

**MINUTES OF THE SPECIAL MEETING AND MID-YEAR BUDGET WORKSHOP
OF THE CITY COUNCIL OF THE CITY OF LAKE WORTH, TEXAS
HELD IN MULTI-PURPOSE FACILITY, 7005 CHARBONNEAU ROAD
FRIDAY, MARCH 23, 2018**

SPECIAL MEETING AND WORKSHOP: 9:00 AM

A. CALL TO ORDER.

Mayor Walter Bowen called the Council meeting to order at 9:00 a.m.

A.1 INVOCATION AND PLEDGE OF ALLEGIANCE.

Mayor Pro Tem White gave the invocation. Attendees recited the pledge of allegiance.

A.2 ROLL CALL.

Present:	Walter Bowen	Mayor
	Geoffrey White	Mayor Pro Tem, Place 2
	Jim Smith	Council, Place 1
	Gene Ferguson	Council, Place 3
	Pat O. Hill	Council, Place 5
	Gary Stuard	Council, Place 6
Staff:	Stacey Almond	City Manager
	Debbie Whitley	Assistant City Manager/Finance Director
	Monica Solko	City Secretary
	Corry Blount	Police Chief
	Mike Christenson	Fire Chief
	Barry Barber	Building Development Director
	Sean Densmore	Public Works Director
	James Sullivan	Superintendent
	Mike Shelley	Superintendent
	Mark Ramsey	IT Manager
	Lara Strother	Library Director and Community Services
	Danielle Hackbusch	HR Coordinator/Risk Manager
	Natacha Valdez	Municipal Court Director
Absent:	Ronny Parsley	Council, Place 4
	Clint Narmore	Council, Place 7

A.3 WORKSHOP: FY 2017-2018 MID-YEAR ANNUAL BUDGET REVIEW:

City Manager Stacey Almond welcomed everyone to the new format of the Mid-Year Budget Workshop.

Assistant City Manager/Finance Director Debbie Whitley summarized the General Fund.

1. Sales Tax budget 3% over last year. YTD is down 3% from last year, and up 3% over 2 years ago. Current projection assumes equal average amounts in 2016/2017.
2. Grant proceeds not budgeted include:
 - a. \$3222,453 Motorola radios
 - b. \$16,387 PD vests
 - c. \$21,975 FD training and equipment
3. Transfers in from other Funds (sales tax reallocation budget amendments)
 - a. EDC Park Contribution eliminated - \$50,000 (General Fund provides now)
 - b. EDC Fire Truck maintenance eliminated - \$25,000 (General Fund provides now).
 - c. EDC Admin Fee eliminated - \$238,078 (not necessary).
 - d. Street Maintenance Fund Salary reimbursement eliminated - \$116,640 (not necessary)
 - e. Water Sewer Admin Fee eliminated - \$468,961
 - f. CCPD Salary reimbursement eliminated - \$105,197
 - g.
4. Use of Restricted Fund Balance and Assigned Fund Balances
 - a. PD Training- \$1,308 (restricted)
 - b. Library Donations - \$235 (restricted)
 - c. Radio System - \$578,043 (assigned)
 - d. Health Insurance - \$294,369 (assigned)
 - e. FD Remodel - \$64,672 (assigned)
 - f. Records Storage - \$26,685

Public Works Streets Superintendent James Sullivan summarized the item. There is salary decrease due to unfilled positions. All positions have since been filled.

Upcoming concrete replacement projects will increase by \$35,000.

- \$16,000 Valley gutter at Dakota and Telephone
- \$11,000 Hodgkin's after sewer line replacements
- \$8,000 for additional unbudgeted repairs as needed and increase cost of concrete (includes \$5,000 for equipment maintenance: new tires on grader and cylinders for the backhoe).

Ms. Whitley commented that fund balance to use from Street Maintenance is \$274,000 and \$2,184,484 is available. There is sufficient fund balance for the projects for mid-year.

Mr. Sullivan continued with Street Maintenance Fund:

- Concrete replacement increase of \$31,000
 - Wallis Road increase in drive approach, curb and gutters.
- \$116,640 transfer out of salaries eliminated.

Ms. Almond commented that Street Maintenance fund will not receive more sales tax money and Council will need to allocate the funds for projects in the future.

Mr. Sullivan stated that staff was requesting an increase in vehicle maintenance by \$1,700 for a truck.

Public Works Parks Superintendent Mike Shelley summarized the budget for the Parks Fund.

