

City of Alpine

Special City Council Meeting, Monday, August 13th, 2013, 6:00 P.M.

Notice is hereby given that the City Council of the City of Alpine, Texas will hold a Regular meeting at **6:00 P.M. on Monday, August 13th, 2013 in the City Council Chambers, at 803 West Holland, in the City of Alpine, Texas** for the purpose of considering the attached agenda. This notice is posted pursuant to the Texas Open Meetings Act. (Section 551.043, Texas Government Code).

PUBLIC NOTICE – THE USE OF CELLULAR PHONES AND SOUND ACTIVATED PAGERS ARE PROHIBITED IN THE CITY COUNCIL CHAMBERS DURING MEETINGS OF THE CITY COUNCIL.

Members of the audience will be provided an opportunity to address the Council before agenda items are discussed. The audience is also allowed to comment during the discussion of the agenda items with the Council. Please speak into the microphone located at the podium and state your name and address. If you have a petition or other information pertaining to your subject, please present it to the City Secretary. State law generally prohibits the Council from discussing or taking any action on any issue not included on the agenda, but, if appropriate, the Council may schedule the topic for future discussion or refer the matter to staff. **NO PERSONAL ATTACKS ON COUNCIL MEMBERS OR CITY STAFF WILL BE ALLOWED.**

Agenda

1. Call to Order — Mayor Rangra called the meeting to order.
2. Determination of a quorum and proof of notice of the meeting – Mayor Rangra, Councilors Bermudez, Davidson, Fitzgerald, Gonzales and Castelli were present. The meeting notice was posted on August 9th, 2013 at 3:00 P.M.
3. Information or Discussion items -
 - A) **BUDGET WORKSHOP** - The City Manager said he visited with Ken Roberts this morning concerning insurance issues. He said new numbers will be coming directly from Mr. Roberts but ultimately we will be able to offer our employees and their dependents a couple of options. He said it would change what they actually pay. He said ultimate savings to the city would be around 15% of our insurance costs. He said they were able to work out some details this morning and he said they could offer some things, maybe offer some other benefits. He said ultimately we are going to be able to save. He said tonight most of the issues are going to revolve around the General Fund, with one exception of the Airport which is in the Enterprise Fund. He said all the departments are combined under the General Fund. He said they had a number of things there. He said one was Revenue Streams. He said we had cases where the General Fund was actually assisting in shouldering some of the Enterprise Fund costs. He said we had a situation where we were mixing grant revenues and expenditures in the General Fund. He said we were not adequately separating that. He said there might have been cases where the General Fund was supplementing the grant projects over and above what it was supposed to. He said what we tried to do was clean some of those issues up. He said our taxes, ad valorem, the estimated increase is about \$12,000. He said our sales tax will be up about \$8,000 over this year. He said mixed beverage taxes were projected up \$4,000 and franchise and overall revenues were down by \$2,000. He said this is just a breakout to give

you an idea. He said the ad valorem taxes, you can see, how it increased a little more than last year's budget. He said the number is actually based on properties and property values and what we have given you is the actual calculation. Mayor Rangra said the actual collection was less than expected for ad valorem. The City Manager said this was the actual collections and what was projected. Deborah said on some of the entries on the current column, we are projecting off paper that is not in the computer yet. She said the computer may be a month behind, but we have the actual papers and know what the entries need to be. She said there are some discrepancies and it will look smaller but some of the entries are not in yet. Mayor Rangra said what he was looking at is what was collected and what was projected and there seems to be a difference. The City Manager said what Deborah is saying is that we are looking at through the month of July and it is not the full twelve months and some of that makes it look skewed but it is not necessarily. The City Manager said Sales Tax just shows you generally where we are and where we expect to be. He said the Sales Tax Revenue is calculated for one month and it goes to the state and then it is another month after that when you finally get your money. He said sometimes it may look a little skewed but they are very confident in what they are saying here. Deborah said on Sales Tax you receive your current to date plus averaging the two prior years. The City Manager said in your non-departmental fund, it includes expenses that are not normally assigned out to departments. He said it includes computer assistance, Family Crisis Center, the Children's Advocacy Center, Elections expenses, Ambulance subsidy and those are all plugged in the non-departmental group and the reduction in that account is \$129,000 this next year. He said there are some significant things that happened. He said electricity went to different departments, and we picked up some on some refinancing of bonds. He said we have some costs that are due there. He said we did away with some things. He said most of the costs are the contingency. He said a lot of them took out the contingency. He said that was a lot of the problem the auditor had was seeing that in there so a lot of the contingencies went away. He said they did not recommend any change in the amount of ambulance subsidy. He said for City Council the major reduction was a \$500,000 contingency and he is not sure why. He said we pulled that out and the major addition in that area was the legal fees that were moved from administration to Council. Mayor Rangra asked if there was unemployment insurance for the Council. The City Manager said we have paid \$8.90 to date and he is not sure. He said it is certainly something that we can figure out why we are doing that. He said basically we had a major deduction in this budget and the reason was the \$500,000 contingency that was not being used. Councilor Gonzales asked where this money was moved to. The City Manager said to help balance out the budget in the General Fund.

