

CITY OF ROCKPORT

MINUTES

CITY COUNCIL BUDGET WORKSHOP

1:00 p.m., Tuesday, July 12, 2022

Rockport Service Center, 2751 State Highway 35 Bypass

On the 12th day of July 2022, the City Council of the City of Rockport, Aransas County, Texas, convened in a Budget Workshop at 1:00 p.m., at the Training Room of the Rockport Service Center 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 Tim Jayroe – *Via ZOOM*
Mayor Pro-Tem Andrea Hattman, Ward 4
Council Member Danielle Hale, Ward 2
Council Member Katy Jackson, Ward 1
Council Member Brad Brundrett, Ward 3

CITY COUNCIL MEMBER(S) ABSENT

STAFF MEMBERS PRESENT

Interim City Manager Richard Morton
Assistant to City Manager Kimberly Henry – *Via ZOOM*
City Secretary Teresa Valdez
Director of Finance Katie Griffin
Parks & Leisure Services Director Rick Martinez
Director of Public Works and Building & Development Services Mike Donoho
Information Technology Director Bob Argetsinger
Communications Director Lee Brown
Police Criminal Investigation Division Captain Nathan Anderson
Police Patrol Captain Nathan Garcia
Accountant Lorenzo Lara
Accountant Olympia Granados
Accounting Manager Judi Yarnall
Accounting Technician Morgan Vasquez
Police Administrative Coordinator Nikki Yarnall

ELECTED OFFICIALS PRESENT

Opening Agenda

1. Call meeting to order.

With a quorum of the Council Members present, the Budget Workshop of the Rockport City Council was called to order by Mayor Pro-Tem Hattman at 1:00 p.m. on Tuesday, July 12, 2022, in the Training Room of the Rockport Service Center, 2751 State Highway 35 Bypass, Rockport, Texas.

Workshop Agenda

2. Hear and deliberate on presentation of proposed Fiscal Year 2022-2023 Budget.

Interim City Manager Richard Morton began the presentation of the proposed Fiscal Year 2022-2023 Budget by saying this Budget is the Council's budget. Mr. Morton said the City has not yet received the final numbers from the Aransas County Appraisal District and if numbers come in better then the budget numbers can be adjusted. Mr. Morton stated there will be additional budget workshops on August 2nd and August 3rd, if necessary. Mr. Morton added this workshop was not being livestreamed, it was a workshop for the Council. Mr. Morton called the Council's attention to the "Discussion Guide" (below) he had distributed to Council and said this would be the guide for the budget workshop.

Discussion Guide

- 1. Current Fiscal Year status**
 - a. Fund Balances**
- 2. Proposed Budget**
 - a. General Fund**
 - i. Major Revenue Sources**
 - 1. Property Tax**
 - 2. Sales Tax**
 - 3. Other**
 - ii. Expenses**
 - 1. Personnel – 5% COLA**
 - 2. Increased Costs**
 - 3. Outside Request – EDC from \$12,000 to \$25,950**
 - 4. Cuts**
 - b. Water/Wastewater**
 - i. Expenses**
 - 1. Personnel 5% COLA**
 - 2. Increased Costs Including cost of Water**
 - ii. Revenue – Rate Increase**
 - 1. Water 3%**
 - 2. Wastewater 3%**
 - c. Natural Gas**
 - i. Rate Increase of 12.5%**
 - d. Aquatic Center**
 - e. Fleet**
 - f. Communications Center**
 - g. Supplemental Requests**
 - h. Capital Improvement Plan**
 - i. Other Concerns?**

Mr. Morton called the Council's attention to the handout "Projected Fund Balance Summary" (below). Mr. Morton explained at the end of this Fiscal Year the City will be short 62 days of

the 6-month goal for Fund Balance. Mr. Morton reviewed the other listed funds and the number of days either above or below policy goals.