1. Transfer of employee from Streets to Parks
2. Planned minor equipment
 - a. Spray Rig - \$3,300
 - b. Tommy Lift for heavy equipment - \$3,200

Information Technology Manager Mark Ramsey spoke on the Information Technology Fund.

1. Minor increase to cover video magistrate services mandated by legislation (\$16,000 for equipment and monthly services for equipment).
2. Increase related to video magistrate service.

Library Director and Community Services Lara Strother had no changes in Library Department budget. She commented that the Library applied for a grant for Children's books through the Texas Festival Grant and would hear something back by April.

The Senior Center had the following increases:

1. Increase for new programs and events at the Senior Center - \$2,000
 - o Chair Yoga
 - o Senior Dance
 - o Shared trips with Azle Senior Center
 - o New programs are in effort to increase membership and participation.

City Manager Stacey Almond had no changes to the Mayor and Council budget. The following changes were request for the Administration budget:

1. Election supplies reduced \$13,000 (election canceled). Special event supplies added in the amount of \$9,000 to cover Veterans Luncheon and costs associated with City Christmas ornaments.
2. Telephone expenses were reduced by \$12,400 due to reduced monthly costs.
3. Equipment and Grant Expenditures (new radio system)
 - a. \$591,888 – overage of \$13,845 due to purchased of base radio and various cost of make the Fort Worth connection.

Assistant City Manager/Finance Director Debbie Whitley had one change in the Admin/Finance budget for a new Purchasing Coordinator position.

Ms. Almond :

1. Salary variance include request for a new position – Purchasing Coordinator - \$25,575.

- This position is requested to start in mid-May if approved
- Request justification:
 - Job description and duties
 - Operate in centralized vs. decentralized
 - Facilitate ILA's, state contracts, and build relationships with vendors.
 - City wide cost saving methods
 - Sealed bid and RFP and RFQ processes
 - Educate departments and ensures compliance with State Law and purchasing policies.

Human Resources Coordinator Danielle Hackbusch spoke on the increase in printing for the PARM II copies. Also increase to the schools and dues account for certification, study material and test. Other service increases were \$700 for new employee benefits portal and insurance deductibles increase to \$1,117.

Fire Chief Mike Christenson stated that the Fire Department was now fully staffed. There is increase in salaries which includes a request to add three (3) additional firefighters positions budgeted to start mid-April, if approved. This will allow the department to have six fire fighters at all times on duty. It also helps the department when staff is on vacation or call, there would be at least five on duty. The six staff will consist of two on rescue and four on engine. By having six on staff this will eliminate the part-time help.

Council member Ferguson left the room at 9:30 a.m. and returned at 9:36 a.m.

Other changes to the budget include:

- Building Maintenance increased by \$5,000 for new fencing between the Fire Station and the car wash. Other Equipment increased for various expenses.
- Grant Funded Training – not included in original budget but projected at \$1,975 (revenue offset this expense). Other services increase due to Lexipol policy software.
- Minor equipment increase of \$4,000 for office furniture and appliances needed after the upstairs remodel.
- Equipment – Rescue revenue was increased by \$8,000. Major purchases include \$10,200 for an extractor to remove chemicals from bunker gear and \$5,750 for a base radio for TCFA. Grant expenditures – not included in the original budget, projected at \$20,000.
 - \$6,235 – Rescue Saws
 - \$8,460 – Bunker Gear

RECESS AND BACK TO ORDER

Mayor Bowen recessed the meeting at 9:43 a.m. and called the meeting back to order at 9:58 a.m. with all members present as recorded.

Assistant City Manager/Finance Director Debbie Whitley presented Economic Development fund. This fund replaces the Economic Development Corporation fund.

The following were budgeted for the fund:

- Postage increase for mailing of Community Guide. The intent is to publish the guide twice a year.
- Increase to cover cost (\$10,000) for a proposed Economic study related to Hwy 199 plans
- Advertising and promotion increase to cover additional cost of the Community Guide and promotional items.

Police Chief Corry Blount presented the following budget for the Police Department.

- Salaries decreased due to unfilled positions resulting in a budget savings of \$40,600. Overtime was increased by \$12,000 for additional overtime required due to staffing shortage.
- Gas and Oil decreased by \$5,000
- Services increased in the following areas:
 - Janitorial Service - \$3,132 to clean PD offices
 - Schools and Dues \$1,500 allow for additional training
 - Travel and Lodging \$3,000 to allow for additional training
 - Grant Funded Training – \$3,500 will be offset y revenue
- Minor Office Equipment increased \$2,000 for the purchase of dispatch chairs (3).

