

Minutes
Special Meeting & Budget Workshop
August 29, 2023

On this 29th day of August, 2023 at 6:03 p.m., the City Council of the City of Devine convened in a Special Meeting and Budget Workshop, the same being opened to the public, at the Dr. George S. Woods Community Center, 200 E. Hondo Avenue, Devine, Texas 78016. 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 Butch Cook
Alderwoman Debbie Randall
Alderman Rufino Vega
Alderman Josh Ritchey
Alderman Michael Hernandez
Alderwoman Stacy Pyron

Thus, constituting a quorum.

Personnel present: Dora V. Rodriguez, Interim City Administrator/City Secretary; Tom Cate, City Attorney; and Alma Rios-Flores, Municipal Court Clerk.

Others present: Nancy Saathoff and Harold Lance of Devine, Texas.

Mayor Cook presiding, declared the meeting open.

The first order of business was to discuss and consider Land Purchase from Devine ISD.

Mayor Cook spoke with the Devine ISD School Board and negotiated for the one acre of land that the City requires to be able to order and place a new water storage tank. The acre is located next to the Water Tower near the football field.

Tom Cate, City Attorney, advised that the City would need to have a survey completed at the City's expense, and will need to enter into an earnest money contract with Devine ISD. This contract can be ready by this coming Thursday, August 31, 2023. Mr. Cate also highly recommended that the City do a title policy which will cost approximately \$500. Purchase price of the land is \$23,500. Included in the agreement is to continue the city policy to charge no permit fees for school construction projects.

Motion made by Alderman Ritchey, seconded by Alderman Hernandez to authorize the Mayor in conjunction with the City Attorney and Interim City Administrator to enter into the earnest money contract with Devine ISD for the 1 acre of land purchase.

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Ayes	--	All
Nays	--	None

Motion carried.

The second order of business was to discuss and consider a PROPOSED Tax Rate to give to the Tax Assessor-Collector, Melissa Lutz.

Mayor Cook had Interim City Administrator/City Secretary Dora V. Rodriguez run budget numbers with a tax rate of \$.005553 and \$.00580. The higher rate would give almost \$60,000 more for the city budget. The current tax rate for this year is \$.004913. Mayor Cook wanted to let Council know that the proposed tax rate tonight is just that – proposed. However, upon setting the tax rate on a later date, the council cannot make the tax rate higher than proposed tonight.

The employee salaries in this budget indicate all employees making under \$40,000 to receive up to a 6% increase. Everyone who makes over \$40,000 will receive a 2% increase. And, the minimum wage is set at \$17 per hour.

Mayor Cook wanted to remind everyone that the tax freeze that Council voted for (65 year & older) has affected the revenue to the City. City Attorney Tom Cate advised Council that now that it was voted into action by Council, it cannot be reversed per state statutes.

Alderman Randall made the observation that the voter approval limit for this year is \$.005589. If \$.00580 is voted on by Council, it can be petitioned by the registered voters for a rollback election. Mayor Cook agreed.

Alderman Ritchey wanted to re-allocate funds in the budget to reflect more for the golf course, and noted that there is nothing for the airport for certain things. He stated that he cannot set a tax rate until he has correct numbers on the budget. Alderman Randall referred to the surplus generated by the tax rate of \$.00580. She questioned Alderman Ritchey if this was not enough for him.

Alderman Randall noticed the Capital Outlay was less than the last draft of the budget. It went from \$130,000 to \$78,000. She wondered if that meant the Police Department removed both vehicles from the budget. Interim City Administrator/City Secretary Dora V. Rodriguez explained that Director of Public Works Pete Sanchez had found a different manufactured building that cost less. (Only \$120,000 versus the other at \$175,000). Therefore, the capital outlay was reduced to \$78,000 for the General Fund. So, the Police Department still has one Tahoe in the budget.

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Alderman Ritchey asked if the Police Department is still requesting at least armor carriers. Dora stated that the Police Department is still working on their numbers and it will be reflected in the next draft.

Alderwoman Pyron inquired on the date that we officially adopt the tax rate. According to Interim City Administrator/City Secretary Dora V. Rodriguez, that will be on September 26, 2023.

Alderman Ritchey asked that if we are proposing a higher tax rate with the ability to lower the tax rate when we adopt it on that date. Interim City Administrator/City Secretary Dora V. Rodriguez confirmed that was correct.

