

HUMBLE CITY COUNCIL**MINUTES****SPECIAL MEETING****AUGUST 8, 2016 – 9:00 A.M.****HELD AT CITY HALL, 114 WEST HIGGINS, HUMBLE, TEXAS**

STATE OF TEXAS §
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 COUNTY OF HARRIS §

MEMBERS PRESENT:

Mayor Merle Aaron, Presiding
 Mayor Pro Tem Norman Funderburk
 Council Member Allan Steagall
 Council Member Ray Calfee
 Council Member Andy Curry
 City Manager Darrell Boeske
 City Secretary Jason Stuebe

MEMBERS ABSENT:

Council Member David Pierce

STAFF PRESENT:

Assistant City Manager Aimee Phillips
 Police Chief Delbert Dawes
 Fire Chief Gary Outlaw
 Public Works Director Barry Brock
 Human Resources Manager Kathy Babineaux
 Chief Building Official Ray Pearson
 Municipal Court Administrator Sandra Elliott
 Parks Director Jeremy Mittag
 Civic Center Operations Manager Jacob Schultz
 Fire Marshal James Nykaza
 Captain Ken Theis
 Assistant Fire Chief Mike Legoudes
 Assistant Fire Chief Al Taska
 Assistant Public Works Director Mark Arnold
 Facilities Manager Mark Martin

VISITORS PRESENT:

Donnie McMannes

Mayor Aaron called the special meeting of the Humble City Council to order with a quorum present at 9:00 A.M.

1. INVOCATION AND PLEDGE OF ALLEGIANCE.

Council Member Norman Funderburk offered the invocation and led the Pledge of Allegiance.

2. BUDGET WORKSHOP FOR PROPOSED BUDGET FOR FISCAL YEAR 2017.

Mayor Aaron began the workshop by thanking everyone who worked on the budget and instructed the Council to ask any questions as staff progressed through their review.

City Manager Boeske presented the estimates for revenue and expenditures for Fiscal Year 2017. He stated that the budget was prepared with an estimated Ad Valorem Valuation of \$1,550,000,000.00 and computed on a \$0.20 tax rate per \$100.00 of valuation with 100% of the Ad Valorem revenues going towards Maintenance and Operations expenses. Mr. Boeske further recommended a public hearing for both the tax rate and the budget to occur in September.

Mr. Boeske then outlined the combined Statement of Estimated Revenues and Expenditures:

REVENUE

General Fund Receipts	\$ 61,798,605.84
Water & Sewer Operating Fund Receipts	18,318,000.00
I & S Fund, G.O. Bonds, Series 1993	3,950.00
Special Revenue Fund Receipts (HOT)	1,142,000.00
Special Revenue Fund Receipts (Traffic Enforcement)	3,830,000.00
Capital Projects Fund Receipts	19,167,416.22
	<u>\$ 104,259,972.06</u>

OPERATING EXPENSE – GENERAL FUND

Administration Department	\$ 17,335,643.65
Street Department	1,971,786.26
Fire Department	3,805,967.62
EMS Division	2,564,397.59
Police Department	11,695,267.00
Park Department	1,267,295.00
Animal Control Department	271,100.00
Municipal Court Department	1,119,359.68
Inspection Department	567,206.50
Vehicle / Equipment Maint. Department	334,095.00
Fire Marshal Department	792,462.81
Building Maintenance Department	234,251.81
Civic Center Department	1,350,090.00
Civic Arena Division	194,000.00
Civic Center Activity Division	1,511,350.00
Bender Performing Arts Center	301,200.00
	<u>\$45,315,472.92</u>

(CAPITAL OUTLAY INCLUDED IN OPERATING EXPENSES)

General Fund	\$ 3,939,800.80
Water & Sewer Operating Fund	345,000.00
	<u>\$ 4,284,800.80</u>

