

MINUTES OF SPECIAL  
CITY COUNCIL MEETING HELD  
AUGUST 3, 2016

The City Council of Olmos Park, Texas held a special meeting on August 3, 2016 commencing at 5:00 p.m. in the Council Chambers at City Hall. Mayor Ronald Hornberger presided and Council members present were Casey Fry, Kenyon McDonald, Sharon Plant, Deb Prost 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 David Givler, Givler Engineering; George Santos, HTS; Luis Barragan, HTS; Sean Thompson, TMRS and Susan Wootton, CPA.

Mayor Hornberger called the meeting to order at 5:01 p.m. and determined a quorum was present.

George Santos with HTS stated on Memorial Day the City had a hard drive on one of the servers go down and the Fire and Police Department could not operate. The two servers that you currently have now are a 2003 which was at the end of life 3 years ago and has no support from Microsoft. You also have a 2008 server that is still current and will have support until year 2020. The older server which is your DHCP server that gives you the ability to connect to the net and provides the IP addresses and the 2008 server which is the file server and your domain controller. The quote that we gave you is on the NCPA contract which guarantees you the lowest price from Dell. HTS maintains your equipment and backups your servers. The 2003 was the City's original server and in 2009 you received the 2008 server to off load some of the load that was on the 2003 server, since then the 2003 server has come to end of life. The City pays HTS a monthly fee to monitor the servers and respond for technical support. The proposed server has a rate 5 which has a redundant memory and redundant power supply and will replace both servers that you have now and we can repurpose the 2008 server as a storage server for the Police Department or Fire Department. The data would be transferred on a weekend and the cost would be \$9,293.

David Givler with Givler Engineering stated in 2009 if you looked at all the conditions of the streets and what it would take to fix everything that year was less than \$500,000 of work. In 2014 the cost was around 3.8 million and this year when we looked at the streets it is above 4 million. What I am trying to do with \$500,000 is take a bite out of that growing number. Eventually if we have to replace the entire street system then it would be around \$24 million to \$30 million dollars. The streets finished construction around 2003 and have life spans of 20 to 25 years and the threshold is about 75% of its timeline. I am interested in extending the life of the reasonable pavements as much as possible and he stated his guess would be somewhere about half a million and would involve some mill and overlay, crack sealing and chip seal.

City Manager DeLeon stated in the reserves we have \$441,469 and in the actual streets we have \$91,000 so currently we have \$532,000.

David Givler stated I would emphasize the areas that have the most life left in them and the chip seal areas and some of the mill and overlay. We are already behind the curve and ideally you want to fix all of the problems.

Susan Wootton, CPA stated any money that comes out of the #10 General Fund account which is a checking account that we take out of our operating account which is usually only done at the end of the year when there is surplus which this year there is not a surplus to do it so it shifted over to #20 and becomes a savings account for everyday living capital. Fund #30 is Special Revenues which are collected from ticket fines, sales tax and by law we can only spend money on certain things. Fund #10 and fund #20 you own and fund #40 is your debt service and can only be spent on debt. Fund #50 is the Sewer Fund and is a business all by itself. It is confusing when we have put money into fund #20 for our streets over the years and now we have an income coming in on fund #30

because of the sales tax. Now we have two funds for money for streets, the money that is in fund #30 you must spend on streets and what is in fund #20 you own so you can re-class as you need to. She stated we will also be behind the curve and I would not recommend to liquid the fund much lower than \$100,000 because you would need a cushion for something that might happen. When you look at fund #20 we are projecting to be at a million.

Council Woman Plant moved to have the City Engineer bring the Council a list of high priority of street repairs to be repaired in 2017 and amount not to exceed \$100,000 dollars at our next City council meeting.

Councilman Fry seconded the motion.

The vote in favor of the motion was unanimous.

Sean Thompson with TMRS stated last year your City was possibly looking at doing a 20 year versus a 25 year retirement and one of the things I could not project out and give you a cost for was the fact that we knew we were changing our investment return assumption from 7% down to 6.75% per year. There was about a 1.11% increase in your rate to get to that assumption changes so that was the bulk of the change, 04% was just based on normal experience, your age of your workforce. We want the City to determine your benefits but when we do make certain changes that are out of site of the City's control we don't want to just push a rate so we institute a phase in so this year we phased in anything greater than a .5% increase and would be phased in over 2 years but if you do pay the phase in then you are creating a net pension obligation because you are not paying your full rate. He stated it is always beneficial to pay the full rate.

City Manager DeLeon stated she entered the full rate into the budget.

Susan Wootton stated if we do not pay the full rate I think it would be a huge comment with the auditors.

