

MINUTES  
SPECIAL BUDGET WORKSHOP OF THE CITY COUNCIL  
CITY OF LIVE OAK WILL BE HELD IN  
THE LIVE OAK COUNCIL CHAMBERS  
8001 SHIN OAK DRIVE  
TUESDAY, JULY 17, 2018 AT 6:00 P.M.

1. CALL TO ORDER

Mayor Mary M. Dennis called the City Council Special Budget Workshop on July 17, 2018 to order at 6:00 p.m.

2. ROLL CALL

Mayor Mary M. Dennis  
Councilman//Mayor Pro Tem Mendell D. Morgan Jr., Place 1  
Councilman Bob Tullgren, Place 2 (excused absence)  
Councilman Anthony Brooks, Place 3 (excused absence)  
Councilman Ed Cimics, Place 4  
Councilman Aaron Dahl, Place 5

STAFF

Scott Wayman, City Manager  
Jordan Matney, ACM  
Leroy Kowalik, Finance Director  
Mark Wagster, Director PW  
Chief Linc Surber, Fire Department  
Lt. Steve Santana, Fire Department  
Nicholas Balanciere, Fire Plan Examiner/Inspector  
Chief Dan Pue, Police Department  
Jackie Malloy, Account Supervisor  
Kathy Foster, Purchasing/Budgeting Coordinator  
Debby Goza, City Secretary

3. BUDGET WORKSHOP

A. Citizen Comment (5 minutes)

There were no Citizens to be Heard.

B. Presentation, discussion and direction of the 2018/2019 Draft Budget - Mr. Wayman and Mr. Kowalik

Mr. Wayman welcomed the City Council to the Budget Workshop and thanked them for coming up for a discussion of the Budget and that goals would not take a priority; goal discussion on July 10<sup>th</sup>. Mr. Wayman briefly provided information regarding the hiring of three (3) addition police officers, park development/plan, and compensation study. There was a brief discussion over carrying over projects such as pavers on Toepperwein, greenhouse at the park house and possible garden.

Councilman Cimics indicated that he supported additional restrooms in the park, as there has been an increase of people using the park; he supported bathrooms first and plan later. It was discussed between staff and council that a park plan for development purposes was needed and that a professional would be required for future planning. Mayor Dennis supported the development of a park plan using a professional planner. Mr. Kowalik indicated that the city did not need to wait for October to begin a park plan and he asked for a consensus. Mayor Dennis indicated that the consensus would be to move forward with the park development plan. Councilman Morgan indicated that port-a-pots could be placed in the park until the restroom was completed. Mr. Wayman indicated that this would go forward in October (with additional toilets and future growth) and restrooms (prefab) could be added within the time line discussed. In addition, Mr. Wayman added that this item would come back to council on a future agenda. Ms. Matney added that park plan would include the pool and the football field that is located behind the Youth Building. There was a brief discussion regarding the greenhouse and needed more information regarding size.

Councilman Morgan asked about obtaining the triangle property on Shin Oak and Mr. Wayman indicated that he spoken with the owner, but he was not ready to sell. This could be an Executive Session discussion for a future agenda.

#### General Fund- Highlights

- Sales Tax – the City’s #1 revenue source at 44.56%
- Property Tax - #2 revenue source at 28.92%
  - The 2018/2019 proposed budget was prepared with the “Effective Rate” in mind.
  - Additional tax revenue is budgeted on new values added to the tax rolls since last year. New taxable value added to the rolls is projected to be around \$36 million
- General Fund Expenditures
  - Personnel Costs – 64.2% of total expenditures
- Medical insurance cost increase – 28% in draft budget (Best and Final – 10%)
- 2% Market Adjustment
- Continue with the Step Increase schedule
- New Employees
  - Fire Department – Fire Inspector (added during 2017/2018 budget year)
  - Police Department – 3 new sworn police personnel