OPERATING EXPENSE – WATER AND SEWER FUND

Water Department	\$ 6,198,524.44
Sewer Department	3,465,703.05
	\$ 9,664,227.48

GENERAL OBLIGATION BONDS INTEREST AND SINKING FUND REQUIREMENTS

G.O. Bonds, Series 1993	\$ 0.00
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SPECIAL REVENUE FUND – HOT

Operating Expenses	\$ 518,000.00
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(CAPITAL OUTLAY INCLUDED IN OPERATING EXPENSES)

Hotel/Motel	\$55,000.00
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SPECIAL REVENUE FUND – TRAFFIC ENFORCEMENT

Operating Expenses	\$ 2,000,605.00
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(CAPITAL OUTLAY INCLUDED IN OPERATING EXPENSES)

Traffic Enforcement	\$30,800.00
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CAPITAL PROJECTS FUND

Capital Outlay	\$19,148,656.79
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TOTAL EXPENDITURES

	\$ 76,646,962.19
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ESTIMATED SURPLUS

General Fund	\$ 16,483,132.92
Water & Sewer Operating Fund	8,653,772.52
Interest & Sinking Fund	3,950.00
Special Revenue Fund (HOT)	624,000.00
Special Revenue Fund (Traffic Enforcement)	1,829,395.00
Capital Projects Fund	18,759.43
	\$ 27,613,009.87

TOTAL ESTIMATED EXPENDITURES & SURPLUS

	\$ 104,259,972.06
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Mr. Boeske noted that the Sales Tax revenues for the current year are down \$450,000.00 to \$500,000.00 to date but if we receive \$1,000,000.00 in the remaining reporting periods the city should meet or slightly exceed its projected sales tax revenue for the year. Mr. Boeske stated that he believed the city was still in good shape but that it should air on the side of caution.

Mr. Funderburk asked if the city's projection for the next Fiscal Year was \$200,000.00 more than what was projected for Fiscal Year 2016. Mr. Boeske indicated, yes.

Mr. Boeske noted that the estimated Water and Sewer Fund operating balances were in good shape. Ms. Phillips noted that a water and sewer rate increase will be proposed to reflect the percentage increase being passed onto the city by the City of Houston. Mr. Boeske reiterated that these rate increases have historically been weighted towards the commercial users so that we may maintain a reasonably low rate for our citizens.

Ms. Phillips noted the Interest & Sinking Fund and General Obligation Bonds was related to monies collected from delinquent taxes as well as funds segregated from the 1993 series bonds. Mr. Boeske stated the 1993 series bonds were for the sewer plant.

Mr. Boeske stated that the special revenue funds including Hotel Occupancy Tax and Red Light Camera were in pretty good shape over all. Mr. Boeske noted that two of the city's larger hotel properties have been offline due to the flood but that a new property has opened at Will Clayton and 59 and that the fund should recover though he anticipated revenues being down by approximately \$100,000.00. In reference to the Red Light Camera Fund, revenue was estimated at \$2,000,000.00. Ms. Phillips stated that two lights have been down and will remain down until approximately November, but while no tickets are being generated from those cameras, American Traffic Solutions has not been charging the city for operation of those cameras which amounts to about \$10,000.00 per month.

Mr. Boeske stated that the Capital Projects Fund shows a transfer of \$14,582,305.65 and noted that last year we began showing the Metro funds being transferred out of the General Fund to the Capital Projects Fund. Ms. Phillips stated that the \$1.1 million beginning balance was made up from transfers made for the sewer plant and sewer rehab and that we sock money away each year to cover sewer rehab. Mayor Aaron asked if we had just one more phase of sewer rehab and if that was located in Bender II. Mr. Brock stated that these funds were completely separate from the Bender II project but that when Bender II is executed we will use some of these funds to cover the sewer rehab.

Mr. Boeske stated that a 3% raise for the employees was included in the budget as well as an increase in the insurance rates. Ms. Phillips stated that an 8% across the board increase was computed for insurance based on the recommendation from the city's advisor.

City Manager Boeske then reviewed the M&O and Capital Expenditures by Department.

