City Council Budget Workshop
MINUTES
July 22, 2024 at 5:00 PM

CALL TO ORDER:

Mayor Countryman called the meeting to order at 5:00 p.m.

Present:	Sara Countryman	Mayor
	Casey Olson	Mayor Pro Tem
	Carol Langley	City Council Place #1
	Cheryl Fox	City Council Place #4
	Stan Donaldson	City Council Place #5
Also Present:	Gary Palmer	City Administrator
	Dave McCorquodale	Director of Planning & Development
	Maryann Carl	Finance Director
	James Greene	City Secretary
	Mike Muckleroy	Director of Public Works
	Anthony Solomon	MPD Chief
	Kimberly Duckett	Court Administrator
	Kristen McCain	Permit/Utility Technician
	Katherine Vu	WGA Consulting Engineers
	Chris Roznovsky	WGA Consulting Engineers

WORKSHOP AGENDA:

1. Continual discussion and formulation of the proposed FY25 Annual City Budget.

Mayor Countryman: All right, I want to call this meeting to order. It's the July 22, 2024 5pm. budget workshop in the city. The workshop item, we have one item on the agenda. And it's continual discussion and formulation of the proposed FY 25. No city budget.

Palmer: I will turn this over to Maryann.

Carl: All right. So, in this ongoing process, we're working to try to get it as polished up as possible. So, the documents that you have in front of you is our latest and greatest. I wanted to point out just a few things, the revenue side, we heard from the tax office that the appraisal district have been impacted by the storm before last, and so they will not have certified values to us by July 25, which is the required days. But they do expect to have them during the first week of August. So, I talked with Tammy over at the tax office and asked her a few questions about this. She said we could go ahead and go with our certified estimates if you'd like to. Or if we want to wait for our certified values, she will have plenty of time to calculate and give us that and still meet all of our deadlines. So, I said, speaking to a person five values better about actually having shown my values and not just working with an estimate. So, we're going to do that, but it will not, should not impact the time line at all.

Mayor Countryman: So you think that 1.580000 is closer within 10%?

Carl: We're gonna see.

Mayor Countryman: Yeah, I just want to get your gut feeling. I know it's gonna be that one. It's more than that. 1.3, uh, 1.1.

Carl: We currently collected a little bit over the 1.4. So, you'll see your recent budget reports for your financial for tomorrow night has a figure in there and I apologize I don't recall off the top of my head what that is, but we've come in very well, we did have some returns, some refunds. So, we had a reduction last month, but this number is based on the certified estimate number that they gave us that came in like March or April timeframe that shows the projected additional value. That's still slightly conservative. So the other thing on here is the sales tax dollars. I'm still working a little bit with this number. There being with HDL as our sales tax analytics group, we're looking at several different things within our numbers. One of the things has to do with an audit amount that we're receiving each month, it isn't the same every month, it might be a number of businesses that are involved in this. But that amount of long term we shouldn't really see that doesn't account for that. But it does count for about $50,000 over the year. So, we're taking a look at some of those things, we're also trying to make sure that we're definitely capturing what is rightfully ours, and so that you don't have any funds out there that we could be asked to pay back in the future. So, I don't want to have to do that. And then we do know that we will be getting Home Depot online. So, this does take into account an 8% increase on our current trend, which is in line with the Forecast Tool from HDL and then adding a portion for Home Depot anticipation. Keep in mind that Home Depot's money you will see in the sales tax reimbursement and administration. Even though we're getting that money, that money is going to be reimbursed.

Mayor Countryman: Can you explain that 50,000 again? Says audit amount that comes out each month.

Carl: Each month it's not amount that comes out it's an amount that we're receiving. You're people pay their sales tax to the state comptroller's office, if you've done everything you're supposed to in that month, and you pay your sales tax, and it's a timely payment, instead of a current period payment, well, let's say you didn't pay for whatever reason you were out of town or whatever, and that payment didn't happen, then the following month, you made that payment, and then that payment becomes a prior period payment. Or let's say you have a payment due next month, and you're going out of the country, and it's your job to make that payment every month. And normally you pay about $5,000, sales tax and you're gonna be out of the country. So you make a payment in advance and so then that will show up in there. And then there's this kind of these other categories, and one of those categories is based on audits, and it could be that it's going to be an audit from the Comptroller, we don't always have that information. The comptroller is the one that they're the big tax guys, right. So, if they're not getting their money, you can be rest assured that they're going to go after who's not paying their money. And if it's in our jurisdiction, we benefit from that. So, what happens is, they maybe have identified somebody that hadn't paid the sales tax that they were supposed to pay. And so, it's under an audit area. I was always under the understanding that those audit periods were relatively short, although I found just last week that some of those audits can take years as a matter of fact, one for a large entity within the state that is going on for years. So, we've been receiving between $3,5000 and $5,000 each month that's based on this audit. But I don't know what that audit is. HDL has chosen to find out a little bit more on that. But we anticipate that at some point, that's going to end and it should, but so we don't want to we'll try not to kind of include that in our forecasts and projections because it's a good way to just say, hey, we're always good to get this. So other than that, numbers that are in here, based on projections, based on trends, in building permits, based on development, made a slight change to our court fines. We've increased that year and last year, you may recall, we work to kind of pull out those fees to save what we now refer to them as liability and not for revenue. On the finance side, we were kind of taking a stab in the dark as to what we thought would be retained locally. So, we've been able to adjust that number slightly. We will look at that again at the end of June/July to make sure that we're on track.

CM Langley: Where are you at?

Carl: On page one the revenues all the way down by signs.

Mayor Countryman: Sign fees is that the roadside like the street signs?

Carl: No those are signs when somebody is putting a sign up with their business.

CM Langley: All right. So now why didn't signs go up?

Carl: Last year, Municipal Court, the revenue which just all counted as revenue for you all in the past. A portion of that is a liability that we hold on to that actually gets paid to the state, right. The state says, if you have somebody that gets issued that ticket for x, y and z, we get a portion of that much, right. And so that's a liability. We hold on to that money that we get every quarter, we pass a big chunk over to the state. We don't want to count that as our revenue because it truly isn't our revenue, nor is it an expense for us if we're a pass through. And so, we pulled out those fees to state and made an attempt to estimate what our court finds that we retain what that revenue would be. We came in a little low which is good though to have, we'd like to have more revenue than estimating that we were going to collect more than we actually did. We adjusted that for this coming year. So this year, we budgeted 164,000, based on our current trend that we're budgeting 241,000 next year.

CM Langley: 41%.

Carl: It is. And like I said, part of that is just we try to do the best that we can do with the information we had in finding out what our fees to state were.

CM Fox: How is that calculated? As you say, it's a large portion of a prepaid expense.

Carl: There's a long schedule that Kimberly has that gets put into her in code system. So when somebody comes in and makes a ticket, they put that amount in and behind the scenes, the system says, this money goes to all these different places.

Duckett: Yes, we don't have a choice. We have to.

