

# CITY OF ROCKPORT

## MINUTES

### CITY COUNCIL BUDGET WORKSHOP MEETING 9:00 a.m., Thursday, July 27, 2017 Rockport Service Center, 2751 State Highway 35 Bypass

On the 27<sup>th</sup> day of July 2017, 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 Director Lee Zapata  
Public Works Director Mike Donoho  
Parks & Leisure Services Director Rick Martinez  
IT Manager Brian Jacobs  
IT Technician Bob Argetsinger

#### 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 9:05 a.m. on Thursday, July 27, 2017, at the Rockport Service Center, 2751 State Highway 35 Bypass, Rockport, Texas.

#### Regular Agenda.

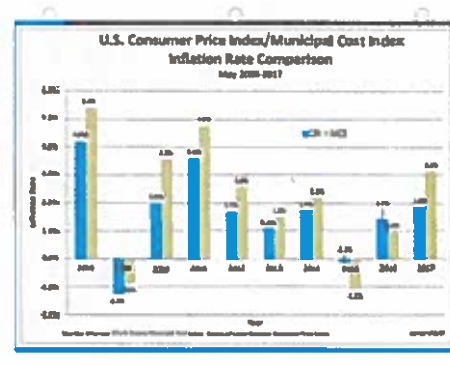
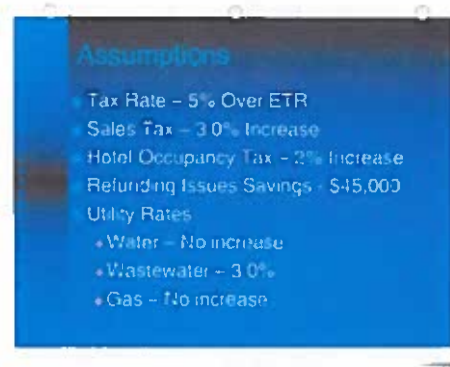
##### **2. Hear and deliberate on presentation of proposed Fiscal Year 2017-2018 Budget.**

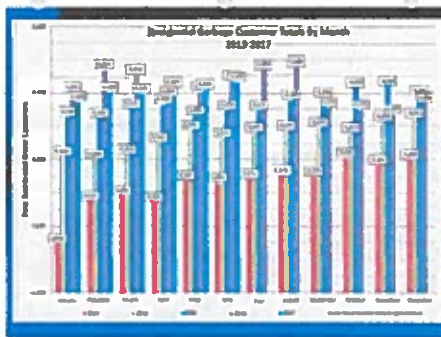
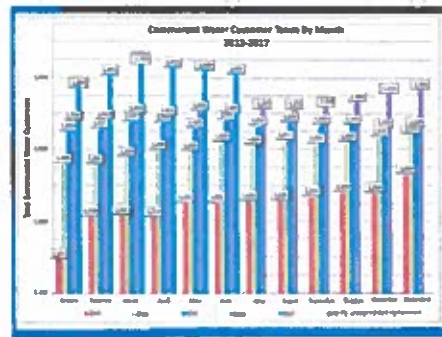
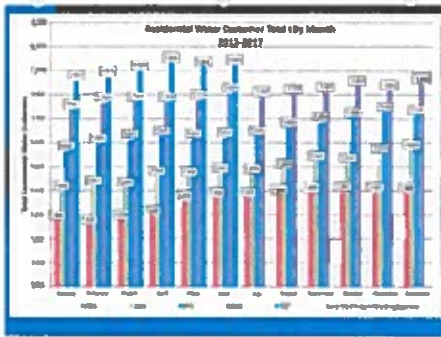
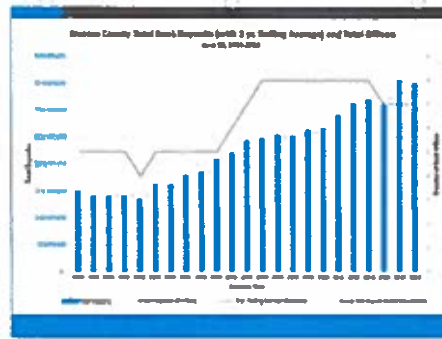
City Manager Kevin Carruth gave a PowerPoint presentation on the proposed Fiscal Year 2017-2018 Budget that included discussion of the following topics:

- Assumptions: Tax Rate – 5% over Effective Tax Rate; Sales Tax – 3.0% increase; Group Medical Insurance – 20% increase (split evenly with employees); Cost of

Living Increase – 3.1%; Merit Raises – 2.5%; Utility Rate Increases: Water – no increase, Sewer – 3.0% and Gas – no increase; Hotel Occupancy Tax – 2% increase; Refunding Issues Savings - \$45,000