Administration:

Mr. Steagall inquired as to who the part time employees were. Ms. Phillips stated that the part time employees shown including one of the city hall clerks, the facilities manager, and infectious disease control officer. Mr. Funderburk noted an increase in the full time head count by one. Ms. Phillips stated that one of the city hall clerks is currently split between permits and administration and is working full time through a temp agency but that the city would like to bring that position on as a full time employee. Mr. Boeske noted that with the exception of retirement, it would not cost much more than what we are paying the agency now.

Mr. Boeske stated that the capital expenditure for the Administration department was for a new natural gas generator, which needs to be replaced at a cost of \$125,000.00. Mr. Martin stated that there would likely be an additional cost on the order of \$6,000 to \$7,000 to bring natural gas to the

property. Ms. Phillips stated that there would be enough in the building maintenance line item to cover the additional cost.

Ms. Phillips noted that the computer line items are now shown in each of the individual departments as opposed to being shown only in the Police Department budget to help clean up the auditing process.

Ms. Phillips stated that the retirement, unemployment insurance and workers compensation had slight increases as well.

STREET DEPARTMENT

Mr. Boeske stated that capital expenditures for the Street Department included a new truck and tractor at an expense of \$120,000.00.

FIRE DEPARTMENT

Mr. Boeske stated that there were minimal changes to the Fire Department Budget. Capital expenditures included a new cascade truck which would replace both an older rescue truck as well as the current cascade truck, both of which are 16 to 17 years old. He anticipated the new cascade truck would be a 15 year vehicle.

Chief Outlaw noted the new CAD interface system stating that the current station alerting system is a homemade system that is aging and is not expandable and that the new system will be expandable and user friendly.

Mr. Curry asked what the life cycle of bunker gear was. Chief Outlaw stated it was 10 years unless it is damaged or does not pass annual testing.

Mr. Steagall asked about the storage buildings. Chief Outlaw stated the new storage building would be constructed just east of Station 1 and will help with equipment storage and testing.

Mr. Steagall asked about the commercial grade treadmills. Chief Outlaw stated that the department currently only has one and it is worn out.

Mr. Boeske stated the total capital expenditures for the Fire Department were \$693,078.80.

POLICE DEPARTMENT

Mr. Boeske stated that the capital expenditures for the Police Department included replacement of the Coban units. There have been extensive conversations among the staff and the units cannot be done in phases and so it is best to replace the entire system to cover them under a single warranty and service. Additionally, five patrol Tahoes are included as well as three Tahoes for detectives. Mr. Boeske also noted the buildout of the second floor and reminded the Council that when the holding facility expansion project was complete, the second floor was shelled out. Chief Dawes stated that the buildout would include a new chief's office, captain's office, and conference room due to the expansion of the dispatch area which will migrate to where the current records office and chief's suite is located as well as expansion of the IT and server room.

Mr. Funderburk asked if all of the eight vehicles were replacements. Chief Dawes stated that they were replacements. Mr. Funderburk asked if this would be the last of the Crown Victoria

replacements. Chief Dawes stated that he would like to keep some of the Crown Victorias around for use at the mall, as well as staging and/or if something happens to one of the Tahoes. Mr. Steagall stated that it appeared the city was going back to using Chevrolets exclusively. Mr. Boeske stated that that was the case as Ford does not make a police package Expedition and that the Tahoe is special built for Police with a lower height and wider frame.

Mr. Curry asked if all of the officers have body cameras. Chief Dawes stated that they do.

The total capital expenditures for the Police Department totaled \$1,027,164.00.

PARKS DEPARTMENT

Mr. Boeske stated that the capital expenditures for the Parks Department included a new building and office located next to the garden in the area directly behind the Civic Center. Mr. Boeske stated he hoped the \$250,000.00 was on the high end but that it was necessary to move the department out of Public Works in order to free up some space and locate them closer to the garden and Schott Park. Mr. Steagall asked about the Polaris Ranger. Mr. Mittag stated that it would replace the John Deere Gator and also noted that the department needed to replace three mowers.