Carl: The other thing that I want to point out in our current revenue is the very last line on page one is you'll see the admin from MEDC. We have not put anything in here for an administrative offset for support for the MEDC. Part of that is I know; they're still looking at whether or not they go with a third party for some administrative or function of MEDC. We were trying to look at our general fund budget and see what happens if we lose MEDC support. Or you know that that money is assigned elsewhere. So right now your general fund does not have that in it.

Mayor Pro Tem Olson: Quick question for you: Don't pay for that notice taking?

Mayor Countryman: Yeah, $8,000.

Carl: There should be a number in here. We just haven't come to that number. And there's a couple of things that will get figured into there. Right? So you're talking about like your secretary services, right, the Secretary of State, we have that piece. You also have the payroll for the MEDC events person. So, there is that cost. We know that there will be something but right now we don't have a number in here.

Palmer: We're going to have a workshop scheduled for the 31st with the MEDC.

Mayor Countryman: So where does that $8,000 go? Is it back in our general fund?

Mayor Pro Tem Olson: It goes back in the general fund?

Carl: And then on page two, you will see the last line on here is the admin on capital projects. So then, we do all the right capital projects it doesn't have its own administrative personnel. And so, this has been an offset from capital projects. I was talking with Gary about this because we know how tight we are on our capital projects money. We were trying to see again what happens in our budget, we're not relying on our capital funding for any of those extra services. So based on that with the current revenue, and your expenses that are delineated in the next several pages, the net revenue in what we're looking at tonight's workshop will leave you with $95,000 surplus. Okay?

Mayor Countryman: And the last time you told us it was like 84, right?

Carl: I will point out as we move… Any questions on the revenue side? We have updated numbers in here to include all of the personnel costs, you know, health insurance, retirement expenses, wages, all of those items are. And in these worksheets, tonight we have put in a 3% cost of living adjustments. And a merit pool of 5%, funded at 75%. The idea behind that is not everybody gets the full 5% to fund it a little bit less than a full 100%, 5% increase.

CM Langley: Where is that at?

Carl: It's going to be dispersed throughout these worksheets and personnel costs. It will be under your wages. Things impacted, of course, will be the unemployment insurance, workers comp, payroll taxes, wages, and retirement.

CM Langley: You've got a 6% right here.

Carl: What happens over here is not going to equate to me telling you a 3% cost of living or a 5% merit. It just won't, that's the percent change over last year's budget amount. You have to remember there could be things that are impacting your current numbers. So, we use current numbers for personnel when we start looking at those employment costs. It could be that you might have a change in personnel. You may have somebody who's come in at a lower wage than what you would had before. You could have had somebody that had a stipend before or education pay. Or your new person may have an education pay, or you may have somebody who achieved a certification and now they are bumped up against certifications. So please don't get hung up on that percent change over on the right hand side. Trying to tie that into a payroll report doesn't quite work that way.

CM Langley: This figure here, this 664, whatever. Where did you get that?

Carl: That is based on our current payroll of what personnel are paid under admin. Under 100, fund 100, department 10.

CM Langley: As of today?

Carl: Yes, as of the current.

CM Langley: That's what the city of Montgomery owes in administration for wages.

Carl: That's what the pay will be for next year in wages. You have to remember that in your payroll piece like for example, in Gary's salary 75% of your salary is budgeted here in department 10, 25% of Gary's salary, including the extras like the telephone and vehicle come out of fund 300. He is a split individual. If you're trying to take somebody's wages and say this is what it is, I'd be happy to sit down and look at worksheets with you to help you to see where these numbers kind of flow into this area

CM Donaldson: How many people do we have like that?

Carl: Several. The public works folks are split between their 50/50 split public works fund 100 department12 and department 300.

Mayor Pro Tem Olson: I have a question and it's more of a comment on the cost of living and the merit raises, which is fine by me. My question is it is not figured in any of these numbers yet or is it?

Carl: In the new worksheet I just gave you this evening, yes. The one at the top of it that says workshop three 3/7/24.

Mayor Pro Tem Olson: So it's already laying it in there.

Carl: Yes.

Mayor Pro Tem Olson: Here's the problem with that.

CM Langley: I just asked that.

Mayor Pro Tem Olson: Let me finish. My question here is with the cost of living. I totally agree with the cost of living. A loaf of bread cost the same for me, as it does for you. So, for me to get a 3% cost of living raise and for you, because our wages are different, that is a completely different cost of living. Could we add it all up, take the 3% across the board, add it up and say, okay, this is what we want an increase for cost of living, and spread it out more equally. A guy that makes $18 an hour pays the same for milk and gas as me and now that 3% goes nowhere.

Carl: That's up to you all. If you want us to look at it in a different way.

Mayor Pro Tem Olson: I'd rather just do the straight amount of this quarter given for cost of living instead of by percentage. The merits I'm fine by percentage, but for cost of living, this is what you get for your cost of living increase, whatever, once you do your 3%, you add it all up, everybody's 3% and say, okay, here's 100 grand, whatever it is, divided by how many people you have and that's the cost of living. The same amount of cost went up pretty exactly the same for everybody. Nobody was affected more or less than anyone else so they should all get the same amount.

Solomon: What that actually does when you're talking about percentage wise.

Mayor Pro Tem Olson: I don't care about the percentage, not interested in that.

Solomon: But we're talking percentage.

Mayor Pro Tem Olson: That's what I'm saying, I'm not interested in talking percentage.

Solomon: Some of those people will get more than $100 in percentage.

Mayor Pro Tem Olson: I'm okay with that. Because that person has the same exact cost of living expenses as you that went up, nothing else in their life changed anyone less or more than yours did.

Solomon: So, if you were going to go across the board with $200, then you have that person over here who when he gets his percentage that may be one that may be 215. So the percentage is going to change.

Mayor Pro Tem Olson: That's why I said don't look at it as percentage. Merit, fine. Do it by percentage but you can do a standard amount increase and just say this is what we're going to increase. What the percentage is I don't care.

Palmer: And that's totally up to the Council.

Carl: So are you saying as a dollar amount?

Mayor Pro Tem Olson: Now are you, yeah because we can take $1 amount based off of last year's wages, I can take 3% times that and say, this is what the total is going to be. Now this is how many employees I have, divide out and give it to them. Your cost-of-living increase would be exactly the same for every single individual because that's what a cost of living increase is.

CM Fox: Is that how they do that in your company?

Mayor Pro Tem Olson: No, but it's terribly unfair because my cost-of-living increase is way more than others.

CM Fox: My Social Security check is the same way, percentage wise.

Mayor Pro Tem Olson: But that's what I'm saying. Just because that's how they do it doesn't mean it should be done that way. It's a cost-of-living increase. We can gauge exactly how much. My food price went up the same as yours. My gas price went up the same as yours.

Mayor Countryman: So, if Gary is going to get $500 he would get some kind of a 3%. But when you do it all the way across you only get 250?

Mayor Pro Tem Olson: The guy that makes $18 an hour he might get $25. What good is that? That would just piss me off.