Chief Blount stated that all positions have been filled. A new lieutenant would be starting on Monday and the department recently had a promotion for a sergeant.

Chief Blount presented the following budget for Crime Control and Prevention District.

- Sales Tax up 3% over last year.
- Amount reflects transfer to GF for proposed storage building construction
- Salary decrease due to unfilled positions; savings of \$37,000
- Gas and Oil savings \$7,500
- Motor Vehicles increase (car and in-car technology)
- Salary transfer out was eliminated - \$105,197

The confiscated property category has been depleted of its funds. The funds were used to design a new Police patch and to buy new uniforms for the entire department.

Building Development Director Barry Barber stated there were no changes for the Building and Development Services funds.

The Animal Control Department has the following budget changes:

- Building Maintenance increased by \$1,000 (air conditioner unit maintenance for kennel area) and Vehicle Maintenance increased \$1,000.
- School/ dues and travel and lodging increased to allow for more employee training.
- Equipment/Improvements increased to purchase a dart gun and other minor equipment. This will be offset with quarantine fees.

Municipal Court Director Natacha Valdez stated there were no significant changes for the department.

Assistant City Manager/Finance Director Debbie Whitley presented the following budget for Water fund.

- Use of prior year fund balance was budgeted at \$175,719 to balance the Water/Sewer budget. Mid-year budget review includes only the use of \$10,160 (auction proceeds) for use on the proposed storage building.
- Based on mid-year estimates the Water Sewer Fund will end the year with a surplus of \$141,768.

Water-Sewer fund:

- Telephone expense reduction - \$5,200
- Admin Fee – General Fund included in the original budget was eliminated - \$469,074

Public Works Superintendent Mike Shelley presented the following budget changes for the Public Works Water Supply fund.

- Salaries and Related Costs – decrease for unfilled positions \$18,600
- Chemicals – increased by \$7,000 to allow for the purchase chemicals needed to change from chlorine based process to chloramine based process
- Water purchase – decreased \$30,000

Council member Hill asked about the chemical increase. Public Works Director Sean Densmore explained that during the TCEQ routine inspection the City was told they no longer will allow the blending of water with two different treatment systems. The city treats their ground water with chlorine while the City of Fort Worth treats their water with chloramine. To upgrade the current system, it will cost approximately \$125,000 for both well sites. TCEQ has mandated this change and will fine the City if changes are not made. City Manager Almond stated that TCEQ gave the City 90-days to make the necessary modifications. As long as the City is showing effort to make the modifications, like including the project in the recently approved Water Master Plan and by budgeting money for the project, TCEQ will allow additional time. The total project is estimated to take up to three to four months to complete but can take longer depending on the state's approval of the plans.

Mr. Shelley continued with the budget for Public Works Water Distribution and Sewer.

- Maintenance
 - Water Main Maintenance increased by \$4,500 to cover maintenance required over the next 6 months.
 - Water line flushing added \$4,000
- Water System Master Plan – increased \$13,000 (portion not paid to date).
- CDBG projects increased by \$10,000 for engineering costs due to easement issues
- Services item additions:

- I & I Study added - \$100,000 (TCEQ)
- Sewer Master Plan increase \$13,000 (\$20,000 was budgeted last year, only \$7,000 has been invoiced. The balance will be paid out of this year's budget).
- Fort Worth Sewer Charges remain unchanged from original budget of \$670,000.

Assistant City Manager/Finance Director Debbie Whitley presented the budget for Hotel Motel Tax Fund. The Hotel Tax Revenue is down compared to the same time last year. The attorney fees were reduced \$4,500 and other services were reduced by \$25,000. The original budget included professional services for Hotel/Conference center project and advertising and promotion for \$5,000 eliminated in this budget.

The estimated fund balances for FY 2018:

- General Fund - \$5.5 million estimated fund balance, 52% estimated total expenses and 59% of estimated operating expenses.
- Water Sewer Fund - \$1.2 million estimated fund balance, 44% of estimated total expenses and 47% estimated operating expenses.
- CCPD Fund – \$580,000 estimated fund balance, 56% estimated total expenses and 68% of estimated operating expenses.
- Street Maintenance Fund - \$1.9 million fund balance, 391% estimated total expenses and 391% estimated operating expenses.
- Hotel/Motel Tax Fund - \$900,000 estimated fund balance, 856% estimated total expenses and 856% estimated operating expenses.

There were no further questions from Council on the proposed budget. Council member Smith asked if there were restriction of funds or could the funds be moved around. Ms. Almond replied that the funds could be moved.

