



Meeting Minutes  
City Council

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Monday, July 20, 2020

6:00 PM

Johnnie Arolfo Civic Center  
400 West Walker Street

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**Council Budget & CIP Workshop**

The City Council of the City of League City, Texas, met in a budget workshop in the Johnnie Arolfo Civic Center at 400 West Walker Street on the above date at 6:00 p.m.

**Mayor:**

**Pat Hallisey**

**City Council Members:**

**Andy Mann  
Hank Dugie  
Larry Millican  
Todd Kinsey  
Greg Gripon  
Chad Tressler  
Nick Long**

**City Manager:**

**John Baumgartner**

**Assistant City Manager**

**Bo Bass**

**Assistant City Manager**

**Michael Kramm**

**City Attorney:**

**Nghiem Doan**

**City Secretary:**

**Diana M. Stapp**

**Chief of Police:**

**Gary Ratliff**

**Executive Director of Development Services**

**David Hoover**

**Director of Budget/Project Management**

**Angie Steelman**

**Director of Engineering:**

**Christopher Sims**

**Director of Finance:**

**Kristine Polian**

**Director of Human Resources/Civil Service:**

**Janet Shirley**

**Director of Parks & Cultural Services:**

**Chien Wei**

**Director of Public Works:**

**Jody Hooks**

**1. CALL TO ORDER AND ROLL CALL OF MEMBERS**

Mayor Hallisey called the meeting to order at 6:00 p.m. and called the roll. All members of Council were present except Mr. Dugie and Mr. Kinsey.

Absent 2- Mr. Hank Dugie and Mr. Todd Kinsey

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Present 6 - Mayor Pat Hallisey, Mr. Andy Mann, Mr. Larry Millican, Mr. Greg Gripon, Mr. Chad Tressler and Mr. Nick Long

2. **PUBLIC HEARING AND ACTION ITEMS FROM PUBLIC HEARING**

- 2A. 20-0277 Hold the second public hearing regarding the proposed City-initiated annexation of approximately 1270 feet of unpaved Pin Oak Drive Right of Way from Geisler Gully to the end of Pin Oak Drive Right of Way in League City, Galveston County, Texas (Executive Director of Development Services)

Mayor Hallisey opened the public hearing at 6:01 p.m.

NAME	ADDRESS
Ken Beach	1231 Pin Oak Drive

Mayor Hallisey closed the public hearing at 6:09 p.m.

3. **DISCUSSION REGARDING THE CITY OF LEAGUE CITY PROPOSED FY2021 BUDGET AND FY2021-2025 CAPITAL IMPROVEMENT PLAN**

John Baumgartner, City Manager gave opening remarks.

I'll go ahead and get started. I'd like to thank the Mayor and Council for making time. The budget is always an interesting time, there's a lot of information to convey. We started the budget process, kind of the fundamental request to maintain the tax rate at what we used to call the effective rate, or the no new taxes rate. This budget was constructed with that in mind. As we do that, there's always a list of things that we can't fund, so there's kind of a waiting list in the front of the budget book. There are several items, probably totaling somewhere around \$3 million on the list that just doesn't seem like we can get there with the current tax rate, and so I didn't even present that. It's been reviewed a couple of different times and try to put all the information together for council to review. I think we were successful at budgeting at what we believe what is the no new taxes rate. I'll let Angie Steelman step through an introduction of where we're going and how we got here. I appreciate all the time that Council, it's kind of an arduous three-or-four-week process, where we have meetings after meetings. I know we've got another budget set, another meeting tomorrow night. The process is pretty similar to what we've done in the past with the exception of we're going to try to do CIP. Tonight's one of those grueling nights because water and wastewater is a pretty big department and then their CIP is pretty robust.

**Angie Steelman, Director of Budget and Project Management presented an overview of FY2021 Proposed Budget:**

**Budget is prepared in keeping with the Strategic Plan**

**Develop and Maintain our infrastructure**

**Financially Sustainable**

**Safe and Desirable Community**

**Quality Community Amenities**

**Trained, Committed, and Valued Workforce**

**Engaged Residents**

**Economic Development and Tourism**

**Quality-Built Environment**

**Property Tax - Our growing community continues to benefit from property value increases that provide funds for investment in infrastructure and City Services. The FY2021 proposed budget is based upon 2020 taxable values estimated at \$9.10 billion, an increase of 4.4% over last year values.**