- Reorganization of PD/Emergency Radio System (Decrease of 1 position);  
Use funds to reorganize the PD to redistribute functions of this one position
- General Fund Expenditures
  - Professional Fees - Allocate funds to perform several necessary studies that will benefit the City into the future
- Salary Compensation Study (Last one completed was in 2008/2009 budget cycle)
  - Discussion regarding how the study used and its important.
- City Comprehensive Study
- Park Plan
  - More of a Park Futures Plan. Take a close look at the current parks and their amenities
  - To help with the long-term planning and maintenance of our current parks.
  - Funds allocated to outsource a portion of Public Works activities in lieu of hiring a new public works employee.
- General Fund Expenditures
- Capital Outlay (\$530,797); funded all through recurring revenues.
- Reserve Funded Items - \$946,338
  - Part of General Fund's Asset Replacement Contribution
  - Various Contingencies built into the budget
    - Three studies
      - Compensation Study
      - City Comprehensive Study
      - Park Study
- Economic Development Corporation (EDC) Fund
  - Increase the VIP program
  - Increase amount for Water Rights acquisition
  - Website improvements
  - Incentive cash payout for IKEA
  - Increase sales tax revenue for 6 months of IKEA
- Debt Service Fund
  - No new debt is anticipated in the near future
  - 2012 Tax Notes paid out in current year.
  - Next issue that will get paid off is the 2002 issue that was refunded in 2010. This issue will get paid off in 2021/2022 budget cycle.
- Utility Funds
- Storm Water Fund (No major changes anticipated)
- Water/Wastewater Renewals and Replacements
  - Continue programs already in place
  - Funding mechanism is an internal transfer from the Water/Wastewater Operation Fund

- Water/Wastewater Operating Fund
  - Continue to adjust for increase costs for wastewater treatment services – 13 % increase over last year’s large increase
  - Anticipating another rate increase for wastewater only – 7% possible
- Capital Projects Fund
  - Projected to transfer \$300,000 from General Fund into this fund.
  - Several new projects on the growing list – page 114
    - Greenhouse for park facilities
    - Community Garden
    - Toepperwein planters in paver island
    - Kayak Launching Pad at lake
    - Addition of Park Pavilions
- Need to prioritize this list of projects (this would be done at future workshops)

C. City Council Comments

Councilman Morgan and Councilman Cimics both had concerns with the vacant animal control position. Both has concerns of safety, overburdening the staff and lack of customer service for those residents who arrive at the facility, to find it closed due to both employees being out on a call. Councilman Cimics indicated that he had requested this item on the July 31<sup>st</sup> Council Agenda for discussion.

Councilman Cimics expressed his concern of spending funds for a salary compensation and due to cost and whether this survey was needed. Both Mr. Kowalik and Mr. Wayman provided information to Council and how it would help the city attain its goal in hiring qualified employees, pay groups, pay range, basic training skill set and knowledge and help in retention of current employees.

Mayor Dennis had a consensus to move forward with the salary compensation study.

Council items mentioned:

- Asset Replacement Fund and the need to save money as the cost of replacements for vehicles has increased and was the city mindful of the cost. It was determined that all departments are evaluating their fleets and the installation of equipment in their vehicles.
- on-line credit card fees, as the city does not charge a municipal fee and asked whether the city needed to absorb the charge. It was determined that the city would absorb the fee.
- Contract Maintenance Fees.
  - bullet resistant and blast resistant guard tower systems to meet elevated security applications.

- Proficiency pay. It was determined that there is certification pay and guaranteed overtime.
- Security defense for computer generated crimes. Mr. Kowalik indicated that the city recently signed a service agreement to help prevent cyber-crime/hacking.
- Peg Fund. It was determined that maybe down the road this fund could be utilized.

Mr. Kowalik needed a consensus to move forward with the General Fund and received it. In addition, he spoke about Economic Development Corporation (EDC) fund:

- Increase in funding for the Visual Improvement Program (VIP)
- Water purchased
- Web Site upgrade

Both Mr. Kowalik and Ms. Matney indicated that a Joint Public Hearing between City Council and EDC would be scheduled for 6 p.m. August 6<sup>th</sup> followed by the City Council Meeting at 7 p.m.

Other items of interest:

- Debt Service: no new debt
- 2002 Bond will be retired in 2022
- Utility and Storm Water Funds have no changes
- Possible reviewing of the Tank Painting Projects
- Waste Water- large increase this year from both CCMA and SARA (not as large as the previous increase)

Councilman Dahl indicated that this year to focus on the Parks and their development plan. ad focus on parks

Councilman Cimics asked for a list of water tanks and if there was a schedule for repairs and painting to be included.

#### C. City Council Comments

Council discussed the priority of the Capital Funds and it was determined that all council members would need to be present to review the priorities. Mr. Kowalik suggested that

having workshops throughout the year to review and address issues would be recommended.

4. ADJOURNMENT

As there was no further business, Councilman Cimics made a motion to adjourn; seconded by Councilman Dahl. The City Council meeting adjourned at 7:11 p.m.

APPROVED:

Mary M. Dennis  
Mary M. Dennis, Mayor

ATTEST:

Deborah L. Goza  
Deborah L. Goza, City Secretary