Projected Fund Balance Summary - 9/30/22

Fund	Estimated Beginning Balance 10/1/2021	Estimated FY 2021-2022 Revenue	Estimated FY 2021-2022 Expenditures	Estimated FY22 Ending Fund Balance	Days of Working Fund Balance	Above/ (Below) Policy Goal
General	\$ 4,411,681	\$ 13,132,932	\$ 13,250,538	\$ 4,294,075	118	(62)
Debt Service	\$ 1,043,742	\$ 3,166,861	\$ 3,253,587	\$ 957,016	107	(73)
Utility	\$ 5,989,116	\$ 12,327,259	\$ 11,932,763	\$ 6,383,612	195	15
Natural Gas	\$ (491,633)	\$ 3,070,477	\$ 3,067,785	\$ (488,941)	-58	(238)
Aquatic Center	\$ (266,226)	\$ 472,688	\$ 453,127	\$ (246,665)	-199	(379)
HOT	\$ 1,595,888	\$ 1,120,000	\$ 1,075,000	\$ 1,640,888	557	192

Revised 07/11/22

Projected Fund Balance Summary - 9/30/23

Fund	Estimated Beginning Balance 10/1/2022	Estimated FY 2022-2023 Revenue	Estimated FY 2022-2023 Expenditures	Estimated FY23 Ending Fund Balance	Days of Working Fund Balance	Above/ (Below) Policy Goal
General	\$ 4,294,075	\$ 12,527,272	\$ 12,527,272	\$ 4,294,075	125	(55)
Debt Service	\$ 957,016	\$ 3,073,838	\$ 3,568,838	\$ 462,016	47	(133)
Utility	\$ 6,383,612	\$ 12,645,249	\$ 12,645,249	\$ 6,383,612	184	4
Natural Gas	\$ (488,941)	\$ 3,139,050	\$ 3,139,041	\$ (488,932)	-57	(257)
Aquatic Center	\$ (246,665)	\$ 443,979	\$ 443,979	\$ (246,665)	-203	(383)
HOT	\$ 1,640,888	\$ 1,355,000	\$ 1,745,293	\$ 1,250,595	262	(103)

Revised 07/11/22

Council Member Jackson asked when it would be appropriate time to discuss the 6-month (180 days) policy. Council Member Jackson expressed it was a good policy when Hurricane Harvey hit Rockport, but most cities do 90 days; we are doubling and is that necessary?

Director of Finance Katie Griffin answered a 180-day policy was not necessary, but if the City were to have another catastrophic event, we would be in reserves again. Ms. Griffin stated she would not recommend anything less than 120 days.

Council Member Brundrett asked if the Fund Balance was adjusted would that free up money for the General Fund.

Mr. Morton responded it would free up money for a one-time purchase.

Council Member Hale stated she believed it was important to have a 6-month fund balance because we are on the Texas coast and not like other cities.

Mayor Pro-Tem Hattman stated she agreed with Council Member Hale.

Ms. Griffin stated one of the reasons the City was able to increase its bond ratings was because we were able to increase our reserve.

Mr. Morton then called the Council’s attention to the Preliminary Proposed Annual Budget and his cover letter (below) that had been emailed to Council on July 5, 2022. Mr. Morton reviewed his cover letter and stated he was proposing the “Unused Increment Tax Rate” of 0.378052.



To: Mayor and City Council
From: Richard Morton, Interim City Manager
Subject: Budget Workshop Information
Date: July 1, 2022

Rockport has survived and prospered after many devastating storms. This year's difficult budget, I believe, is the result of an almost perfect storm of circumstances which we will survive and prosper once we make it through. This year, the waters will be rough, but if handled correctly the following years will be much smoother.

The factors contributing to the perfect storm include loss of revenue and increased expenses. The city's reliance on an expiring Community Disaster Loan (CDL), extreme inflation brought on by COVID and other factors, and an aggressive conservative tax rate adopted in last year's budget are all contributing to extremely tight budget. Had these factors occurred individually in different years, they probably could have been overcome, but when they hit Rockport simultaneously, they are proving to be very impactful on the budget overall and especially hard hitting in the General Fund.