Mayor Countryman: And that’s the incentive to do better, to make more, and get that next year.

Mayor Pro Tem Olson: Cost of living is not an incentive. That’s the whole point of the cost of living. All? Merit is based off percentage of your normal pay. Cost of living is just that, it should match your cost.

Solomon: Say you get a hundred bucks. And then once you take out your taxes, it's going to kind of be the same thing for somebody with more. People will still make less than if it was a percentage.

Mayor Pro Tem Olson: All I'm saying is that the cost of living increase is not a wage increase. It’s like, oh, you did a good job. Here's a cost-of-living increase. That's not what why it’s there. It's there to match the economy. Nobody's affected by the economy any more than anybody else. We were all equally affected so we should all equally get the same amount.

Carl: When it's based on a percentage, like your increase when you go to the grocery store, yes, you get this percentage of an increase.

Mayor Pro Tem Olson: But that's the thing. It's based off the cost, not on what I make. I don't go to the grocery store and pay a 9% increase on what I make. I mean, I go off a 9% increase of what that costed me. It cost me the same thing as it cost you.

Carl: I understand that. I can tell you this was a discussion we had last week at the finance meeting, a local Government Finance Officers Association luncheon, the monthly luncheon. There has been some discussions about trying to look at that primarily where it comes in is when cities have had class comp studies, and they adjust their employees to bring them up to the level where they would need to be. But the cost of living, everybody is still across the board a percentage. That’s what everybody else does.

Mayor Pro Tem Olson: I don’t care what everybody else does, I really don’t.

Carl: Some cities are going as high as 6% on their COLA this year. I understand what you're saying. I would like to say, hey, that's super easy and I think we can figure that out.

Mayor Pro Tem Olson: The math is simple.

Carl: I think this is more about how we actually implement that.

Mayor Pro Tem Olson: So according to Alan, we can give an amount increase, we don't have to break it out by percentage. The amount is very simple. We figure 3% of what the total weight is, there's your amount divided by how many employees you have. There's your number, it is simple math, there's nothing difficult, everybody gets the same, everybody would get the exact same amount only on cost of living. Merrit is completely different. The cost of living, it affects every single person the exact same way, no one is more effective than the other. Now, do I feel it as much as the guy who's making minimum wage? No, but we still feel it. It's still exactly the same amount. That’s my whole point. If it's going to be a cost of living raise then make it square, make it fair across the board, because, yeah, I get it $18 an hour. Sure, he wants to do better. But if we're just trying to max his wages so he can go buy groceries, then let's do that. Let's get it to where it belongs.

Palmer: Here is what we are looking at. This number right here is that number. This is the number of your COLA based on all of your salary. I think we have 34 employees?

Palmer: 40.

Carl: So, we're going to go by 40. That means every person would get $1,837.28?

Mayor Countryman: Spread over twelve months?

Mayor Pro Tem Olson: Yes, I think about this divided into their hours.

Carl: So, it would come out to 88 cents an hour for everybody.

CM Fox: But that's another thing too. It's not given anybody a lump sum. It's given spread across.

Mayor Pro Tem Olson: It's spread out but it's the total amount at the end of the year, whether you get it 3% or whether you say oh, we're getting 3%.

Carl: This is a generalization, it's going to be less than 88 cents, it's going to be probably 80 cents, because I have to take into account your people who don't work 2080 they work 2184 before in a year. So that's why I say there's other things.

Mayor Pro Tem Olson: We know exactly how many hours is in the standard 40 over a week by police officer and for one of Mike's guys, it's very simple math. It's not hard.

Carl: But he's not 40 hours a week. So, his is 2184. There's a different set schedule, and we have docents which have a different number of hours.

Mayor Pro Tem Olson: What are docents? I don't know what a docent is.

CM Fox: I think that would be an accounting nightmare.

Mayor Countryman: Yes.

Carl: That's what I'm saying.

Mayor Countryman: Maryann, is this going to be harder for you to get?

Mayor Pro Tem Olson: Well, what that percentage is for each hourly rate employee, there's only 40 of them. If you want me to do the math because you don't have the bandwidth, I'll do it. But it's not that big of a deal. And the fact that anybody here would disagree with being equal on the cost of living rates blows my mind.

CM Fox: Your concept that blows my mind.

Mayor Pro Tem Olson: It's a very simple concept. Our cost of living has gone up exactly the same. Period.

CM Fox: I disagree with that, but.

Mayor Pro Tem Olson: Your cost of living went up more than mine?

CM Fox: Depends on where you shop at.

Mayor Pro Tem Olson: That's my whole point. A cost of living is just that we're trying to account for the economy's change. That's it. We're not trying to get merit raises, or he gets more because he makes more knowing a gallon of milk went from $3 to $3.25. End of story. It didn't go to 3.64 and went to 3.25, just like it did for everybody else.

CM Fox: I'm sorry. I respect your opinion. I really do. I just want to say saying it's well…

Solomon: Well, that's a different thing.

Mayor Pro Tem Olson: Well, no, it's not about that. It's about being clear with everybody.

Solomon: When you're saying about being fair, I get what you're saying. But at the same time, in a place where somebody makes more money than the other person and that's because of whatever certificates or any of those types of deals.

Mayor Pro Tem Olson: Let's just do it the other way. And that guy that made $18 an hour, he's going to get a 54 cent increase, right? 54 cents. That's it.

Mayor Countryman: She said it's gonna be less than 88 cents.

Mayor Pro Tem Olson: 88 cents if you equalize it but if I take that same person that makes, hold on…

Carl: In actuality, it doesn't.

Mayor Pro Tem Olson: 64 times (inaudible) point 03. That's $1.17. So, they almost get one and a half times for the same cost of living? Why is that for years cost of living is greater than the one that's making eighteen bucks? It's not.

Palmer: So, I guess the overriding question is from a philosophical standpoint, we want to incorporate the COLA and Merit. And if so, we just need to determine at what level you guys want to fund that. I would just recommend, so we don't go down the rabbit hole, we budget for that. And then at some point over the next month or two, let us come back to you guys with a strategy on whatever you decide and whatever scenario. We would fund it and you guys can hash that out at some point so we're not just getting caught up on this here.

Mayor Pro Tem Olson: Since we're in it, my opinion, and they failed me, I'm fine with the COLA (Inaudible). I'm just trying to be more fair and equal to everyone. When it comes to a cost of living it should be just that, cost of living not, well, I make more so I should get more. Now merit raise? Absolutely. You do more you weigh more government responsibility. By all means, do that. But from my cost of living standpoint, nobody's changed more than anybody else.

CM Donaldson: This is what they asked for last year and we gave it to them.

Mayor Countryman: They just asked for COLA, they didn't ask for everybody to get an equal amount they just asked for it.

Mayor Pro Tem Olson: We only give it to hourly employees.

CM Donaldson: I don't mind doing it. It's legal.

Palmer: So if you guys are ok with funding what we're proposing, 3% and 5, then we can come back to all with something you guys can actually (inaudible) as a practice. I don't think we're gonna solve that right here. But I think that Maryann and I can chew on this a little bit.