Mayor Hornberger stated I need a motion to accept the total contribution rate for TMRS for 2017 at the full rate which is 2.36%.

Councilwoman Prost moved to accept the total contribution rate for TMRS for 2017 at the full rate which is 2.36%.

Councilman Fry seconded the motion.

The vote in favor of the motion was unanimous.

Councilwoman Plant stated that the City has additional retirement plans the 401(k) & 457 plans and she stated the City is paying a match of 3% of the employee's contribution. The employees get to vest on day one. There is no waiting period. "I would like to have the Valic representative come to the next meeting and speak to the Council regarding an option of participating after one year and not being fully vested until the second year. This is also an extra incentive and if the employees leave after one year the money that the City has put in stays in the plan.

City Manager DeLeon stated she has posed the questions to our Valic Representative and is waiting for a response. We have can him come speak at our next budget meeting.

Councilwoman Prost stated since the retirement is such a huge part when you look at each of the departments we need to make sure that our employees understand that we are paying in Admin an extra 28%, in Police an extra 31%, in Fire an extra 29% and in Public Works an extra 38% of benefits over the salary that includes retirement, bonuses, social security, insurance, clothing allowance, travel allowance, cell phone allowance. The employees need to be educated.

Councilwoman Plant stated that she had asked the former City Manager, Mike Simpson to do a "thank you letter" to each employee that included a "breakdown of the benefits" and provide this information to the employee after their evaluation.

Mayor Hornberger stated he would like that thank you letter to be continued.

Councilwoman Prost moved that when employees are evaluated that they receive information that includes just not their salary but all the other benefits that the City pays on their behalf including bonuses, salaries, social security, all the insurance, dues, training, travel, retirement and uniform allowances so that they see what their full employment package is.

Councilman McDonald seconded the motion.

The vote in favor of the motion was unanimous.

Review and discuss draft FY2017 Budget; take possible action

City Manager DeLeon stated she had included a 2% COLA raise with the opportunity of a 1% merit raise.

Fire Department: 14 employees

City Manager DeLeon stated the Fire Department has 3 Lieutenant Positions. These 3 positions have not been filled in a very long time. However, these salaries "carry" the salaries for the new recruits at a lower rate. In order to make the FD and PD more in-line with each other, she stated she re-classified the Assistant Fire Chief position and re-classified 2 Lieutenant positions as indicated below. This is a savings of \$27,553.

- Assistant Fire position is re-classified to title FF III;
- Two Lieutenant positions re-classified to title FF II and FF III.
- Froze an upcoming vacant position, but will remain on the budget. It will need Council approval to fill position.

City Manager DeLeon stated there is no change in the number of positions in the FD.

Fire Chief Surber stated in 2012 the City Council appointed an Employee Compensation Committee and he stated he was part of that Committee and they removed 2 positions in the Fire Department in order to make adjustments in pay and I was asked to produce professional requirements for each rank structure and we came up with a promotional plan. He stated we are not spending training dollars to train people to get their certification that they are taking with them and they are paying their own way to get these certification classes on their own time and to have these classes to be eligible for promotions. He stated the roster shows we have a Chief and 3 shifts and each shift is run by an Officer in charge and currently we have 2 Captains and 1 Fire Fighter III who is serving in that Officer in charge position. Lloyd Perrin who was hired in November of 2015 took over the Assistant Chief responsibilities as Jimmy Ladewig was leaving and my plan was to work him for a year doing all those responsibilities as well as the Emergency Management Coordinator and is a licensed Paramedic to show that he is capable and willing to put in the extra time and energy in order to put him into that Assistant Chief position. This is going to be very disappointing as Lloyd was expecting to go to Assistant Chief. The re-classification that the City Manager showed me talks about doing away with the Assistant Chief Position, which I can live with that but I plead with the City Council to re-classify his title that gives him some recognition of the work that is actually being done and I would ask for a little difference in pay of maybe a \$100.00 dollars a month for the additional responsibilities. He stated he could re-classify down Lloyd Perrin to a Deputy Chief which still keeps the chain of command in place. Fire Chief stated the other item we are talking about is taking away 3 Lieutenants positions and converting from 2 Captain's to 1 Lieutenant and we can make this work and have a bunch of funded positions that have not been filled in a long time. He stated we need to take care of these guys so they take care of us. He stated what he is suggesting is putting in a Deputy Chief, Captain and Lieutenant. He stated Thomas Shipley who has been working for 5 years and trying to get to that level and is one class away from completing all the requirements to make it to Lieutenant and then he is thinking after he makes Lieutenant and a year later he could actually go to Captain, however we can implement something that says you have to serve 2 years as a Lieutenant before you are eligible to be a Shift Captain. He stated if we

do away with the other Fire Fighter position which is our floater then let's give that position to the Police Department which would take over \$7,000 out of the Fire Department and you are proposing 2 Police positions that total about \$74,000 and that is something he can work with and keep his command structure intact and salvage the most important employees that are doing the most work and take care of that 20% that are doing 80% percent of the work. This will increase turnover.

