

Minutes
Special Meeting/Budget Workshop
September 8, 2022

On this 8th day of September, 2022, 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 the Dr. George S. Woods Community Center, 200 E. Hondo Avenue, 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 Cory Thompson
Alderman David Espinosa
Alderwoman Debbie Randall
Alderwoman Angela Pichardo
Alderman Josh Ritchey

Absent being Alderman Rufino Vega; thus, constituting a quorum.

Personnel present: Dora V. Rodriguez, Interim City Administrator/City Secretary; Rob Flores, Director of Public Works/Emergency Management Coordinator; and Pete Sanchez, Field Operations Supervisor.

Others present: Anton Riecher, Devine News; and Fred Morales, of Devine, Texas.

Mayor Thompson, presiding, declared the meeting open.

The first order of business was Calling for a Public Hearing on Proposed Budget for FY 2022-2023 to be held on September 20, 2022 at 6:00 p.m.

Motion by Alderman Espinosa, seconded by Alderwoman Randall to call for a Public Hearing for the Proposed Budget for FY 2022-2023 to be held on September 20, 2022 at 6:00 p.m.

Ayes	--	Four – Aldermen Espinosa, Ritchey Alderwomen Randall, Pichardo
Nays	--	None
Absent	--	One – Alderman Vega

Motion carried.

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The second order of business was Calling for a Public Hearing on the Proposed Tax Rate for FY 2022-2023 to be held on September 20, 2022 at 6:00 p.m. as posted on the Notice of Public Hearing.

Motion by Alderman Espinosa, seconded by Alderwoman Pichardo to call for a Public Hearing for the Proposed Tax Rate for FY 2022-2023 to be held on September 20, 2022 at 6:00 p.m.

The third order of business was the Budget Workshop.

Tax Rate – Council heard from Mr. Fred Morales. He asked if Council had already set the tax rate. He said his understanding is that the tax rate will be lowered by five cents. He expressed his concerns on lowering the tax rate because of uncertainties with the cost of things and how it's going to fit in moving forward with the City's cash flow for this budget.

Council held discussion with Mr. Morales

Mayor Thompson explained that the budget they are reviewing tonight was made based on the lower tax rate of \$.4913. He said he understood Mr. Morales' concerns, and explained that the feedback he is getting is that people are just fed up with property valuations and taxes on the rise.

Mr. Morales stated that he just doesn't want to see our Council back themselves into a corner where we have to make a bigger adjustment next year than we would like to at one time. He asked if the City has a financial advisor who helps the City plan the tax rate. According to Mayor Thompson, we did in the past, but we're just going to have to deal with less this year and if we have to, we'll raise the taxes next year.

Salaries – Alderwoman Pichardo talked about needing to make some adjustments to some salaries. She suggested looking at other numbers from other cities along the I-35 corridor to see if they're comparable. She said this would be a question for Personnel to do a comparative analysis. She talked about decreasing some salaries and raising salaries for some of the lower paid laborers so we can have a comparative analysis. She said we may need to make some sacrifices in some areas, and hopefully have a competitive market place for jobs.

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Turnover – Council held discussion on why we have so many vacant positions. Mr. Fred Morales told Council that the turnover rate is huge in every industry.

Tax Rate – Mayor Thompson asked Fred Morales if he was in favor of the existing tax rate or a higher tax rate; he said the newspaper needs a quote. Mr. Morales stated that we need to be careful about backing up. He asked, “How many cities of this size are backing up?” “In our School and County, have there been adjustments to their rates?” He said he was just curious. Mayor Thompson said he couldn’t speak for the School, but said that he did read in the newspaper the other day that the County was considering backing up their rate.

Alderman Ritchey stated that he is an extremist and he either wants no new revenue or max it out so we can really make a lot of changes. He said that we can either:

- 1) Stop delivering infrastructure and basic services to folks, and go with the No-New Revenue;
- 2) Maintain the status quo, which is mediocre, and leave the tax rate where we are currently;
- 3) Or, we can jack up the tax rate, and fund more movement, modernization and infrastructure.

Mr. Morales told Council that if we leave the rate where it is, at the rate that people have been paying, it increases the revenue by a couple of \$100,000’s; maybe less. Mayor Thompson clarified that if we leave the tax rate where it was at (\$.5298), it would increase the revenue by a couple of \$100,000’s; and if we leave it at what we went with (\$.4913), it would increase the revenue by \$100,000 approximately.

According to Mr. Fred Morales, we’re looking at covering the overhead for the next 12 months. He asked how much money was left over out of last year’s budget. Mayor Thompson stated that he doesn’t have the audit figures but said he will know by the last meeting, whenever we wrap this up.

Interim City Administrator/City Secretary Dora V. Rodriguez pointed out that we need to amend the current budget first, then adopt the new budget, and adopt and set the new tax rate.