- U.S. Consumer Price Index/Municipal Cost Index Inflation Rate Comparison
- Aransas County Gross Sales & Sales Outlets 2006-2015
- Aransas County Total Bank Deposits
- Residential Water Customer Totals by Month 2013-2017
- Commercial Water Customer Totals by Month 2013-2017
- Residential Garbage Customer Totals by Month 2013-2017
- Impact of Utility Rates on Average Residential Customer
- Certified *Ad Valorem* Tax Rate Comparison FY 2017-2018
- Monthly Allocation of Average Residential Homestead *Ad Valorem* Tax
- Annual Rockport Hotel Occupancy Taxes Collected & Rolling 3-Year Average FY 1993-1994 through FY 2015-2016
- Fulltime Staffing by Fund FY 2002/2003 – FY 2017/2018



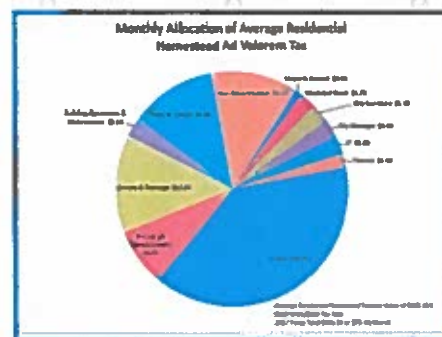


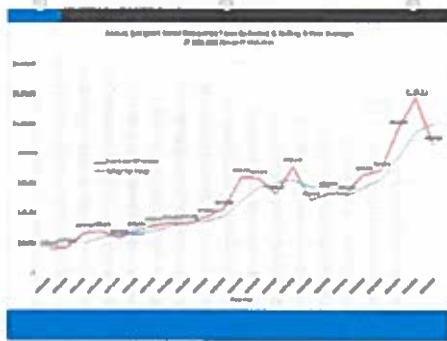
**Impact of Utility Rates on Average Residential Customer**

Rate Schedule	Water	Wastewater	Gas	Total	Adj. amount
Current	\$ 43.25	\$ 23.70	\$ 28.75	\$ 95.70	\$
Current + 2.00% (water) / 2.00% (wastewater)	\$ 44.11	\$ 24.17	\$ 28.75	\$ 97.03	\$ 1.33
Current	\$ 43.25	\$ 23.70	\$ 28.75	\$ 95.70	\$
Current + 1.00% (water) / 1.00% (gas)	\$ 43.68	\$ 23.70	\$ 29.16	\$ 96.54	\$ 0.84

Notes: Average residential customer uses 6,000 gallons of water & 1,000 cu. ft. of gas

Account	Account No.	Account Name	Address	City	State	Zip	Phone	Service	Rate	Start Date	End Date	Balance	Due Date
...	...	...	...	...	...	...	...	...	...	...	...	...	...





Mr. Carruth then called the Council’s attention to the City of Rockport – Budget Requests and Reductions for Fiscal Year 2017-2018 as follows:

**Departmental FY 2017-2018 Budget Requests**

Department	Account Number	Description	FY Request	Balance from Prior Yr	% Difference	% Approved	Comments
<b>Management Services</b>							
✓	000-0017	FICA	0	45,274	0	47.4%	0
✓	000-0018	Capitalization Pay	0	5,000	0	40.0%	0
✓	000-0019	Audit	0	400	0	30.0%	0
		<b>Subtotal Management Services</b>	0	50,674	0	54.0%	0
<b>Finance</b>							
✓	000-0021	State Pay	0	100,000	0	0.0%	0
✓	000-0024	Audit	0	200	0	50.0%	0
		<b>Subtotal Finance</b>	0	100,200	0	0.7%	0
<b>City Secretary</b>							
✓	000-0029	Audit	0	400	0	40.0%	0
		<b>Subtotal City Secretary</b>	0	400	0	40.0%	0
<b>City Engineer</b>							
✓	000-0031	State Pay	0	207,240	0	47.2%	0
✓	000-0034	Audit	0	400	0	40.0%	0
✓	000-0035	Subcontractors - Travel & Exp	0	5,000	0	50.0%	0
		<b>Subtotal City Engineer</b>	0	212,640	0	54.0%	0
<b>Information &amp; Technology</b>							
✓	000-0037	State Pay	0	100,000	0	0.0%	0
✓	000-0038	Audit	0	200	0	40.0%	0
		<b>Subtotal Information &amp; Technology</b>	0	100,200	0	0.7%	0
<b>Police - Administration</b>							
✓	010-0004	Audit	0	7,000	0	60.0%	0
✓	010-0005	Insurance	0	2,000	0	40.0%	0
✓	010-0006	Travel/Travel Expenses	0	10,000	0	50.0%	0
✓	010-0007	Office	0	12,000	0	40.0%	0
✓	010-0008	Off to Post & State Post Fund	0	100,000	0	50.0%	0
		<b>Subtotal Police - Administration</b>	0	31,000	0	48.0%	0
<b>Police - Patrol</b>							
✓	000-0039	State Pay	0	1,120,000	0	0.0%	0
✓	000-0040	Capitalization Pay	0	70,000	0	14.0%	0
✓	000-0041	Range Supplies & Maintenance	0	15,000	0	30.0%	0
✓	000-0042	Uniforms	0	20,000	0	50.0%	0
		<b>Subtotal Police - Patrol</b>	0	1,215,000	0	14.0%	0