Mayor Hornberger asked what is this going to cost?

Fire Chief stated from the plan that the City Manager proposed I am giving up that 14<sup>th</sup> position and I am asking for \$2,400 on the rank structure.

City Manager DeLeon stated the Police Department does not have an Assistant Chief and she stated she is trying to put the departments more in line with each other.

Mayor Hornberger stated the motion would be to accept the City Manager's recommendation with the slight change rather freezing the upcoming vacancy in the Fire Department the money should be re-allocated to Admin General Fund and eliminate the position.

Councilman McDonald moved to accept the recommendation from the City Manager and do not freeze the position, eliminate it and put the funding into the general expenses.

Councilman Fry seconded the motion.

The vote in favor of the motion was unanimous.

#### Police Department: 14 employees

City Manager DeLeon stated the Police Department currently has 12 employees and is requesting additional staffing. She included in this budget.

- One full time Patrol officer \$42,999;
- One full time Administrative Staff position \$32,500.
- Total \$75,499 minus the savings in medical premiums and re-classifying positions in FD, \$37,946.

This will increase the Police Department staff from 12 members to 14 members.

Police Chief Valenciano stated the current structure in the Police Department is Police Chief, Senior Sergeant, 2 other Sergeants and the rest are Officers. We used to have an Assistant Police Chief and Lieutenant slot but those have been eliminated through prior Council. He stated in our Department we are not concerned about a title, I need people on the street doing the work.

Councilwoman Plant stated a lot of small cities like us don't have two Chiefs in the same department and I think it is a good idea to keep these two departments level.

Fire Chief Surber stated you don't have Police Officers doing two jobs, the Fire Department is doing fire and EMS and requires extra effort to keep them certified in addition to the Emergency Management Training which is a whole other level of responsibility and I am only asking that you re-classify the Assistant Chief down to a Deputy Chief with a small increase in pay. I am taking the budget down from an \$8,600 difference down to \$2,400 which is a \$6,000 dollars savings.

City Manager DeLeon stated when she had this discussion with Chief Surber he mentioned about the Emergency Management Coordinator, the Fire Department has 2 Captains and those 2 Captains can share the Emergency Management portion and stated she did not see the need for a Deputy Chief.

Police Chief Valenciano stated we are mandated by State law to provide training every year for the Police Officers and I respectfully disagree with the Fire Chief by saying we do not perform other duties. Police is also animal control and also do City ordinance violations. He stated he updated the calls for service from 2012 to current 2016 and you can see the amount of calls for service that the Police

Officers do versus the calls for the Fire Department. From January of this year we have had 8,313 calls for service and since I have been employed with Olmos Park we have only had 2 major fires and clearly you can see where we need the manpower.

Mayor Hornberger asked what is it exactly that exists beyond the westbound of Olmos Park in terms of potential policing problems?

Fire Chief Valenciano stated on the other side of McCullough you have Kenwood Park which is very heavy populated with paroles, Mexican Mafia and the Texas Syndicate so we are constantly dealing with the criminals coming into Olmos Park.

Councilwoman Prost stated with all the issues in our Country related to unrest Police Officers, I am wondering what type of training and skills we have in case something happened in our neighborhood, are we prepared?

Police Chief Valenciano stated that is why I am asking for 1 sworn position and 1 unsworn position and the reason for the unsworn position is to fill that gap and that vacancy of taking the administrative tasks that can be done by a civilian versus a paid uniform Police Officer and keep the Police Officer on the street.

Councilwoman Plant asked Chief Valenciano if he “comes in and patrols” in case an Officer is out over a weekend?

Police Chief Valenciano stated yes I fill in.

Councilwoman Plant asked Chief Surber if he “comes in and fills in” for a Fireman in case one of them is out over a weekend?

Fire Chief stated he fills in on calls if they have emergency calls and he does not fill in if there is a minimum staffing level of three so we make sure we fill the schedule with three people at all times. If we have someone that calls in on Sundays then we will bump somebody to stay over and re-schedule them on another day.

Councilwoman Plant asked “so you have never had to come in on a weekend to cover for someone?”

