

**SPECIAL CITY COUNCIL WORKSHOP MEETING OF THE CITY COUNCIL OF THE CITY OF LEON VALLEY, TEXAS, JULY 11, 2009.**

The City Council of the City of Leon Valley, Texas, met on the 11<sup>th</sup> day of July 2009 at 8:30 a.m. at the Leon Valley City Council Chambers, at 6400 El Verde Road, Leon Valley, Texas, for the purpose of the following business, to-wit:

**SPECIAL CITY COUNCIL WORKSHOP MEETING - 8:30 A.M.**

**Call to order.**

Mayor Riley called the Special City Council Workshop Meeting to order at 8:33 a.m. and asked that the minutes reflect the following members of Council were present: Garcia, Reyna, Baldrige, Nelson and Dean.

City Manager Lambert, City Secretary Feutz, City Accountant V Wallace, Community Development Director Flores, Economic Development Director Ryan, Fire Chief Irwin, Library Director Trent, Police Chief Wallace, Public Works Director Vick were also present.

**Discussion on the Fiscal Year 2010 Budgets.**

City Manager Lambert addressed Council stating that the FY 2010 Budgets were going to be very tough, but there was also good news: no reductions in services, sufficient funding for the fiscal year, no layoffs or furloughs, good fiscal management had given the City a AA rating, and the City had a very strong fund balance. He summarized his budget message by stating that although the City's tax base was down, the FY 2010 budget reflects adjustments accordingly, with no proposed increase ad valorem taxes and without a negative impact to services provided to our citizens.

Mr. Lambert reviewed each city fund providing an overview of proposed FY 2010 expenditures, and revenues. For the proposed FY 2010 General Fund and other fund budgets, Mr. Lambert stated that no cost of living adjustment (COLA) pay increases, no merit increases, and no longevity pay for employees were included. He gave estimates of the increased personnel-related costs for insurances and for the employees' retirement program. Mr. Lambert noted that the City's ad valorem tax for an average home value would actually decrease slightly due to lower appraised home values for the FY 2010 fiscal year. He stated that the adopted 2009 tax rate was 0.5274, and no increase is proposed to that rate. He noted lower anticipated revenues from sales tax, franchise fees, and in the licenses, permits, fees and fines categories. Expenditures, particularly the amount budgeted for contractual expenses, were reviewed for each department.

In the Enterprise Fund, the City Manager informed Council that FY 2010 would be the fourth year of the five-year plan to increase water and sewer fees to meet water and sewer expenses, infrastructure needs to maintain the water and sewer services, and to provide funds for water rights. He reviewed the anticipated expenses and again commented on the significantly lower interest rates available as revenues in this fund. Mr. Lambert commented that contacts with the City of San Antonio regarding possible purchase of the Leon Valley water system have not given Leon Valley a positive sign that San Antonio would consider such a purchase at this time. He also reminded them that the citizens of Leon Valley would have to vote to approve such a sale.

A general overview of revenues and expenses was given for each of the Special Funds that

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have mandated uses for the revenues collected in those funds such as: Street Maintenance Sales Tax, Grant Fund, Building Security Fund, Child Safety Fund, Municipal Court Technology Fund, Debt Service Fund and Police Forfeiture Fund.

Council discussed current franchise fee rates, municipal court processes, availability of grants, and what capital expenditures were not funded from the General Fund in the proposed FY 2010 budget. A recommendation was made to increase advertising of the City of Leon Valley to a wider audience and to add Texas Parents' Day to events for the City. After a review of the General Fund, Council recommended that capital expenses not currently in the FY 2010 budget be added back to the budget including: Air Packs requested for FY 2009 and FY 2010, a replacement defibrillator for the Fire Department, library materials to the Library budget for 2009 and 2010, the purchase of a new oil igloo but for city staff to continue pursuit of grant funding for the igloo, sidewalk construction costs for Evers Road sidewalks, and a new utility vehicle for the Public Works Department.

The City Manager provided information on the employee benefit program and the costs for such programs. He noted changes that will affect employees in FY 2010 include: health insurance programs to be handled by a broker this year, discontinuation of the tuition program, a reduction in paid overtime, deletion of any COLA, longevity or merit pay increases, but noted no hiring freeze is anticipated. Rate comparisons for the Texas Municipal Retirement System Program, health insurance and requested COLA pay increases were presented for several surrounding cities. It was recommended that the City's broker could possibly help with any employee-recommended voluntary programs for the future. Costs were discussed for funding longevity, merit pay increases, and COLA increases for FY 2010.

Following a lengthy discussion, Council agreed by consensus that employees be given one week's time off in FY 2010 rather than any pay increases. Due to the weakened economic outlook, Councilmembers stated that they did not feel that the FY 2010 budget could accommodate any pay increases in FY 2010. They directed the City Manager to figure out the details for this program for FY 2010 to include allowing shift firefighters and shift patrol officers and dispatchers additional time to use their forty hours of leave.

Mr. Lambert addressed a recommendation by Councilman Reyna to hire a receptionist stating that it would cost approximately \$ 6300 for the rest of FY 2009 and \$33,562 for FY 2010. Discussion followed on meeting concerns of the public regarding phones being answered rather than the caller reaching a voice mail message. It was explained that approximately 400 telephone calls go to the eight phone lines to City Hall each day and if the employee is already answering a phone call, the caller will continue to get either a busy signal or voice mail message. It was suggested that a new phone system may be priced to replace the City's existing phone system or consider having all calls go to one phone all day and that phone operator will transfer all calls, and to change the phone entry message.

City Manager Lambert stated that plans for financing for the Redevelopment Master Plan services were not decided and that the City may consider using funding from an EPA Grant applied for by Kathryn Word, from the LVEDC tax funds, and/or from City Council's remaining funds for economic development.

Mr. Lambert again reviewed projects that Council had asked to be included in the FY 2010 budget for capital improvements for that fiscal year and FY 2009 budgeted capital

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improvements such as air pacs, sidewalk construction, and library items be added back for expenditure. It was recommended that ticket income with monthly breakdowns and a time line for continuances be reviewed. Advertising, studies, and options for small business loans were briefly discussed as options that may require funding from the City in the future to help the business community.

Council agreed to meet again in a workshop setting for further discussion on the FY 2010 Budget on Tuesday, August 4, 2009 at 5:00 p.m., before the Regular City Council Meeting.

**Adjourn.**

Hearing no further business, a motion was made by Councilmember Baldrige, seconded by Councilmember Dean, to adjourn the meeting. Hearing no objections, Mayor Riley announced the meeting adjourned at 12:30 p.m.. Mayor Riley reminded everyone of the Special City Council Meeting to be held on Friday, July 17, 2009 with TxDOT District Engineer Mario Medina at 9:30 a.m..

Chris Riley \_\_\_\_\_  
Mayor

ATTEST:

Marie Feutz \_\_\_\_\_  
City Secretary

*Approved by unanimous vote of City Council at the Regular City Council meeting of Aug. 4, 2009.*