The city has relied on the CDL now for several years. In the current fiscal year budget, CDL accounts for \$1.8 million in revenue. That money is no longer available and creates a large budget hole to fill.

Extreme inflation has hit the budget in multiple areas, with the biggest impact areas including fuel expense increases of at least 60%. This year we have also seen increases in the cost of supplies and materials with at least an 8% inflation rate. The national economy has impacted the Texas Municipal Retirement System (TMRS) and as a result our TMRS contributions for next year have risen by \$50,000. Although a less expensive health insurance option was adopted for the employees, the increase in cost is still close to \$50,000.

While last year's Council decision to adopt the No-New Revenue Rate and fully spend the CDL were the right decision at the time, they are contributing to lower revenue options this year.

In the General Fund, all these factors in combination are forcing me to propose a budget to you that includes a tax rate above even the De Minimis rate. While the overall tax rate will decline from \$.392720 to \$.378052 or by \$.0147 cents, it is above the No-New Revenue Rate and the Voter-Approval Rate. Even at this rate, I found our selves in the hole by \$402,457, forcing me to recommend cutting three previously approved but unfilled positions (Community Relations, HR Manager, and Street Maintenance Technician). These cuts saved \$238,088 including salaries and benefits. I also cut the City Manager's budget by \$100,000 from the contingency line item and we have identified another \$110,000 of cuts in various line items throughout the general fund. These cuts leave us with a small surplus; however, I have not yet addressed a possible cost of living raise for the employees nor have I addressed any additional general fund requests from the departments.

A 3% COLA would cost the general fund an additional \$164,997 while a 5% COLA would cost \$274,996. To fund the to fund a 5% COLA I am recommending we increase the sales tax revenue line item from the \$3,450,000 currently in the budget to \$3,667,126, which would create a balanced budget in the General Fund of \$12,527,272. Unless the Council desires to raise the tax rate above what I am suggesting and risk a possible roll back petition, we cannot fund a higher COLA nor any more of the of the recommended departmental request for the General Fund. If the Council desires to lower the rate below that which I am recommending or is uncomfortable with increasing the sales tax revenue, then we would have to make additional cuts and cut the employee COLA.

One other source of Revenue of note is a \$250,000 FEMA Grant to reimburse the city for our administrative costs associated with the various FEMA grants. These funds were budgeted to be received in the current year; however, it now appears the money will not be received until next year. As it is a one-time source of funds, we should not utilize it for ongoing expenses; however, it could be held in reserve should sales tax receipts not meet expectations next year.

In the enterprise funds, expenses have risen as well, although revenues have remained relatively unchanged, which will require rate increases in these areas.

On the water/wastewater side, we are proposing a 3.2% growth in expenses from the current budget of \$12,236,256 to the proposed budget of \$12,645,249. We have been notified from San Pat that we will see cost of water increase of at least 10%. Overall, on the rate for water and wastewater charged to the customer, we are looking at a 3% increase. See attached rate study information.

In the Gas Fund, we are proposing a 15% increase from the current budget of \$2,658,008 to \$3,139,040 in the proposed budget. This will require a rate increase of 12.50%. See attached information from the rate study.

A little time should be spent on the Aquatic Center fund. As costs have risen over the years, our partners' participation has not grown correspondingly. Rather contributions from the County and Fulton since FY 19-20 (8.6% & 2.02%) to the proposed budget FY 22-23 (6.82% & 1.59%), have decreased. Our partners contribute a mere \$37,000 out of a \$440,156 proposed budget, while we continue to operate under a multijurisdictional board. I would recommend disbanding the board and placing the responsibility under the parks board.

In the Municipal Court budget, the judge is asking for an additional \$15,000 to fund a portion of another Juvenile Case Manager. The judge is also seeking funding from the County. I have not included this request in the funded category.