The total capital expenditures for the Parks Department totaled \$302,000.00

ANIMAL CONTROL

Mr. Boeske stated that the capital expenditures for Animal Control included new cat cages at a cost of \$8,000.00.

MUNICIPAL COURT

Mr. Boeske stated that he has discussed the Associate Judge position with Judge Pecерino and that adding Chuck Noll as an Associate Judge has worked out well. Ms. Elliott stated it has been a smooth transition and has not had an impact on the budget as both positions are being paid the same amount and that they are not working at the same time.

Mr. Boeske stated that the capital expenditures for the Municipal Court was for new furniture at a cost of \$5,000.00

INSPECTION DEPARTMENT

Mr. Boeske stated that capital expenditures for the Inspection Department included a new pickup truck for Code Enforcement at a cost of \$27,000.00

VEHICLE MAINTENANCE

Mr. Boeske stated that capital expenditures for the Vehicle Maintenance Department included miscellaneous hand tools at a cost of \$15,000.00 while also noting this was one of the divisions that actually reduced their budget.

FIRE MARSHAL DEPARTMENT

Mr. Boeske stated that he was proposing to make the inspector a full time position as he is currently split between the Fire Department and Fire Marshal's Office.

Mr. Nykaza stated that they will need new Coban body cameras as Coban will not support VieVu cameras after the summer.

Ms. Phillips asked what effect that may have on the Police Department. Captain Theis stated that they are currently testing that now but that he believed the Coban cameras will be slightly cheaper than VieVu and will completely sync with the cars.

Total capital expenditures for the Fire Marshal Office totaled \$16,058.00

BUILDING MAINTENANCE

Mr. Boeske stated that capital expenditures for Building Maintenance included a new table saw and the replacement of a $\frac{3}{4}$ ton truck at a cost of \$37,500.00

CIVIC CENTER

Mr. Boeske stated that capital expenditures for the Civic Center included a little cosmetic work as is completed every year noting that the carpet replacement and painting would be in the only areas of the building that have not already been renovated. Also included in the capital expenditures is a replacement truck and carpet extractor.

Mr. Steagall asked if there has been any progress on finding the leak in the roof. Mr. Schultz stated they were still working with the contractor to locate the problem and that they were working with the city to participate in replacement of the gutters.

Total capital expenditures for the Civic Center totaled \$57,000.00

CIVIC ARENA

Mr. Boeske stated that capital expenditures for the Civic Arena included completely redoing the dirt work in the arena noting that over the course of 20 years it has mixed into the stabilized lime beneath the subsurface making a hard surface that is dangerous for the animals.

Total capital expenditures for the Civic Arena totaled \$85,000.00

CIVIC CENTER ACTIVITY CENTER

Mr. Boeske stated he was requesting to replace the building at a cost of approximately \$1,200,000.00. He stated that the slab of the building was never seared properly and there have been issues with hydrocarbons seeping up. He anticipated that programming would be moved to the Civic Center during construction.

Mr. Funderburk asked if the \$1,200,000.00 included the demo. Mr. Boeske stated he believe it could all be done for that amount and he was envisioning a metal building with a brick façade and improved floor plan.

Mr. Boeske further stated if the building was not replaced, they would need to replace the AC systems, which are failing.

Total capital expenditures for the Activity Center totaled \$1,278,000.00

BENDER PERFORMING ARTS CENTER

Ms. Phillips stated the capital expenditures for the Performing Arts Center are left over from the current year's budget.

Mr. Funderburk asked what would be improved. Ms. Phillips stated she believed the parking lot was to be extended as well as a sign for the facility.

Total capital expenditures for the Performing Arts Center totaled \$135,750.00

WATER DEPARTMENT

Mr. Boeske stated that the Water Department budget included a \$3,000,000 transfer out to the Capital Projects Fund. Mr. Boeske noted the capital expenditures included a new truck to be split between water and wastewater, automatic flushing valves, booster pumps at well number six and a new concrete drive and drainage improvements at well number six.