CM Langley: Who gets the merit raises?

Palmer: Well, they are competitive. So all employees would, based on their evaluation and could be eligible for 5%.

CM Langley: That's the evaluation part. Do they have a set goal that I have to accomplish to get this merit?

Palmer: Yes, all the goals that were outlined in the strategic planning and part of the department heads evaluation. All the evaluations of the departments should be the goals and objectives that the director has set up for performance. There are some metrics that are built in some scoring metrics for the evaluation itself. Probably not different from when you're here.

CM Langley: But we didn't do merit raises.

Mayor Pro Tem Olson: Then the other thing is, it's only funded at 75%. So, it's not 5% across the board, so we can't because it's only funded to 75%, we can't give 5% across the board, we have to break it down. So, some are gonna get two, some are gonna get 3, some are gonna get 0.

Palmer: And that is all based off of their performance. So if you have a rock star performer, they should be 5%, you know someone who's struggling, they're going to be down zero 1%. And then that's a different conversation. But that's how it breaks down.

CM Langley: And so, all the money is used?

Palmer: Not necessarily, it would depend on how that all plays out. So, if we have a lot of three percenters, we're gonna still have those 2%. So, we'll budget enough to cover 75%, but we know that not everyone is gonna get 5%. They'll get the COLA, but the merit will be competitive. So that's why we have 3% and the 5%. So, whatever you guys decide on COLA, whether it's flat, or percentage, we can implement that. And then we will do the competitive part like we did last year in the fall, but we just need to budget now. Did I answer your question?

CM Langley: Yes.

Mayor Countryman: Do kind of like this, like the two scenarios just so everybody?

Palmer: Yes.

Muckleroy: I agree 100% with the philosophy of it costing and the same for everyone. You have HEB groceries that cost me $200 last year at HEB and they're costing me $225, now they're costing you $225 as well. So, I agree with it 100% on COLA. As far as figuring the numbers out, that's way beyond me. I do agree that the guys at the bottom need more help for groceries than I need. So I'm completely fine with it.

CM Langley: When is the next budget meeting?

Palmer: I think in August?

Greene: August 6th.

Palmer: 6th?

CM Fox: Maryann, do you think that if you did a flat one with the 73 491 versus just the percentage, would it make a substantial difference in the lower wage employees?

Carl: Can you repeat that question?

Mayor Pro Tem Olson: I can answer it for you. The difference between someone who makes $18 an hour and somebody who makes $38 an hour is $1.16 and $0.53.

CM Fox: Casey, I want Maryann to answer.

Mayor Pro Tem Olson: Math is math, it doesn't matter who does it.

CM Fox: I know, but I want Maryann to answer me. Ok, Maryann, the question is will it make a substantial difference whether we give to the people who are on the lower echelon, lower end, wages will make a substantial difference whether we did 3%, or whether we did a flat fee?

Carl: We're going to have to look close at the data and look at it in the different scenarios and we'll see what it does for the average because my idea of substantial might be different than your idea existing substantial, so we'll look at it.

Palmer: Yes, we'll look at it and bring you back a bunch of options so you can make a decision.

CM Fox: Because to me, it seems like if it was not substantial in your right, it's subjective, the work was substantial. But to me, it looks like that if it was something within the $20 range by everybody. I was wondering, would it be worth the extra time to do it or not?

Carl: We'll look at it. The next budget workshop is August 12th.

Greene: On the list that we've have, it's the sixth, which is an off week. It's a week before the first regular council meeting. We do have a budget workshop as well.

Carl: So, I'm not sure we'll have a tax rate by the sixth. That's why it's in the front of the binders is the schedule and that's not on there.

Palmer: It might be a general workshop.

CM Langley: I had it in my calendar as the sixth, I just had it as a city workshop.

Palmer: Ye, that's probably just a general workshop, which we can use for this.

Greene: So, we just leave that tentative when we know when you get the rate?

Carl: We have a budget scheduled on Monday, August 12th and I should have everything by the 12th.

Greene: So nix the sixth?

Palmer: No, we'll still keep the sixth.

Greene: Ok.

Carl: So moving on from personnel costs in fund 100. Yes, fund 100. Departments and administration. We kind of talked about these things in our last workshop and we talked a little bit about the additional money we put into like legal notices and publications.

Palmer: Are we on admin?

Carl: Yes, we are on admin, page three.

Mayor Countryman: Its gone up to 12,000, So I assume that's because of the November ballot, election stuff?

Carl: Yes. We are way over budget this year and the more development we have the more that happens, the more posting that's required.

Mayor Countryman: Looks like we've gone over every year. I think it was tough enough that's for sure. So do you think the 12,000 was enough?

Carl: That's a question for that side of the table over there.

Palmer: Which one?

Mayor Countryman: The one that says over budget one year on the right-hand side. Page three right there, right?

Mayor Countryman: Used to be able to say whatever number it was and then be able to fund it.

CM Langley: You think 12,000 is enough?

Mayor Countryman: That's what I asked.

Mayor Pro Tem Olson: Well, it's weird because it was 6, then 8, and then 3600. I think it just makes my point. Sipping community relations, what's that mean? added one more for various meetings, crime district and planning. But it's 5000. Simulations. This is so community relations. Like the things that fall underneath with the city administrator for that Friday, monthly meeting. We expect that there will potentially be some community meetings related to the ballot issue for any project to project. So those are the community relations piece. Do you think that that is enough? Also the other thing that came out of this was when you all posted that HJC group that came out and toured the city, the lunch that was provided for that and the vehicle that was used to transport everybody like that's a Community Relations piece. Another note I would have on here is inspections and permits asked us out again, revenue side the revenue plus outcomes, the increase in projects, so 100,000 and legal fees, and that's scary. Talking to Alan and jumping on meetings. Okay, for this year, this year to date, we're 130. We're now 21,002. So for those that's not even as of March, that's October, November, December filling their series behind in their billings, and James has been working with them to get them caught up on their billing three months. So it's not just the conversations, it's the preparing, reviewing contracts, ordinances, any of those kinds of things. Does that include the president? Maybe? What's that? Oh, yeah, being estimating. And then we have to remember all the litigations as it were, that also doesn't surprise me at all. There is a slight change in printing and office supplies and the fact that we've moved general items to operating supplies online. There's been a ton of back and forth between departments on how that was coded. So, printing and office supplies are definitely different than let's say plates and cups and toilet paper. So that's an operating supply. So we've split that out. So that's why you see reduction there. You'll see the operating supplies on the next page. Tax assessor fees. That's our best guesstimate at this point based on value or their budgets and how many people participate. The cost of the election is in here. We have an increase in computer technology. There's several computers that are needing to be replaced in addition to the scanner. This is that candidate keys, the Encode license. That's a piece of that. So we have to increase other things that are our computer technology, our normal monthly OCS for Microsoft, the software upgrades. I know I talked to a couple of you about some of these things. So we have a need to complete this GL conversion piece. And we've talked a little bit about the fact that you know our numbering system is not consistent across the board, which causes several implications like times for reports so that piece in here, they are asking for a budgeting software solution which would make this process way more friendly, user friendly and interactive and potentially any new items that would be needed by the New City secretary. Where did we see that operating supply? I think that was just a move down from the landscape above.