City Manager Stacey Almond stated before she begins the department capital requests, in April she will be asking Council for approval of the updated organizational chart, additional Fire fighters, new purchasing position along with the new job descriptions.

The Council consensus was to move forward and bring back for final approval at the April City Council meeting.

MID-YEAR CAPITAL REQUESTS

Ms. Almond stated that no capital requests were included in the budget presented. The Economic Development Corporation dissolved in 2017 and the funds held in reserve account became property of the City with available funds of \$4,418,164. The directors have requested \$4.4 million in requests and after staff review and consideration have forwarded to Council \$3.6 million in requests.

Fire Chief Mike Christenson asked for the following capital requests:

- New Fire Engine \$700,000

- Vehicle/Building Exhaust System \$ 65,000
- Bay insulation and heat (old bay) \$ 7,000

Currently the department is spending about \$20,000 in repairs on the fire truck. A committee looked at the trucks and the committee selected Pierce PUIC. The fire truck will be no more than \$700,000 with equipment and at this time. He believes it would come under that but would ask that City Manager to execute a contract not to exceed \$700,000. He discussed the different features and the warranty and maintenance on this new fire engine truck.

Mayor Pro Tem White asked about the trade value of the old fire truck. Chief Christenson commented it would be approximately \$60,000 and it had been deducted on the price requested \$700,000. Chief Christenson also requested that the City Manager bring the request to the April meeting for approval. The approval is to lock in the cost due to a price increase coming in May.

Chief Christenson also requested a building exhaust system to help with exhaust from fire vehicles in the bays along with insulation and heat for the old bays. The exhaust system is to keep the exhaust from coming into the building where everyone is breathing in the fumes and the fumes are starting to accumulate on the bunker gear. Fire is currently trying to prevent cancer in the fire fighters and this would help. The insulation in the old bays will help get the cold off of the pumps.

Mayor Pro Tem White asked if this would put the fire station in compliance. Chief Christenson stated it would but they still lacked a pressured room to store the bunker gear.

Council member Hills asked about the current status of the Fire Marshal's vehicle. Chief Christenson stated the vehicle had 100,000 miles and was twelve-years old. He will be asking for a replacement in next year's budget.

Council consensus was to approve the fire truck, station exhaust system, bay insulation and a new vehicle for the Fire Marshal.

City Manager Stacey Almond stated that the fire truck would be on the April agenda for Council approval and to lock in the pricing.

Ms. Almond continued with the capital requests from administration.

- Administration – storage building \$300,000
- EDC Activities – 16" Force Main \$2,000,000
- Police Brazoes Ticket writer \$40,237

A storage building is being requested to store city records and other city items. This will consist of a redesign of the parking lot for police parking and the storage building. Currently, the city is out of compliance for storage requirements of city records which

includes climate control. The building will not exceed 2500 sq. ft. For the 16" Force Main project, staff is requesting \$2 million to be dedicated for the project. Half a million will be to secure the design and bid specs of the project. The project is estimated at \$3.5 million and \$2 million will bring the project to the end of 2019. Once the bid process is complete, it will be brought to Council for approval.

Police Chief Corry Blount asked for handheld ticket writers for the Police Department. This electronic device will replace handwritten tickets by officers with a simple scan of a person driver's license that will then populate the information on the ticket. This machine will help eliminate hand written mistakes and will save the officer time. Once the machine is docked it will send the information to Municipal Court for processing. The device will also be added to the replacement policy. The Police, Information Technology and Municipal Court Departments are all working together to implement this project.

Mayor Pro Tem White asked how many devices would be purchased with the money. Chief Blount replied the money budgeted would be 5 or 6 devices. Municipal Court Director Natacha Valdez commented that the software would also send out pings and collect data every 15 minutes. Mayor Pro Tem White asked about the metadata being collected. Information Technology Manager Mark Ramsey stated that the data collected would belong to the city. Chief Blount also commented that the device would also help with the annual rational profiling report. Currently the report is being done by hand.

Council member Smith asked how many officers would be in the field with the devices. Chief Blount responded that at least four officers are in field. Mr. Ramsey stated that they are also requesting a five-year maintenance agreement on the devices.

Council consensus was to move forward with the requests but to increase the handheld devices from six to ten.

Public Works Streets Superintendent James Sullivan asked for the following capital request for the Street Department.

- Hydraulic concrete/asphalt breaker - \$6,115
- 26" concrete saw - \$11,000

The current concrete saw is old and is used for both asphalt and concrete work. Staff is requesting a bigger blade, the current blade makes a 5 inch cut and the department would like to purchase one that would make an 8 inch cut.

