	Office Equipment	\$ 3,000	\$ 2,000	66.67%	\$ 3,000	Replacement of printer
800-0001	Office Furniture/Equipment	\$ 5,000	\$ 2,000	40.00%	\$ 5,000	Replacement of printer
Subtotal City Manager		\$ 10,000	\$ 4,700	47.00%	\$ 10,000	
Information & Technology						
800-0001	Overtime Pay	\$ 4,000	\$ 1,000	25.00%	\$ 4,000	More break for requests & deployment of new hardware & software
800-0001	Computer Equipment	\$ 6,000	\$ 3,000	50.00%	\$ 6,000	Replacement of travel and each laptop
Subtotal Information & Technology		\$ 10,000	\$ 4,000	40.00%	\$ 10,000	
Police Administration						
811-0001	Overtime Pay	\$ 700	\$ 700	100.00%	\$ 700	Additional overtime time
811-2001	Grant Applicant Expense	\$ 3,000	\$ 3,000	100.00%	\$ 3,000	Higher turnover rate
811-2001	Printer Expenses	\$ 30,000	\$ 20,000	66.67%	\$ 30,000	Increased Aransas County jail fees
811-2045	Contracted Services	\$ 64,000	\$ 1,000	1.56%	\$ 64,000	TSPC investigation program expansion
811-3002	Postage	\$ 2,000	\$ 1,000	50.00%	\$ 2,000	Greater volume of mail sent out
811-3002	Publications	\$ 2,000	\$ 2,000	100.00%	\$ 2,000	Legislative updates following 2015 session
811-4001	School/Seminars	\$ 5,800	\$ 800	13.79%	\$ 5,800	Increase in school/seminars for staff
811-6001	Computer Software	\$ 1,000	\$ 1,000	100.00%	\$ 1,000	SPS Module
Subtotal Police Administration		\$ 110,800	\$ 26,114	23.57%	\$ 110,800	

City of Rockport Green = Approved Yellow = Reduced Red = Denied Revised 07/19/15

Account Number	Description	Total Request	Difference Over Prior Yr	% Difference	Approved Amount	Comments
Police Patrol						
812-1001	Base Pay	\$ 21,800	\$ 21,800	100.00%	\$ 21,800	Two COPs dual Patrol Officers @ 25% beginning 03
812-2009	Communications Services	\$ 20,000	\$ 2,000	7.69%	\$ 20,000	Increase in cost of cell phones and vehicle GPS units
812-3008	Operations Supplies	\$ 14,800	\$ 8,200	41.89%	\$ 14,800	Historical trend
812-3047	Water Safety	\$ 5,000	\$ 1,000	20.00%	\$ 5,000	Overhaul of patrol boat motor
812-4001	School/Seminars	\$ 13,000	\$ 1,000	11.11%	\$ 13,000	Increase in school/seminars for staff
812-4001	Print & Subscriptions	\$ 1,200	\$ 100	8.33%	\$ 1,200	Additional certifications
812-6012	Patrol Equipment	\$ 12,500	\$ (11,500)	-140.00%	\$ 10,500	Replacement of 8 Tacacs, New Individual First Aid Kits
Subtotal Police Patrol		\$ 159,800	\$ 79,900	50.06%	\$ 94,800	
Police CID						
813-2001	Communications Services	\$ 1,000	\$ 500	50.00%	\$ 1,000	Increase in cost of cell phones and vehicle GPS units
813-2045	Contracted Services	\$ 15,000	\$ 9,000	60.00%	\$ 15,000	Additional sexual assault examinations
813-3008	Operations Supplies	\$ 7,000	\$ 1,000	14.29%	\$ 7,000	Additional costs for expenses
813-4001	School/Seminars	\$ 5,000	\$ 1,000	20.00%	\$ 5,000	Additional School/Seminars for Staff
813-6002	Office Furniture/Equipment	\$ 14,000	\$ 14,000	100.00%	\$ 3,000	Gun safes to comply with evidence vault guidelines
Subtotal Police CID		\$ 42,000	\$ 24,500	58.33%	\$ 31,000	
Building Development Administration						
821-2002	Credit Card Charges	\$ 1,200	\$ 1,200	100.00%	\$ 1,200	Merchant fees for customer credit card payments
821-2009	Communications Services	\$ 3,000	\$ 750	25.00%	\$ 3,000	Increased cell phone fees
821-3002	Postage	\$ 1,000	\$ 475	47.50%	\$ 1,000	Additional mail volume
Subtotal Building Development Administration		\$ 11,518	\$ 8,743	75.91%	\$ 8,743	
Building Development Inspections						
823-2045	Contracted Services - Bureau Veritas	\$ 5,000	\$ 5,000	100.00%	\$ 5,000	Third party plan review and inspections - Budget neutral
Subtotal Building Development Inspections		\$ 23,954	\$ 23,954	100.00%	\$ 5,000	
Building Development Code Enforcement						
823-2001	Compliance Expense	\$ 25,000	\$ 5,000	20.00%	\$ 25,000	Increased violation volume
Subtotal Building Development Code Enforcement		\$ 25,000	\$ 5,000	20.00%	\$ 25,000	
Streets & Drainage						
831-1006	Part-time Pay	\$ 7,500	\$ 7,500	100.00%	\$ 7,500	Additional cost for Part-time fields needed
831-1006	Overtime Pay	\$ 10,000	\$ 5,000	50.00%	\$ 10,000	Increase in additional time needed for repairs and Maint.
831-3030	Signs & Posts	\$ 30,000	\$ 10,000	33.33%	\$ 30,000	New MUTCD Sign regulation compliance
831-8020	Neighborhood Inter-Seal Coat	\$ 185,000	\$ 15,000	9.00%	\$ 185,000	Increase in fees from Aransas County
Subtotal Streets & Drainage		\$ 212,500	\$ 37,500	17.65%	\$ 212,500	
Building Operation & Maintenance						
832-3000		\$ 25,000	\$ 25,000	100.00%	\$ 25,000	New account to track for station expenses - Budget neutral