You'll see throughout this budget we've estimated a 5% increase on our insurance for liability and property insurance based on feedback from TML currently.

The last item on this page is where we see that increase for the sales tax rebate. Remember, this includes Kroger, the shops, and this also announced an estimate on that. Then the next page is the estimate.

We also pay the Summit Business Park. It's not included in this. It is its own fund. And I believe that the 382 number is included in that 380 the tax abatement that you're seeing on the top of the page. So I think I'm hearing that's what you said on the next page. Yes, on this one it says page three to three now here at least the 160s I have the 490 correct that 490 is a sales tax. On that city has a lot of prepaid to Kroger is also part of that rule and there's two components of the credit.

We need the emergency equipment I think biggest deal? Is there anything needed to look at this? Question is about the telephone? Or if the telephone was laid down, are you talking at the lineups I was reading? The telephone is going to include anything that's related to the telephone. So telephone at City Hall, those that get the telephone reimbursement for employees that have a telephone, separate line for that mobile battery. Car radio. So what we'll do data went up for the new car stuff, your car didn't go up? I know I'll tell you part of it. The issue on the telephone is that some of the individuals and this is why we are back to that wage number and percentage. Okay, so some individuals who are receiving reimbursement for the cell phone stipend, right, was coded to wages. So that arbitrarily impacts the wages line because it's a reimbursement it should have been undertone. So that's been caught and cleaned up, cleaned up moving forward and budgeted appropriately. I just thought it was strange that the admin went down to 30% and release went up, generally split up. So the phone itself, the phone service here is equally split. So this is related to this and was going to be related to that for reimbursement.

Can we get down to emergency equipment? I think last year there were 2,216 fires on that for that percentage. If you guys are looking at 202 on the level where you see radios that was made deals with $25,000 in there. We look at some things a day. So we take 10,000 out of there. You got to understand that the terms on the cars and vehicles we're using the money, but this year to equip those cars. That's like 125,001 50. And then we'll pay next year into beliefs that the budget will pay into the lease.

Now is all the computer your equipment, most go to Power tip. Yes, we talked about how and that's the one that is going to have to look into change the wavelet. Louder. Begin to get into seven. Yes. We know that because we talked about it here. That cost is $96,005 28. And what we originally did not want to get into that was complete. Everybody got Tyler, Tyler is not producing what we needed it to produce and for me to sit here and tell you that I'm not using it every day. So I've asked Sarge coming here to tell you guys the pros and the cons and what's happening here.

So Spillman versus Tyler. Spillman is an all in one system. All agencies use it here. So when we do our troll, our traffic stops and he calls for service, every arrest, it's all stats in there and everything is accurate 100%. So with Tyler we have to go back in. And basically we're doing double the work as far as patrol officers. So they may forget something but usually it doesn't happen, but for some reason something happens. It may not get entered where Spillman dispatch enters everything from the time the call comes in to the time it's over, all call notes, report writing, everything is all in one. The other thing with Spillman is if we are on a traffic stop and we're running a guy we see when he's been contacted and when he's been dealt with what he's been arrested for versus Tyler, you don't have that option. So Tyler uses just a report writing system versus Spillman and that's where we run driver's license, license plates, check warrants, or Spillman, who said report routing is done there. And not just that it's all county wide. So everybody sees each other's stuff. If we have a case here and another agency is dealing with the same person, they can pull up our case and say okay, well this is what they're dealing with over here on their net. So it helps us all networked with each other as well. Today, I don't know if counsel knows this, but today we have Tyler and the Tyler equation is just here. That doesn't talk to anybody in accounting at all. And to your point, it's double work. It's very labor intensive.

How long has the County used filming? I want to say I started in 2013 with the County. I think they even went live in 2015. It's been helpful. We had determined in the past that was dinosaur technologies. The only con I would have with Spillman is every so often they do an epic so it's out for a couple of hours. But in return, he updates everything. We get quicker returns; the GPS maps are updated to where all these new subdivisions that are being built within our city are shown and we have a modern map. Amazing. As soon as we get dispatched to a call, instead of like, I'll save all these new subdivisions being built or if my partner is down the street, he's in a shooting and I don't know anywhere in District Four, which is Magnolia on a reset or it is click on a map to show exactly where he is at on that map in real time. That way for us we click on his call, shows in route, and it gives me a direct route as it's up to date. That's probably one of the best pros to it. Also, report writing is amazing as well. Everything is in house and so if chief or somebody in our command staff want to check on it they can easily pull it up. One of my, one of my biggest deals with what we've been using with file is when we get a case and that case needs to go to an investigator, then that case goes into a folder, either on the spirits door or goes in on the detective door. If he's in family somewhere, he never gets to that. But with Spillman, it goes right to him on his desk, and it's there for him. He knows exactly what he needs to start investigating.

I have a question because Texas is a little different than what I'm used to. But for this film, and I know the tech the Federal Public Safety was not a great product, but it's filming. So what if Walker County What did they get this filming communicate? And whatever they use if they're using it? Yes. To paint what I'm saying is because obviously it's talent in town and county and county, it's very broken up about the different things. But it's very strange. The way you lose the way you do that when you go to dispatch operation, even though these officers can go car to car and maybe talk to someone and Walker can. You won't know what channel that is until the dispatcher says we're going to this channel. A dispatcher can talk to Walker, can tell him exactly what's going on and walk with him or either Patrick through and then he can hear that information. So they don't have to be on the exact same system. I got an email from Spillman. They couldn't get us connected. To go live in October. So that will start after the budget review January. But we did get an email from Tyler talking about a disconnect or canceling within the loan as 30 day notice. Whatever money we paid them they will reimburse us in January once we shoplifting Pro. That normally was like $17,000 it's gonna cost us a little over $7,000 that year. So we'll get reimbursed at least $13,000 to $14,000 at that point so we're getting more for less. So $7,000. And there's more if you're looking at it like that when it costs to even bring Tyler in first. Many counties had it since 2015. Why are we just now trying to go to it. We talked about it. When I got here on him county had because she had to go where you take a test, and they put you into this film and switch some of the information in this film. At the point that we started looking at it, they're already starting to look at Tyler. I've made some agreements with Tyler. So Tyler also sells a good game that we're good. Well this is what we can do for you. You bring them out and when they are first coming out they're training people and say, well, can your system do this? Yes or yes. And by that time, you get into that system and it doesn't do things. Right before you came here we paid a whole bunch of money to get on Tyler and we were kind of in the hole. So we were overpaying. I know we were tired, but we were because Susan brought in Tyler. This is gonna be a system that's going to be sustainable for the long term.

