

Minutes
Special Council Meeting
September 12, 2017

On this 12th day of September 2017, at 6:00 p.m., the City Council of the City of Devine convened in a Special Meeting; the same being opened to the public at their regular meeting place; thereof, at City Hall, 303 S. Teel Drive, Devine, Texas. Notice of said Meeting having been prescribed in Chapter 551, Government Code, and Vernon's Texas Codes, Annotated, and the following members being present:

Mayor William L. Herring
Aldерwoman Kathy Wilkins
Alderman Steve A. Lopez
Alderman David Espinosa
Alderman Cory Thompson

Absent being Alderman David Valdez; thus, constituting a quorum.

Personnel present: Dora V. Rodriguez, Interim City Administrator/City Secretary; Denise Duffy, City Accountant; Mary Badillo, City Financial Advisor; Tom Cate, City Attorney; and Ofilia Pedroza, UB Clerk.

Others Present: Marly Davis, Devine News; Billy Alvarado, Debbie Randall, Eva Thompson, Tim & Susie Bourcier, and Jennifer Schott, of Devine, Texas.

Mayor Herring, presiding, called the meeting to order.

The first order of business was the Public Hearing on the Proposed Budget for FY 2017-2018.

At 6:01 p.m., Mayor Herring announced that the Public Hearing was open.

Mr. Billie Alvarado addressed his comments to the Council regarding salary clarification on the position of the City Financial Advisor. He told Council he understood that position was previously a part-time position with a salary of \$30,000 to \$40,000. Interim City Administrator/City Secretary Dora V. Rodriguez clarified that it used to be a contract (not part-time) position with a salary of approximately \$68,000, and Mayor Herring added that the City saved a lot of money by hiring Mary Badillo as a full-time City Financial Advisor as opposed to hiring a City Administrator.

At 6:03 p.m., hearing no other comments from the public, Mayor closed the Public Hearing.

The second order of business was the Public Hearing on the Proposed Tax Rate for FY 2017-2018.

At 6:03 p.m., Mayor Herring announced that the Public Hearing was open. Mayor Herring announced that the tax rate will remain the same at \$0.5110/\$100 valuation, and commented that it's been the same for the last three or four years.

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Council reviewed a spreadsheet of Property Tax Calculations showing the differences in property tax rates on what we're staying with, what the effective tax rate is and what the rollback tax rate is.

Property Tax Calculation Worksheet attached as Exhibit A.

Susie Bourcier addressed her comments to Council. Some of her concerns were:

- Is it the County that appraises and keeps raising the property values? And so the City benefits from those values?
- Even though the tax rate is down and the City does benefit from these increased appraised property values, the residents are still being hit with higher insurance; it's very difficult for the citizens of Devine.
- Why are we venturing into other things when we have the asbestos pipeline difficulties, and are we bringing anything in to the City to help raise revenue to help?
- Potholes in the streets
- Downtown needing beautification; grass overgrown in sidewalks

Mayor Herring spoke of always looking for new business and mentioned a new housing development in the future, inside city limits.

Ms. Bourcier added that we don't have anything here that's benefiting the residents to help with taxes, and commented that she feels like moving out of the city limits just because there are no tax breaks.

Interim City Administrator/City Secretary Dora V. Rodriguez commented that the good thing is that Walmart already did the leg work for a lot of these businesses.

Further discussion was held by Mayor Herring on using \$294,000 toward street improvements.

At 6:10 p.m., hearing no other comments from the public, Mayor closed the Public Hearing.

The third order of business was to discuss and consider making the contracts awarded for the Financial Services and Bond Counsel Services for water system improvement projects contingent upon funding from the Texas Water Development Board.

Interim City Administrator/City Secretary Dora V. Rodriguez informed Council that we are going with the Texas Water Development Board (TWDB) as opposed to the USDA because they have a lower interest.

City Attorney Tom Cate clarified that Council has already awarded the contracts but upon advice from our grant writer, we need to include the words "contingent upon funding from the Texas Water Development Board" in the motion and in the minutes.