In the Fleet maintenance budget, \$782,500 was requested for replacement generators. I have not funded this request; however, we are seeking grant funding for a portion of this request.

The Emergency Communications budget has been forwarded to both the County and the town of Fulton as required by the contract. We have included in the budget a 5% COLA for the dispatch employees.

The Equipment Replacement Fund Schedule and the Five-year Capital Improvement Program (CIP) as previously discussed will be sent out separately and I would recommend beginning a process to move toward a bond election in 2023 or 2024.

HOT Funds and their allocation will be considered at your July 26th meeting.

The various remaining funds include:

Fund 03 – Sanitation Fund

Fund 07 – Municipal Court Security & Technology Funds

Fund 09 – Utility Surcharge Fund

These funds do not have employees and are either pass through or state prescribed funds.

Finally, these numbers may be subject to change as we have put the budget together based on preliminary values from the Appraisal District. The official certified appraised values will be sent to the city on July 25th. We don't anticipate the final taxable value to be worse than we have proposed, but it is possible they could improve slightly. If they do, we will make changes prior to the next budget workshop in August.

As you look over the budget and the information we have provided, please let Katie or me know of any questions that you may have or let us know if you require additional information.

Council Member Brundrett asked with the proposed tax rate of .378052 what would be the annual increase of tax on a \$250,000 or \$500,000 home.

Mr. Morton stated home appraisals are also going up, so the tax amount is not only increased because of the tax rate but also the increase in appraised value. Mr. Morton said with the City's current tax rate of .393720 a \$250,000 home, without any exemptions, pays \$981 a year to the City, and if the value of the home rose to \$275,000 and the tax rate was .378052, without any exemptions, the tax would be \$1,039 which would mean the tax amount would go up \$59 for the year. Mr. Morton explained if the appraised value of the home does not increase the tax would go down.

Ms. Griffin stated the City should have the certified value from the Appraisal District on or before July 25, 2022, and right now the preliminary proposed budget is based on \$1.83 billion of assessed valuation. Ms. Griffin said she hoped the valuations come in higher.

Mr. Morton stated sales tax continues to grow from year to year and some additional growth was built into this budget. Mr. Morton said he is usually very conservative but to make things work for this budget he thinks the estimated sales tax amount is a good gamble; the projected sales tax amount is \$3,450,000 and he built \$3,657,000 into this budget.

Council Member Brundrett asked what else would have to be cut from the budget to make up the difference between the No-New Revenue Tax Rate and the Unused Increment Tax Rate; that is about \$400,000.

Mr. Morton responded to Council Member Brundrett that you would have to cut personnel. Mr. Morton stated he had gone back to Department Heads, and they stepped up and cut \$122,000 from the budget. Mr. Morton expressed he had heard from Council the importance of retention and recruiting employees and he did build into the budget at 5% cost of living increase (COLA). Mr. Morton said a 3% COLA costs \$174,000 and a 5% COLA costs \$274,000.

Council Member Brundrett stated even if we cut the COLA we are only halfway there, and things have increased in price for everyone. Council Member Brundrett said the proposed tax rate is 1.4 cents lower than the current tax rate and includes the 5% COLA.

Council Member Jackson asked what the COLA is across the nation.

Ms. Griffin answered between 3%-10% in the nation and in Texas between 5%-10%.

Mr. Morton stated inflation is at 8%.

Council Member Hale asked if the 5% was being somewhat conservative compared to other neighboring cities.

Mr. Morton answered he had asked Ms. Griffin to use a 7% COLA in the budget but he could not get a balanced budget with that number.

Council Member Brundrett said the Council can always come back and amend the budget if the numbers are better.

Mr. Morton stated once a budget is adopted the Council can amend the budget up or down.