We were using Tyler for the utility billing side of things but everybody can all talk but yes, sounds like PD so it's good for me. I got this in the first place. I've used five. That's not been a success. It's just not a good public safety because I thank you, Kimberly, all the difference before watching.
We have piles of income we stay on income, not everyone else is on the tin. So you think the County's gonna stay with Spillman? Yes. That's a question we asked before we went there, they renewed everything. And that's the question we get. Because they felt like they're married, just retired. And I mean, that sort of system. They put another guy over that system. And talking to them, they like it. I mean, he doesn't have any plans on making any changes. So let's say a mistake, you are trying to run on us? No, not right now. Or use our totals on their own system. They have their own history. So their own estimate. So if you get down here to where it says patrol weapon, we originally had $36,000 in there. We looked at some of the weapons that we had. So we took $10,000 off of that. So we'll change that to $26,000. And we will need $36,000 to do anything else on your stand out?

I'm in an employee assistance program. What does that do for our employees?
So the EAP is more for someone who has a drug abuse problem. They can contact the Employee Assistance Program and get help. That's a component of it. The other component of it is say we had an employee who passed away and we need to have grief counselors come in. We need to have those kinds of things to say we need to have employee assistance they have all kinds of pieces.

We've had this in place for several years and we've never had to use it or witness who was not involved in the shuffle it was a federal resource.

Are you overwhelmed with this perception increase? Even softer this building is not. We're taking questions from you all. Do you have anything right off the bat? Really read it line by line. We are proposing a new position. City Hall expenses, whatever we want to include. Putting the paint job on the outside hasn't been done since the building was built. And then the big one is the contract labor. Putting that back in putting somebody in that. And that's the reason for the big job putting $250,000 into that. It's really not putting in. We're just not putting the capital projects to transfer over.

Well, no, it was always in the Public Works budget until last year. And then last year, we were gonna switch it over to the capital side, but we never got the streets on the capital side because of all the water sewer projects. So we are putting it back in this year.

Did you ever get an answer for the check for the Lone Star? Water? I never heard not a full answer. No. So we were going to have a call with Katherine last week and our meeting interfered with it so we need to circle back over. I don't have a full answer. You can maybe explain a little bit more on that one start piece like you're gonna explain.

On the memo, it said it was for the yearly fees, but it was only a six month period. And it was $18,000 something $19,000. I'm like, so why is the sales for a year but the dates are only six months? She said she didn't know she contacted you? And she'd let me know. And I just haven't heard back. So we had to ask for the increase and there was some factors that went into that. So Lone Star charges up front for they want us to ask how much water we need up front with paperwork to ask for the increase. They require a hydrological study to be done for that, which is $25,000ish to have that done. Katherine and Chris ran some numbers last year and said okay look, if we're going to ask for the increase and we have to do a $25,000 study every time what makes the most sense. Do we ask for an increase every year or do we look a couple of years out and go ahead and ask for that increase? A couple of years out it made more sense to ask a couple of years now. Yes, so we're not having to spend the timeframe for Lone Star to process these requests which has been astronomical. They're just now getting to the one that was submitted a year ago, so we're just not getting the approval on it. That's why it gets an increase for basically for the remainder of the year, on a request that we made a year ago, so that we stay within our department. Yes, they had a public meeting. I went to go over. I actually went and spoke at it and made a comment about this very thing about us having to pay for money, pay for the fees of fraud, and then get recovery on the backend from our residents. And what I told them in the meeting was it says in your name conservation, but you're not growing. Consequently, because on the back end, we're hoping that we're recouping some money by increase, you know, we're not promoting that, but we're hoping for some money back. That's one of the things that they're looking at with the new general manager but haven't heard much. So you see there's a gap. We're definitely asking for more than we need. We're not going to recoup all of that because we're asking for more than we need because if we don't do that we're gonna pay more money in the long run with the hydrological studies done every year.

Before you're wondering, I think it's down to your scenario and for your scenario, just to see, you know, with the increase in fees versus that hydrological study. Yes, what made more sense. And so we did a four year look ahead on what we're thinking we're going to be whatever we asked for are permitted assurances, I mean, it's quite a bit more believable. So that means that we say okay, we need 100 that we added 10 sets of beeps, right but we use millions at that we've paid for that

110 and then they have a price increase. We set the price or they set the price. So they have a price increase. And we just hope that we fill up that 20 percent gap or whatever because of the price increase? Well, we really know that we're not going to fill in. Yes, that's what we're asking for to advance. But we know.

So then we get the money credit, right? We're going to take this $18,000 and we're good for the next year. Then really, we only use $17,000 worth, where that $1,000 is extra. That's the problem. I talked with the new general manager after the meeting about that and she told me they're looking for a way to get it towards more of a pay per view. So instead of pay in advance and not get a credit, they're gonna pay $30,000 and then only use $20,000 worth of loss that way. It's set up. Exactly. But if we don't do it this way, a conservative so then we said, okay, okay, we don't do it this way that we're spending $25,000 So exactly. It is wow. Okay. I mean, have we ever been short? Like there's been a gap? Yes, significant. We went over those a couple of years ago, we were having well insurance we went over 22 which is what started this whole conversation, they did a rule changes 21 which went into effect on 22 that pretty much all the entities didn't clearly know about it, it was a communication breakdown. So we went over in 22 because of the weather issues and so that started off with this 23 so this is kind of a big thing to look for changes we've updated in the US we've upped the permit a couple times over the past seven years. This was the largest jump as we also add the future well we just had to deal with in that four years let's get the permit now we'll get the permit to have that flexibility and that comes out of the general fund. It's on page two or three further, it's like five straight to data says yes, we didn't use any report at least 173 this year. I was just wondering if that's going be operating supplies. And then what is the new position? It's going be a field guy that is taking care of everything the field guys are doing so it's kind of a split of Eric's job. So Eric is the foreman assigning him and then keeping up with what the guys are doing in the field and keeping them busy where his shortfall is, keeping up with contractors. I want him more involved in the day to day operations with utility contractors. It will be someone who is with the guys in the field says he'll be working in the field with the guys but taking care directly of what they're doing on a day to day basis. Given the rapid pace I think that's a good idea is with all the contractors that were out here and then however it's gonna be hard for somebody to be somewhere all the time wanting more and more. Eric will be more involved in the capital side of things helping WGA and their respective watch what's going on with these new neighborhoods. I don't have a lot of changes so I have to answer any questions you all have.

Water sewers so then there's that, park improvements we've got some stuff in the parks more so than Fernland this year that we need to do painting outside of and painting some inside.

There hasn't been much change to the court unless you guys have any questions.

Maryann discussed what changes needed to remain together from the computers website that computer and technology cover basically the same thing? Yes. And then your computer technology went up quite a bit because what does this mean here because we learned some things together with the last account. Let's slide that up so it's not basically three or four line items we put it on one focus to have one dispersed and that was a computer technology line and a computer website there is no reason that we took the money that was budgeted would have been typically about your budget under computers and website and move that to computer technology or anything like that. The other thing that we did a combination on is general consultant fees. For some reason some of the items were budgeted under general consultant fees.