1. Tuesday 8/13/13

- a. Administration – The City Manager said this includes the normal business operation including the City Managers Office, City Secretary's office, and also the City Secretary has under her Records and GIS operations. He said reduction in this department is due to the Quiet Zone and the Railroad Depot. He said those items are being taken care. He said it was a small reduction. He said some of the funding was moved in including TML conference and TOMA expenses, by redistributing it and

the total reduction for that department is \$208,000. He said the number for cell phones used at City hall is \$1,000 a month. He said one new item in there is the computer and IT phase in 1 project. He said we talked about this off and on and we talked about the new software. He said we are having problems with the systems we have now. He said we are operating with VISTA systems in some of our computers. He said we are trying to get everything put together so that we can be connected and work together. He said we have had some viruses and other problems. Councilor Bermudez asked who the IT people were and the City Manager said it was Nector Computers. He said we have had some really positive things occur in using them.

- b. Municipal Court – The City Manager said the biggest issue we have seen here is the revenue versus the expenditures. He said her experience is right now, a little over \$17,000 in Revenue and our budget expenses are \$78,000. He said that is a significant difference. He said they did propose in this budget that the level of revenue be raised to \$26,530, with additional source in fines and fees that are collected. He said if you look at what was proposed it was \$8,000 in the original budget. He said we have exceeded that and we are making some progress but we feel like we should get this a little bit closer to the expenditures. He said it is not an enterprise fund but it brings in a portion of the revenue. He said not much change this year in expenditures. He said social security dropped and the total budget and overall expenditures, we are proposing \$79,000 instead of \$78,050 this year.
- c. Police – The City Manager said this budget is raised a little more than 1%. He said this includes continuation of programs. He said the Cop Sync program is a new one which was just put in place. He said we are in the process of purchasing a new drug dog. He said our drug dog is aging. He said overall the revenues from the PD are actually up about 35%. He said they have been making some improvements. He said this gives you an idea. He said we are holding the line on all the salaries. Mayor Rangra said he noticed that the investigative expenses are expensive. He said we are going to be losing \$3,000 from last year. Chief Scown said one thing about the investigative accounts is that we have to pay for all the sexual assault and drug testing. He said they have to send the drug tests to an independent lab. He said we can never determine how many that is going to be. He said we can always seek reimbursement from the state. Chief Scown said he was comfortable with everything that was in the budget at this time. Mayor Rangra said investigation is very important. He said travel and training has been lowered too. Chief Scown said they just wrapped training for the officers and they will have three years to get those officers retrained during the next training cycle. The City Manager said we looked at everyone's travel and training and made some cuts. He said he knew where Russell was in terms of his training. Councilor Bermudez asked what PD/FES expenses. Chief Scown said that was their federal account for forfeiture money and they use that to buy equipment. He said he thought that was the account that they would purchase the

drug dog out of. Councilor Gonzales said so this is money that we are actually getting from the government. Chief Scown said it is money that they get for participating in the HAITA task force whenever there is property that has been seized they get a portion of that for participating. Councilor Gonzales said on page 4, talking about that money it says amended budget \$8,000, Original budget \$8,000 but proposed budget is \$30,000. The City Manager said he was not sure why it was \$8,000 amended but we looked at our experience at this point. He said the \$48,000 is actual to date. Mayor Rangra asked about police fines on page 4. Mayor Rangra asked about the police fines, code enforcement fines and animal control fines. Judge Schlosser said the Municipal Court was not dependent on the police department. The City Manager said concerning the Fire Department overall the budget was about \$14,000 and was based on our experience during this fiscal year. He said that can always change but we feel pretty confident. He said they are a little bit down in terms of the fire calls. He said last year was \$30,000. He said they feel pretty confident is budgeting \$35,000 for fire calls. Councilor Gonzales asked a question about the water for the fire department. He asked if we were billing them for the water. The City Manager said no sir. The City Manager said we do keep track of the water loss, but there is no way to meter the flow and we include it as a loss.