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Motion by Alderman Thompson, seconded by Alderman Espinosa to make contracts awarded for the Financial Advisor Services and Bond Counsel Services for water system improvement projects contingent upon funding from the Texas Water Development Board.

Ayes	--	Four
Nays	--	None
Absent	--	One – Alderman Valdez

Motion carried.

The fourth order of business was to review the Parks & Recreation Advisory Board Minutes for September 6, 2017.

Council reviewed the minutes.

Motion by Alderman Lopez, seconded by Alderwoman Wilkins that Council reviewed the Parks & Recreation Advisory Board Minutes for September 6, 2017.

Ayes	--	Four
Nays	--	None
Absent	--	One – Alderman Valdez

Motion carried.

The fifth order of business was Budget Workshop.

City Financial Advisor Mary Badillo went over the Proposed Amended Budget with Council and told them that they took into consideration a lot of things that are going on and a lot of improvements that we want to do. She discussed some of the highlights, namely:

General Fund

Page 1 – Total Operating Revenue – Right now stands at \$3.1 Million and the Total Operating Expenditures are at \$3.2 Million. This includes the two streets of Jefferson and Dilley which we have been working with our City Engineer Raul Garcia on getting us estimates, and the cost is \$240,000 just to do those two streets, which is giving us a deficit.

Interim City Administrator/City Secretary Dora V. Rodriguez explained that City Engineer Raul Garcia had originally given us an estimate of \$125,000 to do the five streets that Council selected. But, after looking at Jefferson and Dilley, Mr. Garcia is saying that a seal coat is not going to do the job on those two streets, they will need to be reconstructed. At our regular council meeting for September 19th, he will be recommending for the streets of Jefferson and Dilley to be done completely the right way because those are the streets that really need it; however, that means leaving out the other streets

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that Council had selected. This will be Council's decision, and City Financial Advisor Mary Badillo added that whatever decision they make will change the budget which they are going over right now; this is just a working budget.

Council held discussion on the streets. Interim City Administrator/City Secretary Dora V. Rodriguez also reminded Council that on September 15th, we will be opening up the bids for the street improvements, and she had asked City Engineer Raul Garcia if would be able to negotiate with the contractors, and he said we could.

City Financial Advisor Mary Badillo informed Council that we are budgeting \$30,000 just to use on potholes for the other roads and according to Interim City Administrator/City Secretary Dora V. Rodriguez, City Engineer Raul Garcia will be getting with our Public Works to make sure they are doing the potholes correctly. She added that City Engineer Raul Garcia gave us a quote of \$294,000 to do all the streets that Council had selected; but to do only Jefferson and Dilly, it will cost \$240,000.

Page 1 – General Fund – City Financial Advisor Mary Badillo added that the General Fund would need a transfer of \$85,000 from Sewer and Water based on the numbers that we have right now.

Page 25 – Debt Service Fund – Has a surplus of \$5,000. No transfer needed.

Page 27 – Sewer & Water Fund – Has a Total Operating Revenue of \$1.7 Million and Total Operating Expenditures of \$1.9 Million. This fund has a Transfer Out of \$85,000 and Cash Flows In of \$267,000 which give us a positive of less than \$50,000 overall. City Financial Advisor Mary Badillo added that this is with the 5% increases in Water & Sewer and 2% increase in Garbage for the General Fund.

Alderman Thompson inquired if we couldn't just cut 10% off the overall budget and divert 5% to the Water and 5% to the roads issue to offset the asbestos issue. According to Interim City Administrator/City Secretary Dora V. Rodriguez, they did that last night and they cut even more than that from every single department. Discussion was held with City Financial Advisor Mary Badillo. She informed Alderman Thompson that this was for one fund only; the General Fund.

Discussion was held on Animal Control needing a truck but that was cut from the budget, and Interim City Administrator/City Secretary Dora V. Rodriguez talked to Council about going out for a grant with the USDA. There are grants available and currently we are working on five grants at the same time.