Yes, copy fax machine stay the same for the core went up 44% same copy of your back machine. Yes, but the problem is that it was not being correctly coded to court previously. That means one of the other lines was somewhere else or went down 10. Surely I can go back and look at this for you and pull a report on that. That doesn't necessarily mean oh about the money in your mind I put out but if we take it from some places, we're somewhere else.

The other thing that falls underneath this copier and fax machine and the best way to save, potentially it could be a decrease but it's their usage and import is using more. This is based on their usage by their copy overage. I can pull some additional information on the copier by looking at the common ones and when I sent one and the other one that went down with that particular case this is based on usage. Okay. So you have your own copy you share what I shared with the court and most of the money. If they have to be like copies or scans, things like that the PD will come and use that and it's also your printers and the usage we all have this.

So Gen Con was the only funding source, right? We get on a lot of different numbers. That's an enterprise fund, it's meant to be feature services. So as far as departments, you guys are right on the department budget. I did so the general fund is down prices, we have that ordinance in place that we have to maintain is that the general fund balance that we're talking about we're within the pool.

The ones that I'll point out is making the change. Well, the new position is in there for half the salary ss well as how that works. We lowered the operator costs. So in the old contract, the preventative maintenance side of things was built into the contract which was under the operator line item with a new contract. That's not so with this one is now the flat rate or what they charge us monthly. And then the balance was moved over to the preventative maintenance line. So the difference between these two is still a net zero. But it didn't change. When you add both of those lines up a little bit more for telephone and adding an iPad for the new position. We were trending under as it was.

I was actually looking at the revenue versus a decrease in revenue. Now, so the department requesting this that's based on it's not based on like, current other than it's used for trending. Think part of the difference here, the reason that your revenue is down is we don't have a pension dissipate as much an impact fees. So if you notice on impact fees, last year, we had budgeted 1.5, based on what is projected this next year is just over 1.1. So that's impacting your revenue on this side. But you also have to understand that it's a transfer out. Right. So you'll see that reflected on the expense side. But as far as a side by side comparison over why there's a reduction in revenue. That's a big one right there.

So the impact fees, that number doesn't match up to the capital number we had here today. That money can't be you because that's all gone to the capital projects. We can't go into the news for operating. But we'll imagine those numbers because we're just talking about all the revenue we historically project conservatively. Okay, it's hard to judge because the majority of your revenue and water so we're five pounds in the last three months of the year, we're hitting right now. It's similar rain, we get the lead. Exactly. We've played it safe every year with the 4% range. We always end up in coming in over. But it's what's hard to target one more project more than that to get what you can but it's just quite safe and we're going to keep it forward.
Thinking I'll find out is that your solid waste revenue line will likely be long and will be adjusted based on whatever agreement is reached.

You get the truck equipped with the lease to lease program on here to the utility projects plot out of the way that it is removing it from the other line item and just putting it over to this one. So there's actually no increase. You will find that you'll see the increase in the transfer debt service and this is based on the issuance.

Quick question. I know we talked about this in one of the back in the days, there was that much of an increase in just one to 8% increase. Maybe that's what he was discussing. So under the operator costs, you'll see it was a reduction by 58% because that is it's on page two of 217 halfway down operator costs is just there and then that big increase over on the utility progress preventative maintenance, that's the maintenance I didn't understand what you're talking about. And then the circle all the way back to the beginning at Gen Con in 95,002 99 that's using all these numbers that are currently here. So when she puts his 20 grand rack collection rate on it it's not.

Right, one of the things that you will notice under water and sewer if you look at that same map top revenue of $4,076,000 expenses of $4 million so currently, the water and sewer is going to be short $100,000. That's what I was looking at. So the impact is kind of what is different. They're talking about the other day versus this one.

But the impact fees are going out. So if we increase the impact base to 1.5 the expense for him is going to raise to 1.5. So those capacities are going to stay there. So we've kind of like, disregard that because there's no way to retain that in the water sewer. So it would be finding either looking at those sources of revenue, it really is not an area to cut in your water sewer. I mean, this is related to service. There is a very healthy fund balance in the utility department. If that's something that we need to look at in this next year while we're going to be evaluating the rate study information that WGA has and what that looks like.

So this 95 to nine, nine, go into the CIP for the capital improvements are so that that is leftover for the net revenue. So where does that go? For the general fund?

You're back on the general fund? Yes.

We're talking about general fund Sorry.

She's asking about the negative balance. We're going to carry water sewer. Yes. $200,000.

Our revenues would be on paperwork, or revenue cover that this is showing that it's not covering? So what is within that space?

So can't say that there's a mistake in the math part of that is going to be the question that I had asked of James in one of the meetings about bringing back in that depreciation piece. It's a calculation piece, as far as the cashflow side of it. I can't answer that. I see a question for James still, I can't answer that. But we're talking about the rates and the rate study and where we've been at in that process. That is one of the things that we just need to take a look at and make sure that we're where it needs to be to be able to satisfy the information.