After a brief discussion and questions by the Council, the consensus was to move forward with the requests.

Building Development Director Barry Barber asked for the following capital requests for Animal Control and Permits Department.

Animal Control/Permits Requests:

- Chassis Mount for A/C Truck - \$13,476
- 2011 Ford F250 (backup A/C truck) - \$13,000
- Animal Control Shelter Bldg. repairs - \$100,000

Permits Department Requests:

- 2018 Ford Truck (Inspector) – \$25,000
- Subdivision and Zoning Ordinance update - \$140,000

After a brief discussion and questions by the Council, the consensus was to move forward with the requests.

Public Works Parks Superintendent Mike Shelley asked for the following capital requests for the Water, Sewer, Parks and Maintenance Departments.

Parks Department Request:

- Ford F250 super duty truck \$30,272

Maintenance Department Request:

- Ford F150 long bed truck \$26,659

Water Department Requests:

- Ford 350 reg cab truck \$43,042
- John Deer backhoe \$110,000

Mayor Pro Tem White asked if the vehicles were single cab or extended cab. Public Works Director Sean Densmore responded that only the parks vehicles have extended cabs to accommodate multiple workers and the other vehicles are single cab.

Council consensus was to move forward with the requests.

Council member Stuard asked what the total is with the additional requests. City Manager Stacey Almond stated that the majority of funding will be coming for the Economic Development Corporation funding which is approximately \$4.4 million.

Assistant City Manager/Finance Director Debbie Whitley stated that she would be asking for Council approval of a budget amendment at the April City Council meeting on all the capital requests discussed.

Department	Capital Items Requested	Estimated Cost
Fire	Fire engine	700,000
Fire	3/4 ton truck for fire marshall	54,000
Fire	Vehicle/Building exhaust system	65,000
Fire	Bay insulation & heat (old bay)	7,000
	FD Total	826,000
Administration	Storage Building	300,000

Eco Dev Activities	16" Force Main	2,000,000
Street	Hydraulic concrete/asphalt breaker	6,115
Street	26" concrete saw	11,000
	Street Total	17,115
Parks	Ford F250 super duty truck	30,272
Maintenance	Ford F150 long bed truck	26,659
Animal Control	Chassis mount for A/C truck	13,476
Animal Control	2011 Ford F250 (backup truck)	13,000
Animal Control	Building Repairs & Improvements	100,000
	A/C Total	126,476
Permits	2018 truck for inspector	25,000
Permits	Sub-Division/Zoning Ordinance Update	120,000
	Permits Total	145,000
Police	Brazos hand-held ticket writers	50,000
Water Distribution	Ford F350 regular cab 1 ton truck	43,042
Water Distribution	John Deere backhoe	110,000
	Water Distribution Total	153,042
	Grand Total	3,674,564

RECESS AND BACK TO ORDER

Mayor Bowen recessed the meeting at 11:19 a.m. and called the meeting back to order at 12:01 p.m. with all members present as recorded.

A.4 WORKSHOP: 2035 COMPREHENSIVE LAND USE PLAN REVIEW

City Manager Stacey Almond stated that Dunaway and Associates, L.P. will be presenting the 2035 Comprehensive Land Use Plan at April City Council meeting for consideration and approval. The Planning and Zoning Commission approved the plan by 6-0 vote. Staff reviewed the plan with Council.

After a brief discussion and questions by the Council, the consensus was to move forward with the plan.

B. EXECUTIVE SESSION

B.1 PURSUANT TO SECTION 551.072: DELIBERATE THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY LOCATED AT 4200 WHITE STREET.

Mayor Bowen announced at 12:13 p.m. that the Council would adjourn into Executive Session as authorized by Chapter 551, Texas Government Code, specifically Section 551.072: Deliberate the purchase, exchange, lease or value of real property located at 4200 White Street. Executive Session began at 12:13 p.m. and concluded at 12:16 p.m.

An affidavit of disqualification has been completed by Mayor Pro Tem White and filed with the City Secretary stating the nature of the interest was property owner near location.

Mayor Bowen reconvened into open session at 12:16 p.m.

C. EXECUTIVE SESSION ITEMS – CITY COUNCIL MAY TAKE ACTION ON ANY ITEMS DISCUSSED IN EXECUTIVE SESSION LISTED ON THE AGENDA.

No action required as a result of Executive Session.

D. ADJOURNMENT

Mayor Walter Bowen adjourned the meeting at 12:17 p.m.

APPROVED

By: _____
Walter Bowen, Mayor

ATTEST:

Monica Solko, City Secretary