Fire Chief stated “no” because there is a minimum staffing level of three.

Councilwoman Prost moved to accept the City Manager’s recommendation to include 14 employees in the Police Department for a total cost which includes adding 1 full-time Patrol Officer and 1 full-time Admin staff for a total of 14 employees.

Councilman McDonald seconded the motion.

The vote in favor of the motion was unanimous.

Mayor Hornberger stated we need some research done for job titles, duties and job descriptions in the next couple of months and he stated he would like to have a meeting with the City Manager, Fire Chief and Police Chief.

Administrative/Court: 5 employees

City Manager DeLeon stated there are no changes in staff, 1 Court, 1 Admin Clerk, 1 City Secretary, 1 Building Official, and 1 City Manager.

Councilman McDonald moved to accept the Administrative/Court recommendation by the City Manager.

Councilman Fry seconded the motion.

The vote in favor of the motion was unanimous.



#### Public Works Department: 6 employees

City Manager DeLeon stated there are no changes in staff. She stated she included an increase for the Public Works Director to match the US Department of Labors "new rule" on exempt salaried employees from \$45,000 to \$47,476. There was also an increase in amount provided to employees to purchase boots, gloves, etc. from \$20 a month to \$40 a month.

Councilman Fry moved to accept the City Manager's recommendation of 6 employees in the Public Works Department and increase the amount for employees to purchase boots, gloves, etc. from \$20 a month to \$40 a month and an increase in the Public Works Directors salary as mandated by the U.S. Department of Labor "new rule" on exempt salaried employees from \$45,000 to \$47,476.

Councilman McDonald seconded the motion.

The vote in favor of the motion was unanimous.

#### Other items

City Manager DeLeon stated the renewal rates for our current "traditional" medical plans increased 13.9%, therefore we were provided with community rated rates which came back as (4.46%) for the City's out of pocket costs which is a \$10,000 savings. She stated this rate increases items such as the employee's deductible and out of pocket costs. She stated this budget includes a 60 (employee)/40 (city) contribution rate for dependent premiums. The City covers the employee's premium costs at 100% for medical (the higher deductible) and dental, as they have since 1999.

City Manager DeLeon also stated there were no changes in the General Fund #10 for Administrative, Court, Police Department, Fire Department and Public Works Department.

Councilwoman Plant stated she would like to see some comparisons to other Cities with regard to the City no longer paying for spouse and dependents, salaries, the total compensation package and options on various costs if you took dependents out.

#### 2016 TAX RATE

City Manager DeLeon stated the City has received the 2016 valuations, \$639,107,333 which is an approximate 10% increase from last year's valuations. The total rate recommended by the Tax Office without holding public hearings is \$0.422896 (M&O rate of \$0.351726 and I&S rate of \$0.07117). This total rate is less than the current tax rate of \$0.442785.

Mayor Hornberger stated Bexar County is recommending based on the valuations and the projected revenue the tax rate dropped to \$0.422896. Our current rate is \$0.442785 and we can't keep it where it is without going through the notice process because it will be enough revenue increase where under the state statues we do not have to have a notice. The Mayor recommended leaving the tax rate where it is so we can take the extra money since we have the street problems facing us. He stated about \$127,000 is extra revenue if we leave the tax rate where it is now which is enough to make a difference in the street repairs.

Councilman McDonald moved to keep the current tax rate \$0.442785.

Councilwoman Prost seconded the motion.

Councilman Fry	Aye
Councilwoman Dusek	Aye
Councilman McDonald	Aye
Councilwoman Prost	Aye
Councilwoman Plant	Nay

Councilwoman Prost stated she would like to get a breakdown of where our franchise tax is originating from and what the sources are.

#### Discuss FY2016 Budget

City Manager DeLeon stated the budget is projected to have a “profit” at year end in the General Fund #10; funds were allocated to the Capital Fund in FY2016 to purchase Capital items listed below as requested in FY2017, through budget amendments in this meeting.

Patrol Vehicle \$37,800  
 Handguns for Police \$10,000  
 New Server \$10,000  
 Police In-car Video System \$14,679.48  
 Ticket Writers \$6,500  
 Upgrade Fire Department software and new computer \$4,800

City Manager DeLeon stated the remaining funds were allocated to the Reserve Fund #20 as listed below and reflected in this draft budget.