Well, the need to reevaluate because we did print one sheet, but anyway, that generated additional $200,000 into that water and sewer fund. The anticipation there was for the funding that they found the funding of this, we discussed at the last meeting. Also, we just had time to sit down with Mike and Maryann and the rest of staff to figure out, you can use some money for that service payment. We'll have to look at where do you stand on it? Alright, so I'll pass these out. Do we have a comparison sheet? Because that was one of the concerns that was brought up in the last meeting? Was that compared to our surrounding neighbors? And it's yours that it did not correct. But so in general, in order to generate another $200,000, roughly, in revenue here water and sewer fund, you're looking at an increase on the average single family is about two bucks. So obviously, more of the burden was put on the high volume users and your commercial and multi-family accounts. So when you compare it to your neighbor's Conroe, you're still generally looking at single family because obviously there's a lot of category path there why water rates compared to the city of Conroe, Magnolia here last, those are the two ones that we compare to. So what I just handed out, we want to go through some of the updates and changes we talked about from the capital improvement plan philosophy. There's a couple of projects we added based on some conversations. This is a sheet you saw last week. This we added a couple items. So one of them was what we discussed. The going down to section one. So the TxDOT project that we talked about were 105 expansion, from Grimes County to Shepard Street. They are one into one, with that project next summer in June the 26th. And they have some potential utility relocation from the city. So we've been working with them for over five months, probably at this point, trying to get them to tell us what actually they want to move. As of today, they still haven't said definitively. So we built in kind of worst case scenario, there's three main projects that have relocation, and those are starting at lift station B, Portsmouth relocation, one on relocation, and lift station five. Those chances are not all won't be needed. However, until we know the tax, we added that in here, we revised the Plez Morgan erosion numbers just needed that little for me to discuss at the last meeting. With the tried point agreement, that term for payment has been changed after substantial completion. Since that project hasn't started, that's not to be next fiscal year. So we move that to 10. That first 1/5 payment next fiscal year, this current one. The other thing we changed was the drainage improvements. So we talked about the drainage assessment, we did not have a line for drainage improvements. So we put a line item in here for ditch regrading culvert replacement. You know, there's a lot without that full assessment survey, obviously, that number has a lot of variability. But putting that in here, so maybe we need to rewrite a bunch of pitches and add replacement colors. So end of the day, when you get down to the bottom summary of funds, you're looking at total city share of around $6 million. You take our impact fees, the CEO fund summary because they're forever. Some of these are the CEO projects. And then the ARPA funds, that leaves you about 1.4, which is kind of average we were talking last time. So we go over to the next sheet, a lot of numbers on here. But looking at rates to generate is roughly $100,000 of revenues and million dollars of funding, we ran it up said what's $200,000 to $2 million bonding 1.4 projects we do. So you see your proposed rate, your existing rates, starting from left to right, you can see that increase. But when you really look at the sheet in this section, you'll see the average minimum and max user. So per category the average single family bill goes from $50.00 to $52.50 to $50.00 to $60.00 to $1. The minimum user goes with that same $2. Tonight, your maximum user, which you know, that's the reason a lot. And that's kind of an oddity, when you look at it at the carwash, no, this is it's only single family, your commercial, they range from anywhere, you know, so some minimum bills out there that they're hardly using anything, you have one customer that they're looking at generally around $8,500. And then some of your others so it is how it compares to the rate. But with these changes, you look at your average bill. The average user in Montgomery uses about 60 average single family, about 6,300 gallons a minute. So their bill in the proposed rates would be $52.00. Conroe would be $147.00. We'll send this summary out to you all. It was intended to be here. The five year with waste management was like 66 cents or something that was like $10.00 I can't remember. It was like domino; do you remember I was just trying to figure out if it was gonna be a $10 month raise for households or users or there's gonna be a $3.00 total waste management and water right. And the other thing just in this is a not adding connections. This is based on connections on this report. So as we're adding connections, obviously that revenue increases with the usage and is expensive too as well. But, you know, this is a static look at connection count. So we'll get with Maryann and Mike, we need to understand that $200,000 out to the park. And if we need to try to look at that are you confident we can make that up? I mean, so $200,000 yes, you're average bill would go up $4.00 a month versus the $2.00 a month to cover that.

So what's got me worried though is this to water or capital going out? 1.1 or even 1.9? Right, that's a significant difference. That 1.1 is revenue, this is expenses. Revenue that comes off the shoulders revenue, but it comes off just like liabilities, incomes over a period of 1.9 is the amount that we use, right? Out of our impact, we're showing 1.1 Subtract from our revenue.

Right, one thing to do not forgetting the beginning balance. So you have your beginning balance of $720,000. And then we had a projected additional payment which is different now trying to find your best partner, so in a 1.17. And that this is to begin. Because they're expiring anyway, we pull out the 361 121 bar, but that's a little bit different kind of what we saw interest coming in on that account.

Are we depleted? I just want to make sure we've completed it. I don't want to leave any money hanging?

Absolutely. I agree. So we talked about the last meeting that will lead to conversion and it's tomorrow. It's our next one.

Cheaper, you think? That's always the hope?

So that being said, if this is for all for? And I know we're looking at two different budgets, we're looking for $200,000 that are for funders. How much, 350 roughly.

If we pick one of these, just want to please convert that down the road, reallocated those ARPA funds to different projects, and put to 190,000 back from the impact fees. How does that impact work for water and sewer? Can we keep any of them? Keep them in camp.

So you can work which you can use for the projects that are in the impacting study, which are all projects that add capacity. You can directly pay for those projects, or you can pay for debt service against them. We could use it to earn 1000 towards a debt service because your CEO, the CEO funds, there's a good chunk of that that is going to the water plant improvements. About $700,000 of that project is for expansion of facilities, because the wells water, what I'm saying is debt service. We can use $200,000 of that 1.1 a little bit out because we're gonna look at 997, we'll get us to 1000 the payment that services roughly.

Yes, we'll have to honor the bleach conversions down the road, and we're squared in water sewer. So the only thing is to think about how we're able to actually utilize those. We have a file to a different project which we can use them on the welfare update, which is to improve, right. It's just meeting that federal procurement guideline. That's really the park because it's that project is already underway, that the federal project would have to be a different component. Well, that we believe will fix all of this without want to know if it's possible to take place the mortgage as next year's budget to put it in this year's budget? You do a budget amendment and make it out of the money that we got for the wells, the 3.5 million times. Is that possible? Is it doing? It needs to be done. And I don't want to wait until we get the money to do it if we can do a budget amendment this year and get it taken care of. Mike mentioned last meeting that it needs to be done.

Yes. I'd like to see it done in this year's budget and there are a couple other projects like that are underway. So the full amount you might be paying in minus V might be done prior to this fiscal year so that we can pay it out this year, not next. The Woodlands you might have passed on that we just got the contract signed tonight. So it is something that we can look at to see if we can pull that forward.

And a piece like that and to keep in mind standard is under a capital project. You don't really have a budget amendment to work in that case. It's literally what projects are happening now and where these folks are because it's not an operational piece. So you see a bunch of men that are talking about the operational and the textile project it's supposed to what they say thanks for your budget this budget you have $600,000 and tech stock relocation projects that tech stock could get delayed the project keep delaying the software acquire right away. They haven't finished yet. I think they just build it follow a person that is in the city I'm trying to require right away out here. And one thing they haven't answered is we know that the city project is in the third phase. They don't intend to let the first phase until next June, July of 27th, June 26th so they wanted the relocation done first. We're trying to get them to give us a timeline but they haven't given us a timeline so that $600,000 could push out well based on facts about anticipate they'll figure out within the next six months. Six months will be helpful, we've been trying for five years a lot of these do on that project we've asked TxDOT if we can leave the utilities in place if they say yes, we'll come out we'll make them out much more so they volunteer to help us fund this, move most of that road anyway only if so if a utility is in an easement and they're purchasing the right of way where the utility is and then they will pay for it but since these utilities are all within Texas right of way they are so in these cost assessments we have these one acquisition costs not put them back in the roadway but to try to acquire easements to move them outside so we don't have to do this again or if we do so then back to the close we're going to be, is that something that we should work on right now?

I don't know, let's take a look at that just to see if we can do that this year.

When we meet on August 12th that should be our final budget that we will then be able to post as our budget that was our proposed budget due to be posted by August 4th in order to meet our deadlines.

There is something else and that was the motion to adjourn. Second. Motion seconded that we adjourn. All those in favor say aye. Those opposed say nay. The ayes have it, motion carries.

Adjournment:

CM Langley made a motion to adjourn, and the motion was seconded by CM Fox with all Councilmembers voting AYE, motion carried.

Meeting adjourned at 6:45 p.m.

Submitted by: Diana Titus Date Approved: 8-13-2024

~~James Greene, City Secretary~~

Diana Titus, Deputy City Secretary

Sara Countryman, Mayor