**FY2021 Estimated No-New Revenue Tax Rate - \$.0535/\$100 valuation**

**Sales Tax FY2006-2025 (slide)**

**Sales Tax:**

- **Sales Tax revenue is averaging 8 percent over a five-year period of FY2013 to FY2017**
- **Sales Tax collection (prior to COVID19) were \$508,980 over budget for the months of October 2019-February 2020**

**FY2020 Sales Tax**

- **Sales tax collections for March 2020 were \$177,000 less than the monthly budget due to COVID 19**
- **Sales in the month of April (first full month of business disruption) rebounded and were \$11,000 over the monthly budget**
- **At the completion of the FY2021 budget, FY2020 revenue is estimated at \$20.18 million; \$287,235 under FY2020 adopted budget and 3 percent over FY2019 actuals**
- **In July, sales tax receipts for May sales were \$195,386 over the monthly budget**
- **With May sales tax receipts, the budget office is confident in updating the FY2020 year-end estimate for General Fund sales tax to \$20,670,943 which is \$201,425 over the \$20,469,518 budget.**
- **This updated projection from \$287,235 under budget to \$201,425 is an increase in FY2020 revenue of \$488,600 (slide)**

**FY2021 Sales Tax**

- **FY2021 Sales Tax is budgeted at \$20.98 million or 2.5% more than the FY2020 budget of \$20.47 million due to anticipated growth.**

**FY2021 Utility Revenue**

- **As the city council adopted rate adjustments effective April 1, 2020, the FY2020 year-end projected system revenue is \$4.01 million more than the FY2019 actual and \$1.17 million more than the Fy2020 amended budget.**
- **FY2021 proposed budget is increased based on the growth percentages projected in the Long-Range Financial Forecast and the utility rate increase as identified in the 2019 Water Rate Study.**
- **The FY2021 proposed budget is \$1.21 million more than the FY2020 year-end estimate**

**FY2021 Proposed Budget Expenses includes:**

- **Compensation increases:  
2.5% merit based on performance beginning January 1, 2021  
1.5% Civil Service cost of living increase beginning January 1, 2021  
Funding for STEP increases per the pay plan, including an increase to top grades in the Police Officer STEP Chart**
- **Continuation of the Reinvestment Program**
- **Anticipated employee health insurance cost increases at 8 percent**
- **Sick leave buy back**
- **Anticipated increases in property insurance, windstorm insurance and Solid Waste due to growth in number of households serviced and electricity cost due to additional streetlights**
- **Additional funds for IT replacements in the Technology Fund**
- **Funding for building and ground maintenance for the temporary modular building for DSWWTP**
- **Funding to support the preventative maintenance activities identified in the ongoing pavement assessment of City roadway conditions**
- **Funding for maintenance/repairs to various lift stations and annual maintenance service to turblex and 2.0 belt press**
- **Funding for Website ADA accessibility conversion**
- **Funds for medical supplies, body armor system & helmet protection for EMS CART members**
- **Additional funding for EMS training to maintain certifications**
- **Includes additional 6.50 FTEs:  
Civil Engineer / EIT to be hired in January 2021 (1 FTE)  
Construction Inspector III to be hired in March 2021 (1 FTE)  
Assistant Director (1 FTE) in Project Management to be hired January 2021**

**Project Manager (1 FTE) in Project Management**

**Financial Analyst (1 FTE) in Budget Office to be hired in March 2021**

**Meter Technician (1 FTE) in Utility Billing**

**Part-Time Accounts Receivable Specialists (0.50 FTE) in Utility Billing**

- **FY2021 Proposed Budget also includes moving a Deputy Court Clerk (1 FTE) from General Fund Municipal Courts to Utility Fund as a Utility Billing Representative (1 FTE) due to changes in workload for each department**

- **Reclassifications include:**

**Communications Coordinator to Communications and Media Relations Manager**

**Deputy Fire Marshal IV to an Assistant Fire Marshal**

**Police Officer to Assistant Police Chief**

**Recreation Specialist / Recreation Track Administrator to Recreation Supervisor**

**Utility Maintenance Technician to a Utility Maintenance Crew Leader**

- **Two additional pieces of equipment for Parks Operations: (split 50% from General Fund and 50% from 4B)**