Mr. Morton said the City had received one other outside request from the Economic Development Corporation, which was traditionally funded, in the amount of \$12,000, through the Aransas County Alliance Local Government Corporation. Mr. Morton stated they are requesting \$25,950 and that is built into the preliminary proposed budget.

Council Member Jackson asked why they are asking for twice as much as they previously had requested.

Mr. Morton answered he would assume it is because they hired a new Executive Director but he has not seen their budget so he would ask. Mr. Morton said the newly hired Executive Director was present tonight and he may be able to answer this question.

Jeff Sjostrom, Executive Director of the Aransas County Partnership Economic Development Corporation, addressed the Council and stated he was excited to be in Rockport and said he knew some of the increase was for marketing and some other line items, but he did not know.

Council Member Jackson requested Mr. Sjostrom provide a detailed explanation/breakdown of why the increase from \$12,000 to \$25,000.

Mr. Morton continued with the presentation of the preliminary proposed budget. He said he did not fund the Human Resources Manager position, the Public Relations position, and a Street position that were approved last year but has not been filled.

Council Member Hale suggested the City look at putting someone on retainer for the Community Relations position that could be activated during a catastrophic event; it is a good thing to not have an employee doing that during such events and in emergency situations we can do better.

Council Member Hale also suggested staff look at an alternate source of funding for that such as insurance.

Ms. Griffin stated the City did utilize FEMA funding to pay for that during the hurricane.

Mr. Morton stated staff could certainly reach out and get pricing. Mr. Morton said for basic public relations he believed staff could handle it.

Council Member Jackson expressed public relations is Council's job.

Mayor Pro-Tem Hattman said this was a good discussion and we can always do better, but we are talking about money we don't have.

Council Member Brundrett asked if the level of services would remain the same without the positions not funded.

Mr. Morton answered he did not anticipate less provision of services; we are asking a lot of our employees. Mr. Morton said the Police Department was the only department that requested additional personnel and that was not funded in the proposed budget.

Discussion was held among Council and Captain Anderson regarding the opportunity to gain additional revenue through special events and grants.

Mr. Morton said Municipal Judge McGinnis is present and has requested an additional \$15,000 for an additional Juvenile Case Manager that she will also be asking the Town of Fulton and Aransas County to fund.

Judge McGinnis said the school had 700 cases this year which is an increase of 300 cases from last year and the law states for every 100 cases you should have one juvenile case manager and that has limited her to who she could service with our program. Judge McGinnis said it is a shared position with only \$5,000 from Fulton requested initially. Judge McGinnis added in 12 years the Court has never requested an increase.

Discussion was held among Council and Judge McGinnis.

Mr. Morton said he will build the \$15,000 requested amount into the budget and if the other entities do not fund then it can be pulled from the budget.

Mr. Morton said other personnel requests not funded were the Assistant City Secretary position which was previously in the City Secretary budget and then unfunded and moved to the City Manager's budget as the Human Resources Manager.

City Secretary Teresa Valdez stated she has been in municipal government service for many years and she understood budget constraints. Ms. Valdez said the City Secretary Department will continue to perform their duties with some duties being left undone because of lack of personnel.

Council Member Hale asked if a part-time employee would help.

Mr. Morton responded that may be something the Council may want to consider when we get farther along in the budget process.

Mr. Morton said the Network Technician position also needed to be pushed out another year; the receptionist position is utility funded and is included in this budget and the Police Chief requested five additional patrol officers and one detective which were not funded.

Mr. Morton said we have people stepping up, like Kaycee Eddins doing Human Resources Manager job, Kimberly Henry doing the Public Relations job and Tommy Saucedo taking on the networking in the Information Technology Department. Mr. Morton informed Council we are paying them some additional money and he would like to make those raises permanent and he has built that into the proposed budget.

Council took a recess from 2:24 p.m. until 2:34 p.m.

Mr. Morton said Aransas County Independent School juvenile cases can be handles through Aransas County Justice of the Peace; the majority of them have been coming through the Municipal Court.