Mr. Brock noted the flushing valves will assist in the monthly flush of fire hydrants as required by TCEQ and will allow for the valves to operate at night so as to not impact water pressure and save on overtime costs.

Total capital expenditures for the Water Department totaled \$132,500.00

SEWER DEPARTMENT

Mr. Boeske stated that capital expenditures for the Sewer Department included new automatic valves on the aeration basins, an alternative pump at the Wilson Road lift station, the waste water portion of the new truck being split with the Water Department, conversion of four lift station's discharge piping from below ground to above ground and adding the J&L Ranchland and Humble Place lift stations to the SCADA system.

Total capital expenditures for the Wastewater Department totaled \$212,500.00

SPECIAL REVENUE (HOT)

Mr. Boeske stated that the museum needs a new roof as well as new flooring on the interior at a cost of \$55,000.00.

Mayor Aaron asked about the computer line item for the museum. Ms. Phillips stated that there is a server rack and network connections at the museum and so they share in that cost.

SPECIAL REVENUE (RED LIGHT CAMERA/TRAFFIC ENFORCEMENT)

Mr Boeske stated that the capital expenditures from the Red Light Camera / Traffic Enforcement fund included new office equipment, a fire/burglar alarm system and property improvements totaling \$30,800.00.

Mr. Boeske also stated that ARKK Engineers have been looking at various intersection improvements that were recently completed to pull out the costs that could utilize Red Light Camera funds to reimburse those expenses.

Ms. Phillips noted that the Red Light Camera program was operating with flat revenue vs. expenditures at this point.

Capital Projects Fund

Mr. Boeske noted the major capital projects that are already underway or anticipated for the next year including the concrete and asphalt pavement project phases I and II, sewer rehab phase V, the Townsen Boulevard improvement and the one million gallon elevated storage tank totaling \$19,148,656.79.

Certificates of Obligation

Ms. Phillips stated that the bond schedule will be left is at this point, however she did recommend consideration to refinance the bonds which could save the city about \$500,000.00 with a lower interest rate. Mayor Aaron agreed that it sounded like a good idea. Ms. Phillips noted that refinancing would likely not require further action.

Mr. Boeske noted that the budget did tap into the fund reserve for some of the city's capital expenditures but that it was also based upon the assumption of flat revenues.

Ms. Phillips noted that there are currently 19 vacant positions that have largely gone unfilled for quite some time despite our best efforts to fill them which leaves about \$500,000 as a potential cushion. Mr. Boeske noted that it was important to point out that we would not be starting day one of the new year at max budget.

Ms. Phillips noted that comparative to other cities throughout the county, we were fairing slightly better as they are experiencing revenue declines up to 6%.

Mr. Curry asked if the five vacancies within the Police Department were due to not being able to find qualified people. Chief Dawes stated that there have been some retirements and resignations but that finding qualified people continued to be a challenge.

Mayor Aaron asked if the Fire Department was still down on personnel. Chief Outlaw stated that they were fully staffed.

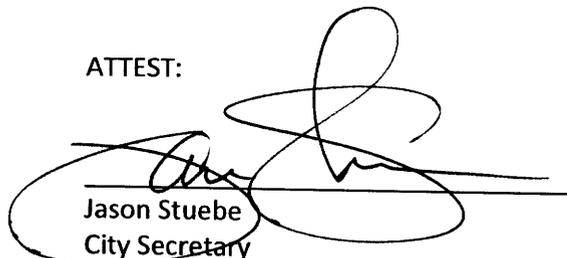
Mayor Aaron thanked all of the departments for putting the budget together and being realistic with their expectations while recognizing the constraints the city is currently facing on the revenue side.

There being no further business before the City Council, Mayor Aaron adjourned the Special Meeting of the City Council at 10:29 A.M. on Monday, August 8, 2016.



Merle Aaron
Mayor

ATTEST:



Jason Stuebe
City Secretary

