



MINUTES OF THE CITY COUNCIL WORKSHOP MEETING

A WORKSHOP MEETING OF THE CITY COUNCIL OF THE CITY OF DEER PARK, TEXAS HELD AT CITY HALL, 710 EAST SAN AUGUSTINE STREET, DEER PARK, TEXAS ON JUNE 24, 2024 BEGINNING AT 6:00 P.M., WITH THE FOLLOWING MEMBERS PRESENT:

JERRY MOUTON, JR
SHERRY GARRISON
TOMMY GINN
BILL PATTERSON
RON MARTIN
GEORGETTE FORD

MAYOR
COUNCILWOMAN
COUNCILWOMAN
COUNCILMAN
COUNCILMAN
COUNCILWOMAN

OTHER CITY OFFICIALS PRESENT:

JAMES STOKES
SARA ROBINSON
JIM FOX
ANGELA SMITH

CITY MANAGER
ASSISTANT CITY MANAGER
CITY ATTORNEY
CITY SECRETARY

CALL TO ORDER – Mayor Mouton called the workshop to order at 6:00 p.m.

COMMENTS FROM AUDIENCE – No comments received.

1. DISCUSSION OF THE PROPOSED BUDGET FOR THE CITY OF DEER PARK FOR FY 2024-2025 THAT INCLUDES ALL FUNDS, ALL REVENUES, ALL EXPENDITURES AND ALL DISTRICTS – City Manager James Stokes began the discussion pointing out the newly created budget books for Council and had Assistant City Manager Sara Robinson detail what Council historically received and the idea behind the new budget books being presented. Ms. Robinson explained, after some feedback, it was decided to develop an entire new budget workbook process to present to Council that ended up as a condensed 47 page document. The intent is not to present less information but to provide a better value of transparency. Mr. Stokes expressed his gratitude for the hard work done by Finance Director Nicole Ganey and Finance Purchasing Coordinator Tracy Peterson.

Mr. Stokes began the presentation to Council by stating that the budget process, that included meetings with each department, began on April 1, 2024. The budget process is similar to prior budgets in the past with base budget, PSLO, capital outlay requests and personnel requests. The revenue estimates being very conservative along with the property tax at .72 cents as proposed. The industrial district in-lieu payments are at .65 % with the potential increase of \$3,086,756 compared to the FY 2023-2024 budget. The sales tax revenue collection has gone down double digits, with no new debt expected in the Debt

Service Fund. The water and sewer rates are budgeted to increase 5% to cover costs associated with operating and maintaining our water and wastewater systems, the Storm Water Fund has no change from last year at \$1.95 per ERU, however, capital costs and raw water costs are up. The Capital Improvement Fund has a \$16.5M transfer that is for the new Jimmy Burke Activity Center since it is costing more than what was first planned 5 years ago. The Capital Equipment Replacement Fund's current year transfer is \$862,000, the Hotel Occupancy Tax (HOT) is projected to be flat and will require some use of the Fund Balance. The Golf Course Fund will require a \$597,000 transfer from the General Fund to fund anticipated expenditures. There is no projected change with the Chapter 380 fund. The CPI within this budget year is a 3.0% cost of living adjustment in addition to the 3% merit raise, and the ability to sell back 5% of sick leave which is still in effect. There were several reclassification requests but not all were approved. TMRS contribution rate decreased due to paying extra for long-term costs and we are stopping the prepayment amount. The longevity pay is still at \$5 a month and the TML-Health Benefit Services insurance may potentially be increased by 2% for FY 2024-25.

Assistant City Manager Sara Robinson spoke of the entire broad overview of the budget the Department Directors and their staff members worked diligently to develop for their proposed FY 2024-2025 departmental budgets. Staff was asked to present specific items to Council that have been tentatively approved and are recommended for Council approval for an estimated 20 million in expenditures for the final budget.

Finance Director Nicole Ganey spoke of the 2023-2024 General Fund, where \$58M is projected to be received, which is mainly attributed to the Industrial Districts and the investment revenue. Ms. Ganey gave details of the preliminary taxable values of \$4,595,595,197, an increase of 2.69% from last year. The total projected property tax revenue is made up of \$20,948,927 for maintenance and operation and \$8,169,147 for debt services, totaling \$29,118,398. Council was reminded that these numbers are preliminary and another certified estimate will be received July 25th that will be used to calculate the tax rate. The sales tax performance is similar to last fiscal year with an estimated collection of \$8.7M by September 30, 2024. Staff is conservatively estimating a 6% decrease in value of real property and a 25% decrease in value on inventories, budgeting \$14M and projected to actually receive \$16M. The investment revenue has outperformed and has remained at 5.25-5.50% due to the Federal Reserve Target Rate staying high. There is a prediction of one rate cut by September 2024, dropping to 5-5.25%. There are predictions of four rate cuts by 2025 decreasing the rate close to 4-4.25%. These are all predictions that are dependent on inflation and places a budget estimate in the General Fund of \$2.9M for the remainder of the FY 2024 and 2.3M for FY 2025. Ms. Ganey also spoke about the Cost of Living Adjustment (COLA) that is based on the regional Consumer Price Index (CPI) for Houston that came in as 2.9%. City staff included a 3.0% COLA in the budget for a total cost of \$790,948.00. Several projects, Fire Station #, Fire Station #2 and the Jimmy Burke Activity Center are funded by the general obligation debt that were voted on 2021. Since that time, construction costs have increased significantly which have caused project overages. The plan is to move \$16.5M from the Reserve Fund Balance in the General Fund to the Capital Improvements Fund to cover the overages and see the projects to completion. If no other modifications are made, the estimated ending Reserve Fund Balance is \$46.4M, projecting approximately 304 days of reserves for FY 2024-25.