Page 2 of 5 Green = Approved Yellow = Reduced Red = Denied Revised 07/19/15

Account Number	Description	Total Request	Difference Over Prior Yr	% Difference	Approved Amount	Comments
633-3027	Parts/PM	\$ 100,000	\$ 20,000	20.00%	\$ 85,000	Increase in cost of parts and volume needed
855-3001	Scholar & Seminars	\$ 2,500	\$ 1,500	60.00%	\$ 2,500	Additional Scholar/Seminars for Staff
852-2010	Fuel Maint. Supplies/Software	\$ 10,500	\$ 4,200	40.00%	\$ 10,500	Replacement of software
Subtotal Fleet Operations & Maintenance		\$ 114,500	\$ 27,500	24.02%	\$ 99,500	
Hotel Occupancy Tax Administration						
866-1001	Base Pay	\$ 9,031	\$ 9,031	100.00%	\$ 9,031	Allocate 25% of Asst. City Secretary Time to HRT
866-2001	RF Chamber of Commerce Mtg	\$ 320,000	\$ 10,000	3.13%	\$ 320,000	
866-2040	Rockport Chamber of Com	\$ 109,700	\$ 23,700	21.60%	\$ 109,700	
866-2044	Rockport Yacht Club - National	\$ 4,000	\$ 2,000	50.00%	\$ 4,000	
866-2050	Tropical Christmas	\$ 15,000	\$ 2,000	13.33%	\$ 15,000	
Subtotal Hotel Occupancy Tax Administration		\$ 457,731	\$ 46,731	10.21%	\$ 457,731	
SPECIAL REVENUE FUNDS GRAND TOTAL		\$ 572,231	\$ 74,231	12.97%	\$ 557,231	

Discussion was held among Council, City Manager and Staff in regard to the budget requests as presented by the City Manager.

Rockport-Fulton Area Chamber of Commerce Past President Karen Mella, Cindy Duck and Paula Dean asked several clarification questions in regard to the budget presented by City Manager Kevin Carruth.

Council recessed from 11:35 a.m. until 12:50 p.m. for lunch.

The Council then reviewed the budget worksheets for each City department.

Council took a brief recess from 1:50 p.m. to 2:00 p.m.

Mayor Wax asked the Council if they would like the City to host a Texas Municipal League (TML) Region 11 meeting in spring of next year.

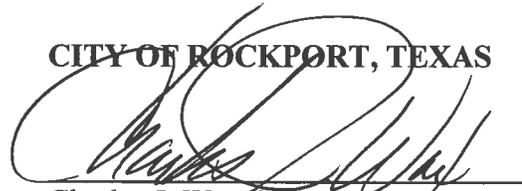
Discussion was held among Council and it was the consensus of Council to place \$1500.00 in the budget to host a TML Region 11 meeting next spring.

City Manager Kevin Carruth stated the Council will have another Budget Workshop on Wednesday, July 22, 2015, at 9:00 a.m. at the Rockport Service Center.

3. Adjournment.

At 2:51 p.m., it was the consensus of Council to adjourn the Workshop Session.



CITY OF ROCKPORT, TEXAS

Charles J. Wax, Mayor

ATTEST:


Teresa Valdez, City Secretary