**Ventrac compact tractor, KN 4500Y Kubota D902 plus attachments**

**Kubota, RTV-Z1140W-H 4 seat RTV with dump bed**

- **Two new vehicles associated with new positions:**

**Ford F150 Supercab 4x4 (Construction Inspector)**

**Ford Ranger (Meter Technician)**

#### **Departmental Budgets – CIP:**

**Fleet – FY2021 proposed budget \$1,645,295**

**Water – FY2021 proposed budget \$7,437,120**

#### **Water Capital Replacement**

**2009 Ford F150 Extended Cab 4x4 (unit 670) replace with 2021 Ford F150 Extended Cab 4x4**

**105,779 miles; score of 31**

**2010 Ford F150 Extended Cab 4x4 (unit 696) replace with 2021 Ford F150 Extended Cab 4x4**

**108,076 miles; score 30**

#### **Water Capital Improvement Program**

- **New Water WL's to West Side Service Area- Segments 2,3, & 5**
- **16" WL SSH Booster Station to FM2094**
- **36" WL SH3 to SSH Booster Station 16" WL to 2094**

- North Service Area 12" Waterline along Grissom
- Dickinson Ave GST & Generator
- Annual Water System Improvements
- SEWPP Treatment Improvements
- Waterline Upgrades & Replacement (Renewal)
- 16" Water line to West Side GST & BPS
- Transmission Waterline Assessment & Rehab
- 54" Water Line Replace 42" Line on SH3 (Distribution/Supply)
- New Water Well and GST - LC Parkway West
- New West Side Booster Pump Station, GST, and Well
- New Water Lines to West Side Service Area
- Water Master Plan 5-year Update & CRF Study
- SH3 BPS Chemical Feed Building & Storage
- 20 MGD Expansion of SEWPP

**Wastewater – FY2021 proposed budget \$4,477,441**

**Wastewater Capital Replacement**

- 2007 Ford F550 Crane Truck (unit 640) replace with 2021 Ford F550 Crane Truck  
85,842 miles; score of 31

**Wastewater Capital Improvement Program**

- New 48/54/60-inch Southwest Area Trunk to SWWRF
- Sanitary Sewer Annual Rehab
- Annual Lift Station Improvements
- Annual Odor Control Improvements
- DSWWTP SCADA Upgrade
- 15" Willow Branch and 18" FM-518 Gravity Line Replacement
- Re-Route 18-inch Bay Colony 14-15 FM to SWWRF
- Dallas Salmon WWTP Admin, Lab & Ops Building
- Dallas Salmon WWTP Improvements
- Harbour Park 1 LS Expansion to 3.0 MGD & 12/21 GL Replacement
- Bay Area Blvd 12" Sewer Improvements/ FM/ LS
- 2.0 MGD Expansion of SWWRF (to 6.0 MGD)
- Wastewater Master Plan 5-year Update & CRF Update
- DSWWTP UV System Replacement

**Line Repair – FY2021 proposed budget \$3,302,006**

**Line Repair Capital Replacement**

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**2010 Ford F250 Extended Cab 4x2 (unit 604) replace with 2021 Ford F150 Extended Cab 4x4**

**110,499 miles; score of 28**

**Existing vehicle will be kept and used for pool vehicle**

**Budget Review by Council – Council Budget & CIP Workshops:**

**Tuesday, July 21 - Monday, July 27 - Tuesday, August 4 - Monday, August 10 - Monday, August 17**

**Tuesday, August 18**

**Budget Adoption**

**Tuesday, August 11 Public Hearing on FY2021 Budget**

**Tuesday, August 25 Public Hearing on Fy2021 Budget**

**Tuesday, September 8 Second & Final Reading of FY2021 Budget Ordinance**

**Saturday, September 19 Deadline to Adopt FY2021 Budget**

**Tax Rate Adoption**

- **Monday, July 27 – will have certified tax rolls for NNR & VAR tax rate calculations**
- **July 28 or August 11 – Propose Tax Rate (based on when NNR & VAR rates are received from Tax Assessor/Collector)**
- **August 18 – Deadline to adopt rate if exceeds VAR & call for election (must adopt budget at same meeting in prior item)**
- **Sunday, August 30 – Publish notice of Tax Rate Adoption (if at or under NNR rate) OR publish Tax Rate Public Hearing notice (if above NNR rate)**
- **Tuesday, September 8**
  - Ratify the Property Tax Increase**
  - Public Hearing on Tax Rate (only required if tax rate is above NNR rate)**
  - Adopt tax rate**
- **Tuesday, September 29 – Deadline to Adopt Tax Rate**

**4. PUBLIC COMMENTS**

**5. ADJOURNMENT**

**At 7:50 p.m. Mayor Hallisey said, there being no further business this meeting is adjourned.**

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**PAT HALLISEY  
MAYOR**

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**DIANA M. STAPP  
CITY SECRETARY**

**(SEAL)**

**MINUTES APPROVED:**