Council Member Hale expressed she is a fan of Aransas County doing their part of the administration of justice and the City will do our part.

Mr. Morton then called the Council's attention to the Water/Wastewater preliminary proposed budget. Mr. Morton stated expenses continue to increase and he also included the 5% COLA for employees in these departments. Mr. Morton said an 8% increase in the cost to the City from the San Patricio Municipal Water District was built into the proposed budget, and a 3% increase in rates is necessary as shown in the Utility Rate Study.

Discussion was held among Council, Mr. Morton and Ms. Griffin.

Mr. Morton said there is a 12.5% increase included in the budget for natural gas customers.

Mr. Morton said the Aquatic Center is its own fund and the City partners with Aransas County who contributes \$30,000, and the Town of Fulton who is supposed to pay \$7,000 out of the total cost of \$440,000. Mr. Morton stated the County's contributions have been decreasing over the last years and the City can ask for more, or we can say we will run the Aquatic Center on our own. Mr. Morton added his recommendation would be to disband the Swimming Pool Operation Committee and ask the Parks and Leisure Services Advisory Board to do that.

Discussion was held among Council and Mr. Morton.

Rick Martinez, Director of Parks & Leisure Services stated there were originally four partners; the school pulled out and the City took on the cost of the Pool Manager, and the County contribution has continued to decline over the years. Mr. Martinez explained the City Parks and Leisure Services Department is doing all the maintenance, the hiring and training and pays for all the maintenance at the pool. Mr. Martinez said in his conversations with the County it does not

look like they want to support an increase in their funding amount. Mr. Martinez expressed the best option is to take it head-on and have the Parks and Leisure Services Advisory Board help us manage and direct any future rate increases.

Mr. Morton said a decision did not need to be made today but it needed to be discussed on the best way to continue to operate the pool.

Mr. Morton called the Council's attention to the Fleet Maintenance Fund proposed budget. Mr. Morton said there really was not much there, except for the plan for replacement which was funded by Tax Notes to catch-up and from this point on it will be self-sufficient.

Mr. Morton moved on to review the Communications Center Fund proposed budget and said he also built a 5% COLA increase into that budget.

Discussion was held among Council Member Hale, Mr. Morton, Director of Communications Lee Brown and Ms. Griffin regarding the overtime line item in the proposed budget.

Mr. Morton said the Dispatching Agreement with Aransas County is being reviewed and changes are being made to reflect true percentages of calls for service.

Mr. Morton stated the Allegiance contract also has to be renewed and the City has put the County on notice that City residents have been subsidizing County residents to the tune of \$300,000 to \$400,000. Mr. Morton said we have met with the County and Jennifer O'Steen, Assistant County Attorney; the County has been paying a lower percentage than they should be paying.

Mr. Morton then called the Council's attention to the list of Supplemental Requests. Mr. Morton said he wanted the Council to see what the departments had requested. Mr. Morton stated the full-time janitorial services position was funded in the proposed budget.

Council Member Hale asked if contracting the janitorial services position had been considered.

Public Works Director Mike Donoho stated the City had contracted janitorial services in previous years and then started using employees and paying them overtime. Mr. Donoho said the problem with contracted services is that most of those come out of Corpus Christi and the cost is higher than what we can afford. Mr. Donoho expressed he thought the City would be better served with a full-time janitor, especially when the new City Hall is completed.

Council Member Hale expressed it may be time to take another look at contracting it; you never have to worry about an employee calling in sick and other things like that.

Mr. Morton said staff would look at it.

Mr. Morton reviewed the remaining items on the supplemental requests list.

Discussion was held among Council and Mr. Morton regarding the items on the supplemental requests list.

Mr. Morton called the Council's attention to the handout "Capital Improvement Program FY 22-23 through FY 31-32. Mr. Morton reviewed the Capital Improvement Program (CIP).

