



City of League City, TX

300 West Walker
League City TX 77573

Meeting Minutes City Council

Monday, August 8, 2022

6:00 PM

Johnnie Arolfo Civic Center
400 West Walker Street

Council Budget & CIP Workshop

The City Council of the City of League City, Texas, met in a 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
John Bowen
Justin Hicks
Chad Tressler
Nick Long**

City Manager:

John Baumgartner

Assistant City Manager

Bo Bass

City Attorney:

Nghiem Doan

City Secretary:

Diana M. Stapp

Chief of Police:

Gary Ratliff

Executive Director of Development Services

David Hoover

Executive Director of Finance/Project Management

Angie Steelman

Executive Director of Capital Projects

Ron Bavarian

Director of Engineering:

Christopher Sims

Director of Finance:

Kimberly Corell

Director of Human Resources/Civil Service:

James Brumm

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. Mr. Long arrived at 6:16 pm.

Present 8 - Mayor Pat Hallisey, Mr. Andy Mann, Mr. Hank Dugie, Mr. Larry Millican, Mr. John Bowen, Mr. Justin Hicks, Mr. Chad Tressler and Mr. Nick Long

2. **DISCUSSION REGARDING THE CITY OF LEAGUE CITY PROPOSED FY2023 BUDGET AND FY2023 2027 CAPITAL IMPROVEMENT PLAN**

Angie Steelman, Executive Director of Finance & Budget gave the presentation.

COVID ARPA Funds – the purpose of the grant is to support the immediate pandemic response, bring back jobs, and lay the groundwork for a strong and equitable recovery. Council approved the acceptance of the American Rescue Plan Act (ARPA) grant funds on July 13, 2021. The City has received \$10.4 million. Council authorized a formal spending plan which was submitted to the U.S. Treasury of how the American Rescue Plan Act grant dollars will be invested on October 26, 2021. All funds must be obligated (allocated to a certain project by December 31, 2024 and all funds must be expended (paid Out) by December 31, 2026. The formal spending plan can be modified by Council.

Current ARPA Spending Plan:

- \$3.05 million to category A – public health and economic impacts
- \$205,000 to category C – revenue loss
- \$7.105 million to category D – necessary investment in water, sewer, or broadband infrastructure

Category A Public Health

- \$500,000 budgeted for reimbursement of COVID related leave of city employees
 - \$290,000 spend to-date on COVID sick/quarantine leave hours as of June 20, 2022
 - \$600,000 allocated as a sub-award to the League City Chamber over a 3-year period (\$200,000 annual budget)
- \$67,170.46 total spent
- \$40,032.57 paid to the Chamber
 - \$27,137.89 two invoices being processed to pay
 - Paid per agreement with charges beginning 1/1/2022

Category A Public Health - Chamber

Invoice 59A – office equipment and payroll for setting up ARPA events \$18,053.63

Invoice 62A – Woman’s Job Market conference costs including payroll \$10,426.93

Invoice 62C – Job Readiness Conference costs including payroll \$11,552.01

Invoice 63C - ARPA Small Business and non-profit Cut Foil conference costs including payroll \$13,021.30

Invoice 64 – Workforce Solutions conference costs including payroll - \$14,116.59

- \$1M incentive to renew Main Street businesses
- \$400,000 allocated as a sub-award to Interfaith Caring Ministries
- \$75,000 Interfaith generator (payment currently being processed)
- \$500,000 HGAC sub-award revolving loan program (original)
 - staff recommends allocating to Revenue Loss for projects.

Category C Revenue Loss

Revenue Loss \$205,000 – installation of new locker rooms and restrooms at PWOC (CIP).

Anticipated to cost \$705,000 in FY23 CIP

Category D Water & Sewer

- \$2.73M – Construct 10-inch water main on FM518 between I45-Landing Blvd and Landing Blvd-Palomino (WT1904). Awarded construction contract 5/24/22, Item 11D
- \$4.37M – Construction of Dallas Salmon WWTP Admin, Lab & Ops Building (WW2104)

Current ARPA Allowable Expenses

1. Replacing lost public sector revenue – includes all expenses related to providing government services.
2. Responding to public health emergency – includes all expenses related to Covid-19 mitigation and prevention, medical expenses, healthcare, etc.
3. Responding to negative economic impacts – includes assistance to households, small businesses, and non-profits.
4. Increasing public sector capacity – includes expenses related to hiring, re-hiring, and retaining staff.
5. Capital expenditures – includes expenses related to programs, services, and capital expenditures used to respond to public health and negative economic impacts of Covid-19. No written justification is needed to expenditures under \$1 million.
6. Premium pay – includes expenses related to paying bonuses to staff that are at the highest risk.
7. Water and sewer infrastructure – includes expenses related to improving or expanding water and sewer infrastructure
8. Broadband infrastructure – includes expenses related to improving or expanding broadband infrastructure.

FY23 Proposed budget new one-time items:

Capital expenditures – includes expenses related to programs, services and capital expenditures used to respond to public health and negative economic impacts of Covid-19. No written justification is needed for expenditures under \$1 million.

