

CITY OF ROCKPORT

MINUTES

CITY COUNCIL BUDGET WORKSHOP MEETING 9:00 a.m., Monday, July 31, 2017 Rockport Service Center, 2751 State Highway 35 Bypass

On the 31st 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 – *arrived at 10:15 a.m.*
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 9:06 a.m. on Monday, July 31, 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.

Mayor Wax announced the revenue cap bill was voted out of the House of Representatives on Friday. Mayor Wax said this bill would place a 6% revenue cap on cities that bring in more than \$25 million in taxes. Mayor Wax commented that in his opinion the negotiated bill eliminates the

opposition from smaller cities, but if this happens we can anticipate additional revenue caps in years to follow.

City Manager Kevin Carruth called the Council’s attention to a handout (below) showing the full cost of requested new positions: Human Resources Coordinator - \$55,003; Police Department Civilian - \$65,104; Police Department Officer - \$77,951; and Police Department Sergeant - \$86,788. Mr. Carruth stated that at 5% above effective tax rate, there is a \$2,152 balance and at 8% above effective tax rate, there are the following balances with different scenarios: no additional expenses - \$89,085; one Police Department Civilian - \$55,085; Human Resource Coordinator - \$52,506; and one Police Department Civilian and Human Resource Coordinator – (\$1,533).

- Full cost of requested new positions:
 - ◆ HR Coordinator - \$55,003
 - ◆ PD Civilian - \$65,104
 - ◆ PD Officer - \$77,951
 - ◆ PD Sergeant - \$86,788
- Balance @ 5% above ETR - \$2,152
- Balance @ 8% above ETR:

Scenario	Balance
No Additional Expenses	\$89,085
1 PD Civilian	\$55,085
HR Coordinator	\$52,506
1 PD Civilian & HR	(\$1,533)

Discussion was held among Council and Mr. Carruth regarding the different scenarios.

Public Works Director Mike Donoho commented that a Human Resource Coordinator would help with some of the issues the City has recently seen, such as turnover rate and benefits coordination – insurance not paying charges. Mr. Donoho added that currently the office location of the person handling human resources is not conducive to confidentiality. Mr. Donoho said he wanted to go to bat for that position.

Rockport citizen Paula Dean commented that if you do not handle employment claims properly, it will cost the city more than the \$55,506 salary of a human resource coordinator.

Mayor Wax commented that this entire conversation is moot if the Council does not want to use a tax rate of 8% above the effective tax rate. Mayor Wax said the current tax rate for the City of Rockport is \$.389283 and the tax rate for 8% above effective tax rate would make the tax rate for

the City \$.385640. Mayor Wax stated 8% above the effective tax rate would increase the average residential tax \$38.80 annually.

Mr. Carruth and Council reviewed the General Fund estimated revenues of the proposed budget.

Discussion was held among Council and Mr. Carruth regarding the estimated revenues.

Mr. Carruth and Council reviewed the departmental proposed budgets.

Discussion was held among Council, Mr. Carruth and Department Directors regarding the departmental proposed budgets.

City Secretary Teresa Valdez suggested part of her salary be charged to administrative services under the Hotel Occupancy Tax Fund budget. Ms. Valdez stated she is responsible for the contracts and collecting the quarterly expense reports that are approved by Council.

A lunch break was taken from 11:40 a.m. to 12:10 p.m.

Review and discussion was held among Council, Mr. Carruth and Department Directors regarding the departmental proposed budgets.

Mr. Carruth then reviewed the utility systems proposed budgets. Mr. Carruth stated the proposed budget does not include an increase in water and gas utility fees, but does include a 3% increase for wastewater service fee.

Discussion was held among Council, Mr. Carruth and Public Works Director Mike Donoho.

Rockport citizens Paula Dean, Cindy Duck and Nancy Bolting asked several questions and provided comments on the proposed budget.

Council Member Villa left the workshop at 2:00 p.m.

Council reviewed the proposed Hotel Occupancy Tax fund budget.

Mayor Wax stated that Council Member Villa had given him some notes on the Hotel Occupancy Tax fund budget. Mayor Wax said Council Member Villa suggested \$377,000 which includes the \$50,000 for local marketing and adds \$2,000 for the Seafair and Hummerbird events.

Council Member Day stated that Council Member Villa's point has always been that the Council had set a policy some years ago, that once an event is up and running, it should be self-supporting. Council Member Day said there are quite a few of these events requesting hotel occupancy tax funds from the City for their advertising and the City should start weaning them from these funds.

Discussion was held among Council regarding the proposed Hotel Occupancy Tax fund requests.

Mayor Wax commented the following: 1) To all department directors, "You have all done an excellent job of budget execution and this budget is a lot tighter; 2) Thanks to Kevin and Patty for clarity of budget presentation; and 3) Council is to look at the Certified *Ad Valorem* Tax Rate Comparison chart and remember if we go all the way to 8%, we are looking at \$89,085 reserve if we do nothing; if we add one Police Department Civilian there is \$55,085 reserve; if we add a Human Resource Coordinator there is \$52,506 reserve; and if we add one Police Department Civilian and a Human Resource Coordinator, we go in the hole by \$5,300. Mayor Wax said the first decision the Council needs to make is what tax rate they are willing to support. Mayor Wax asked the Council to think about how they would want to distribute the hotel occupancy tax fund dollars.

City Manager Kevin Carruth asked that Council provide him some guidance on the tax rate to use in preparing the budget to be presented at the August 8, 2017, City Council meeting.

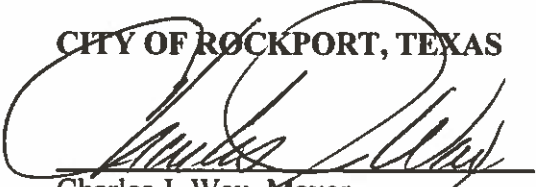
It was the consensus of Council that Mr. Carruth base the proposed budget on 8% above the effective tax rate, and to include a Human Resource Coordinator and a Police Department Civilian.

Mayor Wax asked the Council to provide Finance Director Patty Howard their suggestions on the Hotel Occupancy Tax Fund allocations.

3. Adjournment.

At 1:17 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