Council Member Brundrett said there are parts of the City that were annexed some time ago and he did not see any projects in the CIP for getting wastewater services to those areas.

Mr. Donoho said extension of water and wastewater services is a shared cost and is usually paid for by developers. Mr. Donoho stated the City has gone to citizens and asked them if they would be willing to pay a 50/50 split and the answer is usually no.

Council Member Brundrett said if the City is going out for future debt, he would like to see the cost for providing those services.

Council Member Hale said the City needs to be providing lines and use bonds to get the cost down.

Mr. Morton said as an area develops, a developer puts in the water/wastewater and passes those costs along to purchasers, but the rest of the citizens don't pay for that.

Council Member Hale responded the City is building a bridge that only serves part of the City.

Mr. Morton continued the review of the Capital Improvement Program: Streets and Drainage, and Fleet.

Brief discussion was held among Council and Mr. Morton regarding the Streets and Drainage and Fleet Capital Improvement Program.

Council took a recess from 3:44 p.m. to 3:52 p.m.

Mr. Morton reviewed the Capital Improvement Program: Police Department and the Information Technology Department.

Discussion was held among Council, Mr. Morton, Captain Anderson and Police Administrative Coordinator Nikki Yarnall regarding the Capital Improvement Program for the Police Department.

Discussion was held among Council, Mr. Morton, and Information Technology Director Bob Argetsinger regarding the Information Technology Capital Improvement Program.

Mr. Morton reviewed the Capital Improvement Program for the Parks, Aquatics and Bent Oaks property.

Discussion was held among Council, Mr. Morton and Parks & Leisure Services Director Rick Martinez regarding the Capital Improvement Program.

It was the consensus of Council to remove the \$8 million for the Sports Complex from the Capital Improvement Program and staff to work on providing Council cost to open up that area as more of a green space development.

Mr. Morton asked if Council had any other questions or concerns regarding the preliminary proposed budget.

Council Member Hale asked if Mr. Morton could provide a definition for “Unused Increment Tax Rate”. Council Member Hale also requested a head count by department and a list showing who is responsible for each department.

Council Member Jackson said she thought the City was going to purchase a street sweeper.

Mr. Donoho stated the City has a street sweeper, but it is a hit and miss and the last three years we have been contracting that service because it is more cost effective.

Mr. Morton said the City’s Fire Marshall position was covered by a Police Commander, but that person has retired. Mr. Morton said he has suggested staff contact other cities to see if we can contract with a Fire Marshall for services.

Council Member Hale said her only recommendation is that we consider proper advertisement; we continue to hire and use the same people and she thinks we are swapping one problem for another.

Council Member Jackson asked about the cost for updating the Charter.

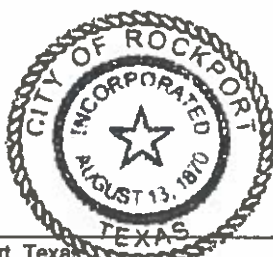
Mr. Morton said updating the Code of Ordinances had been discussed and that is going to happen this year, but he will have to look into updating the Charter.

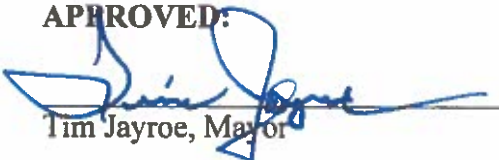
Mayor Pro-Tem Hattman thanked all the department heads and especially Director of Finance Katie Griffin for putting the budget together.

Ms. Griffin said all the departments put in a lot of work putting their budgets together. Ms. Griffin said staff is currently working on the rate structure for utilities and building and development fees and hopefully we can have that for Council consideration at the August 2nd budget workshop.

3. Adjournment.

At 4:35 p.m., Council Member Brundrett moved to adjourn. Motion was seconded by Council Member Jackson Motion carried unanimously.



APPROVED:

Tim Jayroe, Mayor

ATTEST:


Teresa Valdez, City Secretary