Alderman Thompson inquired if the 5% Water and 5% Sewer increase is to cover the asbestos issue. Interim City Administrator/City Secretary Dora V. Rodriguez confirmed that it is for the asbestos issue but added that they are still working on that with the Texas Water Development Board to see about doing it in phases; they are still negotiating. She told Council that Andrew with Mark McLIney's office will be coming down for the September 19th Regular Meeting to go over this with Council.

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Page 35 – Lodging Tax – Has an estimated Revenue of over \$8,000. City Financial Advisor Mary Badillo pointed out that we took out the \$10,000 to the Chamber of Commerce totally, and ended up with a surplus. She went over all the overtime hours worked at the festival last year by our staff members, and it costing us just under \$5,000 which we paid out in addition to the \$10,000 we contributed to the Chamber of Commerce. It was pointed out that this did not include any time put in by any salaried employees or any other expenses.

Page 38 – TCLOSE – This fund is a grant used for the police officers. It is very specific on what they can use for training. It carries over to the next year. Right now, it has \$1,212.00.

Interim City Administrator/City Secretary Dora V. Rodriguez informed Council that we're still not done with the budget; we're still trying to tweak it some more, and we're bringing it back next week.

Mayor and Council thanked Interim City Administrator/City Secretary Dora V. Rodriguez, City Accountant Denise Duffy and City Financial Advisor Mary Badillo for all of their hard work.

There being no further business to come before the governing body, motion made by Alderman Lopez, seconded by Alderwoman Wilkins to adjourn the meeting.

Ayes	--	Four
Nays	--	None
Absent	--	One – Alderman David Valdez

Motion carried.

Mayor

City Secretary

City of Devine
 Property Tax Calculations
 For Tax Year 2017/Fiscal Year Ending 9/30/2018

CURRENT YR TAX RATE AND VALUES

Adjusted tax base per MCAD {A}	TOTAL	DEBT SVC	GEN FUND
	\$ 177,894,325	\$ 177,894,325	\$ 177,894,325
Current year's effective tax rate {B}	\$ 0.005110	\$ 0.000657	\$ 0.004453
Expected collection rate based on prior year collections {C}	95%	95%	95%
Expected property tax collections--current yr taxes {A * B * C}	\$ 863,588	\$ 111,033	\$ 752,555

CURRENT YR TAX RATE WITH NEW VALUES

Adjusted tax base per MCAD {A}	TOTAL	DEBT SVC	GEN FUND
	\$ 183,555,629	\$ 183,555,629	\$ 183,555,629
Current tax rate {B}	\$ 0.005110	\$ 0.000659	\$ 0.004451
Expected collection rate {C}	95%	95%	95%
Expected property tax collections--next year {A * B * C}	\$ 891,071	\$ 114,915	\$ 776,156

Increase using the new values & current tax rate over current year taxes

EFFECTIVE TAX RATE WITH NEW VALUES

Adjusted tax base per MCAD {A}	\$ 183,555,629	\$ 183,555,629	\$ 183,555,629
Effective tax rate for next year {B}	\$ 0.004936	\$ 0.000659	\$ 0.004277
Expected collection rate {C}	95%	95%	95%
Expected property tax collections with effective tax rates	\$ 860,729	\$ 114,915	\$ 745,814

Decrease in using effective tax rate over current taxes

-0.3%

City of Devine
 Property Tax Calculations
 For Tax Year 2017/Fiscal Year Ending 9/30/2018

2017-18 CURRENT TAXES BUDGETED

Adjusted tax base per MCAD {A}	\$ 183,555,629	\$ 183,555,629	\$ 183,555,629
Proposed tax rate {B}	\$ 0.005110	\$ 0.000659	\$ 0.004451
Expected collection rate {C}	95%	95%	95%
Expected property tax collections--2017 - 2018	\$ 891,071	\$ 114,915	\$ 776,156
Total Tax	\$ 891,071		
Debt Service needs	114,915		
Leaves	776,156		
Rounded figures		115,000	776,000