- d. Code Enforcement - The City Manager said there is very little change here. He said we did put some more funds into the enforcement cleanup. He said we put in another \$2,000 there. He said we held the line on everything else. He said we cut a little bit on the training. Cameras were discussed. He said concerning the finance department, there are no major changes here and the budget really reflects reduction of overtime, travel and training. He said insurance is going up but we reduced everything across the board. Mayor Rangra asked why we are reducing overtime. The City Manager said he thought we were going to past this and should not have some of the same issues that we have been having. He said he has to give Deborah and her staff a lot of credit. He said they have worked long hard hours to get this done. He said they had to put a lot of this information in the system by hand. He said we think we can cut the overtime because we have a new system that is much more efficient. He said we will not be working long hard hours to get payroll or accounts payable done. He said he does not like his employees working overtime. Councilor Bermudez asked about the salaries and asked if they were for everyone who works here. The City Manager said in the finance operation. He said we have three budgeted positions. He said we are short staffed. Mayor Rangra said the names, positions and salaries of employees is public information. He said you cannot have social security numbers.
- e. Animal Control - The City Manager said we have a total reduction in expenditures of 40%. He said the deductions were based on experience. He said they projected that the revenues would be up 14%. Mayor Rangra asked if we anticipated more adoptions. Councilor Gonzales asked if we were still working

with the county. He asked if we had an interlocal agreement. The City Manager said he would have to look. Jennifer said the county did help out from time to time. She said they also help the county. The City Manager said he would look into that. He said he thought it was a good idea.

- f. Parks/Community Rec.- The City Manager said we are proposing an overall reduction here of \$76,000. He said our revenues are almost 180% which is really good. He said most of this is the result of the Council putting in a new pool. He said we have \$7,000 of revenue in a short season. He said we raised the rates and they still came in and we have been very pleased with this. He said Katie Hector, our head lifeguard did a really great job. He said there are a lot of opportunities for our parks. Councilor Gonzales said what about combining the water, gas and sewer departments. The City Manager said we are going to do that and it should reduce billing costs. He said that is in the budget even though we did not really spell it out. He said we took some reductions. He said it is just a matter of logistics. He said we are thinking about a combined bill where you have water, sewer, garbage and gas on the same bill and save postage. Councilor Gonzales said one of the things that was mentioned was the meter readings. He said he went back and looked at some of his and some are 15 days and some are 31 days. He asked if that was become we did not have enough people to read the meters. The City Manager said the cycles are never exactly the same. He said we could combine them but we may not have the same efficiency. He said we plan to look at this and evaluate it. Councilor Bermudez said that is one of the main complaints she gets. She said they get bills and never know when it will be read. The City Manager said we have a system where they can pay a set rate every month. Councilor Gonzales said the other thing that came to mind is that the gas and water are enterprise funds. He said we could afford to hire someone based on that. Councilor Bermudez asked how many people worked in the gas office. The City Manager said three. He said in the water department here is two.
- g. Streets - The City Manager said we had a major reduction here in the amount of \$133,000. He said a big portion of that is because we paid off some equipment that we had purchased. He said we did have to look at reducing the level of street improvements by about \$40,000 for this next year. He said we would like the opportunity to do more. He talked about the possibility of setting aside a percentage of sales tax for the streets. He said it would take an election and we are possibly looking at a ¼%. Councilor Bermudez asked what made the salaries go down by about \$2,000. Councilor Davidson said that would be the projected end of the year salary. Mayor Rangra said we need funding for the streets department. He said some of our streets are in very bad shape. He said maybe we need to hire more people for the streets department. The City Manager said part of the problem is that we do not have enough equipment. Mayor Rangra suggested working with the County. The City Manager said he talked to Ruben and his superintendent. He said we are looking at some options and

Ruben has offered to help with some of the streets in the city. He said he thinks next year we might do a lot more. He said the County has been very receptive to help us. He said in the future he thinks we will see some more interlocal agreements with the County. Mayor Rangra said he does not want to make it look like we are in bad shape. He said we were in bad shape ten years ago. Mayor Rangra said he gets a lot of calls from people who were raised here and whose parents still live here and are having trouble with their streets. He said people are paying taxes and they want their streets to be safe and good. Councilor Gonzales said there are two other problems that he is aware of, one is obtaining supplies such as asphalt and the other one is the weather. The City Manager described other situations where there had been problems in fixing the streets including storage for the emulsion. He said we have been looking for tanks. He said Hector has been working diligently. He said they do a good job with the streets. Councilor Fitzgerald said Hector takes a lot of heat about the streets. Councilor Bermudez asked if we would have the money if Hector needed some more help. The City Manager said we would come back to amend the budget if that happened. He said the mechanic at the City Shop worked on a fire truck and repaired it for the fire department. He said they also do a good job.