**Departmental FY 2017-2018 Budget Requests**

Department	Account Number	Description	FY Request	Balance from Prior Yr	% Difference	% Approved	Comments
✓	000-0043	Operations Supplies	0	10,000	0	20.0%	0
✓	000-0044	Subcontractors-Registration	0	10,000	0	20.0%	0
✓	000-0045	State & Subcontractors	0	1,000	0	20.0%	0
✓	000-0046	Subcontractors-Travel & Exp	0	10,000	0	20.0%	0
✓	000-0047	TIP to Practitioner Meet	0	70,000	0	40.0%	0
✓	000-0048	Contract Hardware	0	5,000	0	50.0%	0
✓	000-0049	Approved Capital	0	10,000	0	100.0%	0
✓	000-0050	State Payroll	0	1,000	0	100.0%	0
		<b>Subtotal Police - Patrol</b>	0	1,215,000	0	20.0%	0
<b>Police - 911</b>							
✓	000-0051	State Pay	0	650,000	0	20.0%	0
✓	000-0052	Communications Services	0	14,000	0	30.0%	0
✓	000-0053	Equipment Services	0	70,000	0	50.0%	0
✓	000-0054	Law Firm	0	50,000	0	100.0%	0
✓	000-0055	Insurance	0	5,000	0	20.0%	0
✓	000-0056	Chemical Supplies	0	1,000	0	17.0%	0
✓	000-0057	Server Expenses	0	7,000	0	20.0%	0
✓	000-0058	Subcontractors-Registration	0	5,000	0	20.0%	0
✓	000-0059	State & Subcontractors	0	1,000	0	20.0%	0
✓	000-0060	Subcontractors-Travel & Exp	0	5,000	0	20.0%	0
✓	000-0061	TIP to Practitioner Meet	0	10,000	0	40.0%	0
✓	000-0062	Contract Hardware	0	7,000	0	40.0%	0
✓	000-0063	Office Personnel Expenses	0	10,000	0	30.0%	0
✓	000-0064	Police Services Contract	0	40,000	0	50.0%	0
✓	000-0065	Approved Capital	0	1,000	0	100.0%	0
		<b>Subtotal Police - 911</b>	0	710,000	0	31.0%	0
<b>Building Development - Administration</b>							
✓	000-0066	Audit	0	1,000	0	50.0%	0
✓	000-0067	Legal Services	0	10,000	0	70.0%	0
✓	000-0068	Printing	0	5,000	0	40.0%	0
✓	000-0069	Subcontractors-Registration	0	5,000	0	40.0%	0
✓	000-0070	Subcontractors-Travel & Exp	0	1,000	0	40.0%	0
✓	000-0071	Contract Hardware	0	40,000	0	30.0%	0
		<b>Subtotal Building Development - Administration</b>	0	67,000	0	34.0%	0
<b>Building Development - Inspection</b>							
✓	000-0072	City Attorney	0	0	0	0.0%	0
✓	000-0073	Subcontractors-Registration	0	3,000	0	50.0%	0



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

Rockport citizens Cindy Duck, Paula Dean, and Jennifer Day asked several questions and commented on different aspects of the budget presented.

*A lunch break was taken from 11:37 a.m. until 12:20 p.m.*

Mayor Wax commented that at the proposed tax rate there would be an actual reduction of \$.010 on a property tax bill. Mayor Wax said the current tax rate for the City of Rockport is \$.389283, and 5% above the effective tax rate would be a reduction of \$.008073 on a property tax bill. Mayor Wax stated 6% above the effective tax rate would be a reduction of \$.005868 on a property tax bill. Mayor Wax explained that this happens because the effective tax rate has a flaw in it. Mayor Wax said it may be time to recognize that at the City's level of service, we may have to increase the tax rate, but people can be stretched only so far.

City Manager Kevin Carruth commented that just like a car tachometer, you can run in the red zone for only so long. Mr. Carruth added that if the City is to maintain the same level of service that is currently being provided, the City is going to have to do something different.

Discussion continued among Council, City Manager and Staff regarding the budget requests as presented by the City Manager.

It was the consensus of Council that Mr. Carruth prepare a draft budget for the next budget workshop using an 8% increase over effective tax rate, and calculate the effects of adding a full-time human resources coordinator, a civilian police department position, or both positions.

Mayor Wax stated the next budget workshop is scheduled for Monday, July 31, 2017, at 9:00 a.m. at the Rockport Service Center.

Mayor Wax asked the Council to take some time to think about what was discussed today. Mayor Wax asked Council to think about the Council's responsibility to take care of the people who work for the City.

### **3. Adjournment.**

At 1:17 p.m., it was the consensus of Council to adjourn the Workshop Session.



**CITY OF ROCKPORT, TEXAS**

A handwritten signature in black ink, appearing to read "Charles J. Wax", is written over a horizontal line. Below the signature, the name "Charles J. Wax, Mayor" is printed in a standard font.

Charles J. Wax, Mayor

ATTEST:

  
Teresa Valdez, City Secretary