

MINUTES OF REGULAR  
CITY COUNCIL SPECIAL MEETING HELD  
AUGUST 18, 2015

The City Council of Olmos Park, Texas held a special session on August 18, 2015 commencing at 5:30 p.m. in the Council Chambers at City Hall. Mayor Kenneth Farrimond presided and Council members present were Casey Fry, Kenyon McDonald, Deb Prost, Ronald Hornberger and Juliana Dusek. Staff present was City Manager, Celia M DeLeon; City Secretary, Diane Gonzales; Fire Chief, John Surber; Police Chief, Rene Valenciano; and Public Works Director, Gilbert DeLeon. Also present were City Attorney, Frank Garza; Susan Wootton, CPA; David Gilver with Gilver Engineering; Dennis Martinez, 100 W. El Prado, #301; Sharon Plant, 131 E. Mandalay and Sean Thompson, TMRS.

Mayor Farrimond called the meeting to order at 5:33 p.m. and determined a quorum was present.

Receive and discuss FY2016 draft budget; take possible action

City Manager DeLeon stated the budget is assuming the same tax rate as we currently have, there are two breakdowns an M&O rate 0.365582 and an I&S rate 0.077203. The I&S rate is controlled by the debt we have to pay for the fiscal year so we can't manipulate that rate. The proposed M&O rate is for the maintenance and operations of the city so that rate will be lower than the current M&O rate because the total tax rate is higher than the effective tax rate that Bexar County is proposing, so we must have two public hearings if Council decides this is what they want to do. This entire budget is drafted on the proposed tax rate 0.442785, which if it is passed it will be an increase in revenue.

This budget includes the following items:

- Medical rate increase of 8.9% the City has within the last 3 to 4 years has paid 40% for the dependent coverage of premiums and the employee pays 60%
- 2% cola for each employee, plus 1% merit raise
- \$100 a month contribution to employees with HAS medical plans, (5 employees currently enrolled)
- Up to 3% salary match for 401K (18 employees currently enrolled)
- PW Director Salary increase from \$39,272 to \$45,000 to match is contributions to City operations, as per Fire Chief Surber
- PW Director \$1,200 for travel allowance to match the other two departments has
- A new line item for \$10,000 for unemployment
- A new line item for \$6,000 for Municode updates.
- A new line item for \$3,500 for Building Permit software fees
- A new line item for \$3,500 for mosquito control fees
- An increase in veterinarian support from \$6,500 to \$9,000

We need to consider raising the sewer rates to match fees what the City pays SAWS. SAWS fees are 0.3641 per 100 gallons of wastewater and the City charges 0.3511 per 100 gallons of wastewater. SAWS will likely propose another rate increase in January 2016.

Mayor Farrimond asked can we write an ordinance that says the sewer rate will match what SAWS charges are?

Councilman Hornberger stated I think we can write a policy but not an ordinance.

City Manager, DeLeon stated after reviewing the figures for FY2015 budget, we are in a better condition and the City will have excess funds and these funds will be distributed into the reserve accounts before year end. We have the following items to amend to the current FY2015 budget:

- Increase Admin Reserve – Streets 10-500-585 from \$0 to \$205,000
- Increase Fire Dept. Reserve – Fire Truck 10-800-556 from \$0 to \$190,000
- Increase Fire Dept. Reserve – Rescue vehicle 10-800-561 (new account) from \$0 to \$40,000
- Increase Public Works Reserve – Vehicle 10-900-556 from \$0 to \$135,000
- Establish Admin Reserve – McCullough Project 10-500-new from \$0 to \$50,000
- Increase Transfer in – Admin Streets 20-300-500 from \$0 to \$205,000
- Increase Transfer in – Admin McCullough 20-300-new from \$0 to 50,000
- Increase Transfer in – Fire Dept. Truck 20-300-new from \$0 to \$190,000
- Increase Transfer in – Fire Dept. Rescue 20-300-new from \$0 to \$40,000
- Increase Transfer in – Public Works from \$0 to #135,000

Susan Wootton, CPA stated on the sewer fund issue, we might need to have a policy for an amount above SAWS fees since we have maintenance and billing fees we need to cover. We would need to have some verbiage that every time SAWS bumped up their fees we would review it and take action to keep our equity stable.

Sean Thompson with TMRS gave presentation on the 20 year eligibility versus the 25 year eligibility.

David Gilver with Gilver Engineering gave some projections on engineering and construction for street, drainage maintenance issues and sewer issue and identified all of the expenses.

Mayor Farrimond asked could we pass an ordinance that automatically made our sewer fund equal to and plus the percentage of whatever SAWS raises their rates to because when we raise our rates than a few months later SAWS raises their rates?

Frank Garza stated you could adopt something that ties an increase to the SAWS increase and if we had an ordinance that basically says we are tying our increases to SAWS fees and public hearings are to be held by the City of San Antonio. Some Cities have adopted storm water fees to help pay for additional storm water drainage issues. I believe Alamo Heights has a sewer impact fee that mirrors SAWS plus a 5% admin fee.

David Gilver stated there is some significant work that should be considered for inspection, repair and mapping of about \$400,000 – \$500,000 and maybe suggest doing this by piece mill. Also, there are some top priorities that need to be looked at and considered.

- Street maintenance
- Culvert replacement at 633 Contour
- Cork - Capital improvements
- Inspecting and mapping one mile of an 8 mile system for the sewer
- Complaints to show good faith efforts \$6,500 to \$7,000

Councilwoman Prost stated on the revenue page it might be educational to the citizens to break down the sources of revenues. Right now it shows Ad Valorem taxes but actually 10% of those Ad Valorem taxes are coming from the Commercial District and 90% are coming from the Residential District. Franchise fees are 100% coming from the commercial district and sales tax is 80% coming from the commercial district. Also, see if Jim Raby can break out the

commercial building permits since we are going to have a lot with all the construction that is occurring.

City Manager DeLeon stated next proposed item is to review changing the TMRS retirement from 25 years to 20 years and the difference on the 1.21% and between the 1.77 % is \$9,647.00 and if we reduce the contribution rate on the medical for the dependents and change from 60/40 to 70/30 we would save about \$11,000.00 dollars in savings.

Ronald Hornberger moved for a resolution to make the change in TMRS to a 20 year retirement versus a 25 year retirement and to change the City's contribution to dependent medical premiums from 60/40 to 70/30 and bring back this item on the next agenda.

Casey Fry seconded the motion.

The motion passed unanimously.

Discuss FY2015 Tax Rate; take possible action

City Manager DeLeon stated because the tax rate will be higher than the effective tax rate that Bexar County proposes we will need to set two public hearings.

Frank Garza stated you can consider the highest tax rate because once you announce what the tax rate is going to be you can't go any higher. You can propose the rollback tax rate and then when you adopt the tax rate you would then adopt the lower rate.

City Manager DeLeon stated we will have Frank Garza check on the impact fees and Susan Wootton and I will work on getting the SAWS rates to match what we are charging the residents on a future agenda item. The two scheduled public hearings on the tax rate will be held on September 3, 2015 at 5:00 p.m. and the second public hearing will be held on the regular City Council meeting on September 17, 2015 at 6:00 p.m. and at this time we will adopt the budget and the tax rate.

There was no further business and the meeting was adjourned at 8:12 p.m.

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Kenneth Farrimond  
Mayor

ATTEST:

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Diane Gonzales  
City Secretary