- h. All taxes - The City Manager said we do have some transfers for the enterprise fund and we will show those as we go through them. He said we have everything in the General Fund balanced and zeroed out. He said it has taken a lot of hard work and the staff has made some sacrifices. He said after this year he thinks we will be in a lot better shape.
- i. Airport - He said the Airport is the first of the Enterprise funds and we are proposing to transfer \$35,000 to the General Fund for its overhead expenditures. He said these expenditures are administration's time, finance time, and legal time, to pay for those expenses. He said overall there was a reduction in expenditures. He said overall there was a balance in purchase and sales. He said fuel sales for the revenue was budgeted at \$595,000. He said there is no way we can approach that. He said every time the fuel drops it affects that line. He said we put it back at a more reasonable figure. He said we would like to see a lot more there. He said he thinks there is an opportunity this year. He said in our ground leases, we charge them 10 cents a foot. He said these people rake in \$35,000 to \$40,000 a year on a hangar. He said he does not know why we should be doing that. He said they have 40 year leases and what he would suggest to the City Council is that we go through these leases and as they start popping up, that we start a policy that is closer to actual market value of that space. He said we could build or rent out those hangars and make that money. Councilor Fitzgerald said they build these things and lease them out to the Border Patrol or someone for \$10,000 a month and we do not get anything out of it. The City Manager said for the new hangars the Council would consider a new policy as these come due, you will get a new lease rate and it will be reasonable. Mayor Rangra said we

need to raise the lease on existing hangars. The City Manager said we cannot raise the lease on existing hangars since the amount is in their 30 year contract. Mayor Rangra said we can raise the lease on new hangars. The City Manager said we need to start building our own hangars. The City Secretary said the subleases are what are killing us. Councilor Fitzgerald said we need to stop the subleases. Councilor Gonzales said we get a lot of static from the airport board about finances. Mayor Rangra said several years ago we got a half a million dollars for Alpine. He said it went to TxDot Aviation and they will not let us have that money. Mayor Rangra said it was earmarked for Alpine. He said it is still out there. Mayor Rangra asked about the transfers we were talking about. He said we had a transfer of \$500,000 out of the water, sewer and sanitation. The City Manager said we are taking this money out of the Airport to pay for the overhead costs. The City Manager said it was for him, a portion of his salary. He said he spends time with each one of those activities, finance department spends time, Molly spends time and legal spends time. He said everybody in Texas does that. Deborah said last years budget was based on a million and one half transfer and this is just splitting it out and showing very distinctly for each department. Councilor Gonzales asked if we were also paying salaries out of the General Fund. The City Manager said that was because we were not set up as a true enterprise fund. He said all the salaries, insurance and other costs are in that fund now. He said in the past electricity came out of the general fund. He said there was a tremendous flow out of the general fund. He said from now on the Council will see a true reflection of what each department is doing. He said in most grants you have a built in administrator cost. He said we are like a business and the departments need adequate information to do their job. He said we need to get everyone reports. The City Manager said the numbers that we have, we are very comfortable with. Mayor Rangra talked about aviation fuel. The City Manager said we tried to resolve the numbers that Johnny Galvan thought were correct. He said the audit is actually what we have. Mayor Rangra said we pay the bills and when the money comes in, where does it come in? The City Manager said he did not know where the discrepancy came from in the past. Mayor Rangra said this is the enterprise fund and it is a business. Councilor Gonzales asked about the Utilities Department and the City Manager said they would be here tomorrow along with the gas department. Councilor Fitzgerald said this budget is a world of difference from the ones he saw during the two years he served on the council. The City Manager said this is not where we want to be. He said it is a lot of information. He said we do not have as much flexibility as other cities do and we have to be real cost cautious. He said he promised that this would get better. Mayor Rangra asked if we were thinking about giving salary raises. The City Manager said he did not think we could do that. He said we needed to hold the line unless the council wanted to raise rates and taxes. He said he cannot find the funds for that now. He said he has talked to all the department heads.

4. Adjournment – There being no further business, meeting was adjourned.

I certify that this notice was posted at 3:00 P.M. on August 9th, 2013, pursuant to Texas Open Meetings Act (Texas Government Code Section 51.043). This facility is Wheel Chair accessible and accessible parking space is available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (432)837-3301 or fax (432)837-2044 for further information.

Dr. Avinash Rangra, Mayor

Attest:

Margaret "Molly" Taylor, City Secretary

I, Margaret "Molly" Taylor, City Secretary, do certify that this notice was posted at 3:00 P.M. on August 9th, 2013, and remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

Margaret "Molly" Taylor, City Secretary