Information Technology Director James Lewis discussed the three major projects of IT services. The Phase IV Genetec Project included in the Strategic Technology Master Plan, provides door access and security cameras for the Library, Luella building, Maxwell Center building, Transfer Station and the EMS building estimating a cost of \$181,448.00. The Wan Ring Refresh provides a connection link between most city buildings, estimating a cost of \$422,170.00 and the City Hall Interactive Display Replacements that provides audio/video equipment for all City Hall conference rooms estimating a cost of \$143,010.00.

City Secretary Angela Smith discussed the current election equipment needing to be replaced due to recent legislation being passed requiring entities to have an “auditable voting system” by the year 2026. This new type of system provides a paper trail of each vote. The election equipment with the required capabilities needed is an estimated cost of \$87,667.00 which includes the Verity Duo voting system, 2 poll pad software and stands, 2 KnowiNK Apple iPads and a license and support poll pad provided by our current vendor Hart Intercivic.

Director of Emergency Services Jamie Galloway discussed replacing the Emergency Preparedness Guides with the option of converting to an app for an estimated cost of \$5400 a year for a three (3) year contract allowing access for 25,000 users or reprinting the guides as it was done before. Those guides were funded by a Hazard Mitigation Grant and LEPC in 2018 but as of current, the grant guidelines have changed and the guides are not a priority for funding. The estimated budget expense requested for the printed guides is \$25,000.

Fire Chief Don Davis spoke of purchasing Fire (sniper) hose designed and engineered for nozzle applications providing a range of 145-175 gallons of water per minute at a lower pressure. Chief Davis emphasized that replacing the existing fire hose would provide a consistent level of kink resistance and water flow while ensuring a constant pressure that allows for optimal control of the hose by the firefighter for precise application to the targeted area. The estimated cost for the fire sniper hose replacement is \$60,000. Fire Chief Davis also spoke of the use of Motorola APX 7000 radios designed specifically for Fire service where 65 of those radios were upgraded to the APX8000 leaving 15 radios remaining to be replaced. A request of \$160,000 is being requested to upgrade to remaining radios.

Public Works Director David Van Riper discussed the Public Works Administration request of funds for CityWorks Asset Management System for an estimated amount of \$75,000. This system has the capability to link work orders with the GIS system and track cost of doing repairs, track parts and inventory, track predictive maintenance to verify equipment warranty and create historical data to justify equipment replacement. This software is also capable producing reports to TCEQ.

The Public Works Water & Wastewater Maintenance Division is requesting a Vactor Truck replacement estimated at \$575,000, a Sanitary Sewer Pipe Bursting fund request of \$250,000 and a Waterline Improvement Project fund request of \$250,000.

The Public Works Wastewater Treatment Plant Division is requesting funds for the rehabilitation of the Clarifier Number One (1) for an estimated amount of \$200,000, funds to refurbish Belt Press Filter Press for an estimated amount of \$420,000 and new Filtration System to ensure a last line of defense for any plant upsets that could release amounts of

solids to the environment for an estimated amount of \$1,000,000. Currently the Surface Water Treatment Plant, Wastewater Treatment Plant and Lift Station Operators mow and weed-eat all of their own facilities. Mowing and landscaping must be done to ensure confidence in the ability to produce safe drinking water. Funds for a mowing/landscaping work contract in the amount of \$120,000 is being requested.

The Traffic Department request \$75,000 to replace four (4) intersection crosswalks and a fund request of \$150,000 for the improvement of the traffic signage at major intersections to enhance the appearance of the city overall.

The Engineering Department is requesting funding in the amount of \$75,000 to hire a consultant to perform a full evaluation of City owned ditches, provide a recommendation, and cost for the proposed work. Funds in the amount of \$463,932 are being requested to hire a company that can clean, regrade and dress the slopes of the drainage easement down from the Jimmy Burke Activity Center and the new Fire Station No. 1.

Parks and Recreation Director Kenny Walsh discussed the funds requested within the Parks and Recreation Department.

The Drama Department is asking for the amount of \$75,000 to hire a consultant to design the old Fire Station 1 into a theater annex facility for additional programming for youths and adults. It would add programming space to utilize for meetings, dance classes, box office, concessions, and facility rentals.

The Golf Course is in need of repairs to the existing bulkhead on hole 5, as portions are falling into the pond. The requested funds are for 185 feet of bulkhead replacement and 75 feet of new bulkhead between the areas around hole 9 and hole 1. The estimated cost for the repairs are \$125,000. The Battleground facility at the Golf Course is in need of replacing a dividing wall in the banquet room and an installation of a glass store front wall for the pro shop. The estimated cost for both requests are \$25,000 each.

Requested funds to install 3 pickleball courts at San Jacinto Park estimated at \$500,000, Dow Park Piping Rehabilitation Project to repair a collapsed drainage line in Dow Park and repair the parking lot on E. P Street in the amount of \$1.5M, laser grading of Varnell and Bowyer Fields for a safer playing surface in the amount of \$214,000 and the replacement of fencing in sections of the Varnell and Bowyer fields estimated at \$101,000.

Assistant City Manager Sara Robinson thanked staff for their hard work on their budget items and presentations to Council.

Councilwoman Ford and Councilwoman Garrison both gave positive feedback of the new budget items presentations.

ADJOURN – Mayor Mouton adjourned the workshop meeting at 7:06 p.m.

ATTEST:

APPROVED:

Angela Smith, TRMC, CMC
City Secretary

Jerry Mouton Jr.
Mayor