Mayor Cook stated that for this current year that tax rate of .004913 was higher than the voter approval rate, yet no one petitioned for a rollback election. Alderwoman Randall added that no one probably petitioned the rollback because the Council approved a lower tax rate than what the current rate was at that time (\$.005298).

Alderman Ritchey brought up that next year with the new laws on homestead by the state, it is possible we will have less revenue than this year. He wondered how we would be able to handle that with our budget. Mayor Cook and Alderwoman Randall both stated that the no new revenue, voter approval & De Minimis tax rates change every year. So next year all the tax rates will change from this year.

Alderman Hernandez added to the discussion that at this time, he thinks \$.00580 would be proposed; then we have the public hearing and will listen to the residents, and if we have to go back to the voter approval \$.005589, we can.

Interim City Administrator/City Secretary Dora V. Rodriguez advised Council of the following tax rate for the following years:

2008-2009 the tax rate was \$.00590,
2010-2014 the tax rate was \$.00590,
2015-2017 the tax rate was \$.005110,
2018-2019 the tax rate was \$.005013,
2019-2020 the tax rate was \$.005298,
2020-2021 the tax rate was \$.005298,
2021-2022 the tax rate was \$.005298,
Current year is \$.004913.

The highest tax rate Devine has had was \$.00750 back in 1983 and 1984. For tax year 2003, the tax rate was \$.007204.

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Alderwoman Pyron added that she agreed with Alderman Hernandez about this year's proposed tax rate.

Motion made by Alderman Hernandez, seconded by Alderwoman Pyron to set proposed tax rate at \$.00580 for 2023-2024 fiscal year.

Ayes	--	Four – Aldermen Vega, Hernandez, Ritchey and Alderwoman Pyron
Nays	--	One – Alderwoman Randall

Motion carried.

The third order of business was to discuss and consider calling for a Public Hearing on the Proposed Budget for FY 2023-2024 to be held on September 12, 2023 at 6:00p.m.

Alderwoman Randall asked if we could move the date to September 19, 2023; however, Interim City Administrator/City Secretary Dora V. Rodriguez informed Council that it will not work with our budget calendar, and advised that we must keep this date per state statutes.

Motion made by Alderwoman Randall, seconded by Alderman Vega to set the Public Hearing for September 12, 2023 for the proposed budget.

Ayes	--	All
Nays	--	None

Motion carried.

The fourth order of business was to discuss and consider calling or not calling, for a Public Hearing on Proposed Tax Rate for FY 2023-2024 to be held on September 12, 2023 at 6:00p.m.

Motion made by Alderwoman Randall, seconded by Alderman Hernandez to set the Public Hearing for September 12, 2023 for the proposed tax rate.

Ayes	--	All
Nays	--	None

Motion carried.

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Mayor Cook asked Council for a motion to change Informational Items to be heard prior to the Budget Workshop agenda item.

Motion made by Alderman Ritchey, seconded by Alderman Vega to move Informational Items before the Budget Workshop agenda item.

Ayes	--	All
Nays	--	None

Motion carried.

The fifth order of business was Informational Items.

- Alderman Hernandez wanted to remind everyone that the Knights of Columbus Golf Tournament would be on September 16, 2023.
- Alderman Hernandez reminded everyone of the 1st Annual “Angels in the Fairway” Tournament on September 23, 2023 that will support the Samantha Buvinghausen, Dillon Burleson & Jacob Sanchez - BBS Class of '06 Memorial Scholarship Fund.
- Alderman Ritchey wanted to know if the ceiling outside by the front doors of the Community Center needed repair. Pete Sanchez advised it is structurally okay.
- Alderman Ritchey wanted to address the street racing that is happening in neighborhoods. Mayor Cook advised this is for informational items only. Alderman Ritchey felt this is a safety issue and doesn't know how to curtail this from happening. Interim City Administrator/City Secretary Dora V. Rodriguez guarantees there are no officers inside the Police Department right now due to the heat in the building; all officers are out on the streets. Alderman Hernandez added that the officers can't be everywhere all the time.
- Mayor Cook asked Interim City Administrator/City Secretary Dora V. Rodriguez to relay what had happened yesterday concerning a bailout. She informed Council that a border patrol officer was following a car which realized it was being followed and went into a residential area. The car went onto Wedgewood Way and stopped in a resident's driveway. The driver bailed and ran. The others in the vehicle were detained by the border patrol. Later in the day, the driver was located and detained near the park.