\$14,961	Reserve: Admin Tech	from \$1,300 to \$16,261
\$3,485	Reserve: CT Tech	from \$500 to \$3,985
\$954	Reserve: Fire Tech	from \$52,000 to \$52,954
\$6,738	Reserve: Fire Truck	from \$311,400 to \$318,138
\$979	Reserve: PW Tech	from \$961 to \$1,940
\$50,000	Reserve: McCullough Project	from \$48,127 to \$98,127

Councilwoman Plant recommended that we do not put \$50,000 for the “McCullough Street Project” and instead add that money for 2016-2017 street repair. She stated the Striping Plan will be tested over the next year and a half.

Mayor Hornberger stated we need a motion for the City Manager’s recommendation on FY2016 Budget “Profit Allocation” and approve that section on the report with the exception of the \$50,000 for the McCullough Project which will be re-allocated to the streets.

Councilman McDonald moved to accept the City Manager’s recommendation for the FY2016 Budget Surplus Allocation as is and take the \$50,000 from the McCullough Project and make a budget adjustment and allocate it to streets.  
 Councilwoman Plant seconded the motion.  
 The vote in favor of the motion was unanimous.

Councilwoman Prost moved that the \$50,000 that is taken out of the McCullough Project as part of the FY2016 Budget be re-allocated to the Street Project.  
 Councilman Fry seconded the motion.  
 The vote in favor of the motion was unanimous.

#### Discuss and take possible action on FY2016 budget amendments

##### Budget Adjustments to Fund 10:

<i>Account #</i>	<i>Account</i>	<i>Original Budget Amount</i>	<i>Amended Budget Amount</i>
<b><u>REVENUE</u></b>			
10 300 401	Court Fines	\$135,000	\$190,000
10 300 405	Building Permits	\$180,000	\$205,000
10 300 412	Miscellaneous Income	\$15,000	\$20,000
10 300 411	Towing Fees	\$100	\$3,200
<b><u>GENERAL EXPENSES</u></b>			
10 400 545	Muni Code Update	\$6,000	\$1,000
10 400 530	Legal Fees	\$45,000	\$48,000
10 400 533	Professional Fees	\$45,000	\$55,000
10 400 536	Advertising	\$2,000	\$4,000

10 400 537	Election Expense	\$2,000	\$0
10 400 541	Gas and Electric	\$49,500	\$45,000
10 400 543	Tel/Com/Email	\$8,000	\$6,000
10 400 563	RESERVE equipment	\$2,500	\$5,000

ADMIN

10 500 505	Med/Dental/Life	\$29,208	\$21,000
10 500 582	RESERVE Tech	\$0	\$13,900

POLICE DEPT

10 700 500	Cert Bonus	\$5,640	\$3,900
10 700 503	Retirement	\$10,027	\$7,095
10 700 506	401a/457 Contribution	\$17,590	\$13,000
10 700 521	Computers Printers	\$2,000	\$8,500
10 700 537	Dispatch	\$63,200	\$68,000
10 700 554	RESERVES Computers	\$0	\$4,800
10 700 557	RESERVE Tech/other	\$0	\$31,500

FIRE DEPT

10 800 501	Salaries	\$685,063	\$640,000
10 800 502	Social Security	\$52,407	\$49,000
10 800 510	401a/457 Contribution	\$20,552	\$15,000
10 800 553	Tools & Equipment	\$0	\$6,000
10 800 552	RESERVE computers	\$0	\$2,500

PUBLIC WORKS

10 900 511	Fuel	\$24,000	\$13,000
10 900 526	Vehicle Maintenance	\$30,000	\$21,000
10 900 538	Landfill	\$50,000	\$52,000
10 900 559	Other Equipment	\$500	\$1,000

Budget Adjustments FUND 20:

<u>Account #</u>	<u>Account</u>	<u>Original Budget Amount</u>	<u>Amended Budget</u>
20 300 500	Transfer In Admin	\$0	\$15,000
20 300 510	Transfer In Court	\$0	\$3,500
20 300 520	Transfer In Police	\$0	\$36,300
20 300 530	Transfer In Fire	\$0	\$2,500
20 400 630	PD Vehicles	\$69,000	\$107,523

Councilman Fry moved to accept the amendments.  
 Councilman McDonald seconded the motion.  
 The vote in favor of the motion was unanimous.

City Manager DeLeon stated she needed to make some budget adjustments to the General Expenses:

10 400 545	Muni Code Update amended amount should be \$1,000
10 500 582	Reserve Tech should be amended from \$0 to \$13,900 to include a copy machine.

Councilman Fry moved to accept the FY2016 budget as amended  
 Councilman McDonald seconded the motion.  
 The vote in favor of the motion was unanimous.



There was no further business and the meeting was adjourned at 7:42 p.m.

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Ronald Hornberger  
Mayor

Attest:

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Diane Gonzales  
City Secretary