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Alderman Ritchey held discussion on a change in salaries when we get our city administrator. He said there's still room in the personnel budget. Mayor Thompson stated that we're just not spending that money yet. Mr. Morales added that in his experience, if you budget for it and you do have the revenue, he said, you do not have to spend any of the leftover money.

Lengthy discussion was held with Fred Morales on the City's revenue and having enough cash flow for the City. He cautioned Council to be careful and not to paint themselves into a corner. He told Council that the people of Devine demand a high level of service but they don't want to pay for it, and that's a struggle that he understands.

Alderwoman Randall stated that with the tax rate of \$.4913, we are still able to give our employees a 6% raise to those under a certain level, and a 4% raise to those higher than a certain level. This is the largest raise our employees have had in a long time.

After lengthy discussion, Mr. Morales added that all he wants is for the City to know that once you back up, it makes it really hard to move forward again. He advised that Council needs to put every effort they can to manage costs, and to be very cautious about maintaining cash flow.

Alderwoman Randall stated that she is very excited about the budget because the ladies did everything they were asked to do, and more. She said it could be the first year that we have a balanced budget. According to Mayor Thompson, we're projecting a surplus of \$222,392.

Office Equipment/Software – Alderman Ritchey inquired about Thompson Reuters. Interim City Administrator/City Secretary said this is the GPS that the Police Department and the Court uses. According to Alderman Ritchey, this is a really expensive software.

Land lines – Interim City Administrator/City Secretary Dora V. Rodriguez explained how the land lines work for City Hall and the Police Department. She also went over all the employees who have cell phones, and went over the “hot spots” that we use. She held discussion with Alderman Ritchey over all of this, along with the Firewall and the long distance.

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Alderman Ritchey inquired whether employees can make long distance calls from their city cell phones. Interim City Administrator/City Secretary Dora V. Rodriguez will check with City Attorney Tom Cate on the legality of doing this.

Alderman Ritchey said he wants to cut two Hotspots and turn them into a cell phone, do away with the long distance service, and keep one phone for Court.

Fax Machine – Interim City Administrator/City Secretary Dora V. Rodriguez inquired what Council wants to do about the fax machine. She explained that even though it's easier for us to scan and email, some companies do require that we fax documents instead. We have a fax machine in City Hall, Police Department and the Library. Alderman Ritchey suggested to get rid of the long distance service, and use a fax service on-line and just pay a fee. Alderwoman Randall suggested Right Fax which is the fax service her company uses, but she was unaware of the cost for this service. Alderman Ritchey said E-Fax is another company. He said it costs \$17/month for up to 150 pages of incoming and 150 pages outbound. According to Interim City Administrator/City Secretary Dora V. Rodriguez, we can look into these companies.

Discussion was held between Alderman Ritchey and Alderwoman Randall on the fax service offered by the Library as a public service. Alderman Ritchey stated that it doesn't make sense for us to offer that service. Alderwoman Randall stated she's willing to look at other options available, as Alderwoman Pichardo suggested, but said she's not willing to cut off this service for our public at the Library.

Alderman Espinosa suggested to Interim City Administrator/City Secretary Dora V. Rodriguez to get with IT James Evans to see if maybe he can help us with some more modern changes. She agreed that he might be willing to help.

AT&T – Discussion was held on AT&T. Mr. Fred Morales suggested that Alderman Ritchey list all his concerns on AT&T and turn it in to Interim City Administrator/City Secretary Dora V. Rodriguez so that she can get with an AT&T representative to analyze our services and look for solutions. Interim City Administrator/City Secretary Dora V. Rodriguez was okay with this and asked Alderman Ritchey to get her a list so that she and IT James Evans can call AT&T. Alderwoman Pichardo stated that this is a great idea to renegotiate and to try to reduce the budget.

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Kudos – Alderwoman Randall extended kudos to Interim City Administrator/City Secretary Dora V. Rodriguez and City Accountant Denise Duffy for the work they did on cutting the budget. She stated that this is the first budget that she likes since being on Council.

Salaries – Alderwoman Pichardo inquired how the salary increases were calculated. Interim City Administrator/City Secretary Dora V. Rodriguez explained that employees earning \$50,000 or less are getting a 6% raise, and those earning over \$50,000 are getting a 4% raise; she said this is what Council wanted.

Line Items – Alderwoman Pichardo recommended for Council to get line items on things like AT&T and anything they are looking at to help them make an informed decision on the budget.

Time Clock – The line item for the time clock is \$11,000. Alderman Ritchey said he'd like to see other options. Interim City Administrator/City Secretary Dora V. Rodriguez explained that the time clock at City Hall/PD and Well Yard is an actual time clock where employees swipe their time cards. For the Waste Water Treatment Plant (WWTP) and for Animal Control, the time clock is on the computer.

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

Ayes	--	Four – Aldermen Espinosa, Ritchey Alderwomen Randall, Pichardo
Nays	--	None
Absent	--	One – Alderman Vega

Motion carried.

Mayor

City Secretary