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Alderwoman Randall added that the Divine Lutheran Church Pastor was aware of the bailout and noticed a person sitting on the church steps. The male person left the church property on foot heading towards the golf course. The Pastor called the police to advise. And then the male person reversed direction heading towards Williamsburg. The Pastor called the Police to give updated information, and law enforcement then caught the person there near Williamsburg.

At 6:51 p.m., Mayor Cook announced Council would be taking a short break.

At 7:05 p.m., Council reconvened.

The sixth order of business was the Budget Workshop.

- Interim City Administrator/City Secretary Dora V. Rodriguez handed out the information on the Public Works building to purchase under the new budget.
- Mayor Cook wondered if this could all be listed in the budget for I & S.
- Alderman Ritchey stated he supported the higher tax rate if we could get after some of the city debt.
- Alderman Ritchey also said that he noticed this new building does not have a shower, and wondered how much it would be to get one placed in the new building. Director of Public Works Pete Sanchez advised they have a shower in the other outside building, and that hasn't been used for a while. Square footage of the new building is 1500 and the existing building is 1200. Public Works will dispose of the current building themselves.
- Council went over the Water/Sewer portion of the budget which will be in a major deficit with the current water/sewer rates. Interim City Administrator/City Secretary Dora V. Rodriguez wanted Council to discuss what can be done.
- Current water base rates are by meter size: 3/4" & 5/8" = \$38.14, 1" = \$48.01, 2" = \$102.30, 3" = 270.09, 4" = 319.44, 6" = 640.21, 8" = \$911.64. After much discussion, the Council agreed to leave the 3/4" & 5/8" base rate at the current rate and raise all other meter base rates by 5%.
- Current water usage rates have 3 levels: 0 – 130,000 gallons = \$5.06 per 1,000 gallons; 130,001 – 180,000 = \$5.31 per 1,000 gallons; and 180,001 and up = \$5.47 per 1,000 gallons. After much discussion, the Council agreed to raise the 0-130,000 rate by 5%; 130,001-180,000 rate by 7%; and to increase the 180,001 and up rate by 8%.

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- Current sewer base rate is \$23.57 up to 1,000 gallons with \$3.25 addition for every 1,000 gallons. Council decided, after discussion, to raise the sewer rate by 7% across the board.
- Interim City Administrator/City Secretary Dora V. Rodriguez also requested Council to discuss and consider the Water Reconnection fee. It is currently \$30 to have water reconnected after being cut off for non-payment. The fee hasn't been raised in many years. It was decided to raise the reconnect fee to \$50. It was decided to leave the \$10 trip fee as is to have Public Works come to shut off water or turn water back on.
- Council did discuss the possibility of having a "service" by Public Works to put in gate valves for residents to turn off their own water. This program needs more discussion at a later date.
- Alderman Ritchey wanted to see if the City could give incentives to residents to go to zero scape for their yards. Mayor Cook stated it would reflect in their water bill.
- Mayor Cook wanted to discuss budget for payroll – that over all the minimum wage is now \$17.00 per hour. Alderman Ritchey asked about the part-time person for the Library. Interim City Administrator/City Secretary Dora V. Rodriguez advised that after speaking with Head Librarian Debra DuBose, the part-time person rate would be raised \$1.00 per hour. The current draft of the budget reflects the salary raises.
- For the Airport budget, there is \$30,000 listed for maintenance which does not include any funds for repairing the three (3) hangars that cannot be leased at this time. Director of Public Works Pete Sanchez advised he has not obtained proposals for that yet. Council asked for those proposals to be included by the next draft of the budget. More discussion was had about covering the Certificate of Obligation for the hangar purchase. If all the hangars are leased, the Certificate of Obligation is covered. However; those three (3) hangars need repair before they can be leased.
- Council requested the measurements of all the hangars/bays to review the lease amounts for next year.
- Mayor Cook asked if we will go out for bid for the mowing next year. That would need to be done in April, as the contract for mowing begins in June.
- Alderman Ritchey wants to allocate \$40,000 to the golf course for the pumps in case they need replacing over the next year. He also wants to budget for a new AC if replacement is needed. If pumps/AC do not need replacing, then we would have the funds still there.

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Mayor Cook advised that he didn't want to have a meeting September 5, 2023. He said we would still have two more Budget Workshops in September. So, no council meeting for September 5, 2023.

Mayor Cook wanted to make sure everyone knows that the City Hall Office hours are changing until the Air Conditioning is replaced. The new hours will be 7:00 am – 2:00 pm (possibly 1:00 pm).

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

Ayes	--	All
Nays	--	None

Motion carried.

Mayor

City Secretary