New Capital items in FY2023 General Fund budget - \$799,985

- **New Ford 450 Ambulance with equipment \$428,751**
- **2023 Ford 450 with Truck Mounted Attenuator (crash truck) for Streets/Traffic \$152,926**
- **EMS equipment including two (2) Lifepak EKG monitors \$90,208**
- **Forty-two (42) Flock safety license plate readers \$128,100**

Replacing lost public sector revenue – includes all expenses related to providing government services.

One-time GF expenditures (\$30,298)

EMS multi-procedural airway torso mannequin (\$5,000)

Fire Marshal equipment \$25,298

Replacement soft and hard body armor (\$4,910)

Annual lease maintenance for body cameras (\$4,038)

a Autovel EVO 2 Drone \$9,200

locking storage cabinets, replacement desk, multi-port charging station (\$5,950)

four (4) NFPA life safety code 101 books (\$1,200)

Replacing lost public sector revenue - includes all expenses related to providing government services.

One-time GF expenditures (\$71,635)

EMS two (2) Lucas Mechanical CPR devices * (\$36,333)

EMS seven (7) McGrath Video Intubation Systems * (\$19,722)

EMS four (4) Panasonic Toughbooks * (\$15,580)

***these items are on the Maybe Memo currently**

FY2023 Proposed Budget New Items

Payroll could fall under the “increasing public sector capacity”

Increasing public sector capacity – includes expenses related to hiring, re-hiring, and retaining staff

Recurring GF Expenditures that will affect future years (\$593,056):

Police 3% cost of living (\$277,249)

Partial compensation study implementation \$420,807)

Current ARPA Allowable Expenses**Changes ARPA funding plan to removed**

\$500K from Chamber (reduce funding to \$100K, of which \$68K is spent)

\$1 million incentives to renew Main St businesses (remove from plan)

\$500,000 HGAC sub-award (remove from plan – use funding for CIP)

Reprogramming the \$1.5 million of GF to COVID ARPA**Options:**

- Fund positions / expand programs from Maybe Memo**
- Increasing transfer from GF to CIP reinvestment projects**
- Reduce property tax rate below no-new-revenue rate (*with restrictions)**

Finance Directorate

Accounting – FY2023 proposed budget \$2,300,802

Staff will be recommending adding a credit card fee of 3.8% on Building related permits and fees. The percentage is passed on actuals from July 2021 to June 2022. This fee would have generated \$140,000 during this time period if in place. The FY2023 Proposed Budget includes \$175,000 of revenue.

Municipal Court – FY2023 proposed budget \$843,435

SRF – Municipal Court Building Security Fund

SRF – Municipal Court Technology Fund

SRF – Municipal Court TPRF Fund

Purchasing – FY2023 proposed budget \$447,700

Utility Billing – FY2023 proposed budget \$2,379,482

Development Services Directorate

Planning – FY2023 proposed budget \$1,223,044

The proposed FY2023 budget does not fund the following requested new item included on the City Manager memo:

- New Position – Planner \$35,528 (may need workstation, not in cost shown)**
- Mid year conversation for Mary 1, 2023 if revenue supports.**

SRF – Tree Preservation Fund

Building – FY2023 proposed budget \$1,400,081

The proposed FY2023 budget does not fund the following requested new item included on

the City Manager memo:

New Position – Building Inspector with F150 Extended Cab 4x2 \$82,581

Mid year conversation for March 1, 2023 if revenue supports

Neighborhood Services – FY2023 proposed budget \$596,525

Economic Development – FY2023 proposed budget \$425,895

380 Agreements – FY2023 proposed budget \$105,494

Human Resources – FY2023 Proposed budget \$1,071,855

Employee Benefit Fund – included funding for the anticipated health insurance premium increase, an estimate for stop loss renewal at 15%, and other coverages maintain current rates. The proposed budget is based on 575 covered employees plus 8 new full-time positions in FY2023, which equals 583 full-time employees.

Communication Directorate

Communications – FY2023 proposed budget \$1,118,171

SRF – Public Access Channel

SRF – Hotel/Motel Occupancy Tax Fund

Budget & Tax Rate Adoption

Tuesday, August 9	Public Hearing on the Budget
	Propose Tax Rate
Monday, August 15	Council Budget & CIP Workshop #6
Tuesday, August 16	Council Budget & CIP Workshop #7
Tuesday, August 23	First Reading of FY2023 Budget Ordinance
	Public Hearing on Budget
Tuesday, September 13	Second & Final Reading of FY2023 Budget Ordinance
	Ratify Tax Increase
	Adopt Tax Rate

3. **PUBLIC COMMENTS**

4. **ADJOURNMENT**

At 7:52 p.m. Mayor Hallisey said, there being no further business this meeting is adjourned.

PAT HALLISEY
MAYOR

DIANA M. STAPP
CITY SECRETARY

(SEAL)

MINUTES APPROVED: September 13, 2022