



City of Seguin

210 E. Gonzales Street
Seguin TX, 78155

Meeting Minutes

City Council

Thursday, August 15, 2024

5:30 PM

Council Chambers

Budget Workshop & Special

1. **Call to Order**

Mayor Dodgen called the meeting to order at 5:30 P.M.

2. **Invocation - Mayor Donna Dodgen**

3. **Pledge of Allegiance/Salute to the Texas Flag**

4. **Roll Call**

Present: 6 - Councilmember Joe Rea, Councilmember Jim Lievens, Councilmember Chris Rangel, Councilmember Monica N. Carter, Councilmember Jason Biesenbach, and Councilmember Bill Keller

Presiding: 1 - Mayor Donna Dodgen

Absent: 1 - Councilmember Paul Gaytan

5. **Hearing of Residents:**

Invitation to hear citizens and council members in advance of regular business on items other than what is on the agenda, which shall be limited to five (5) minutes. Due to the Open Meetings Act discussions on matters not on the agenda are not allowed, therefore discussion shall be limited to 1) Statements of specific factual information given in response to any inquiry; 2) A recitation of existing policy in response to an inquiry; 3) A proposal to place the subject on the agenda for a future meeting; 4) For the record, please state your name and address before speaking.

6. **Presentation**

Presentation of the FY2025 City of Seguin Budgets - City Manager Steve Parker and Finance Director Susan Caddell

- a. General Fund
- b. Debt Service Fund
- c. Special Revenue Fund
- d. Utility Fund

Indexes:

Finance Director Susan Caddell announced that this was her 33rd and Mr. Parker's 5th budget presentation for the City of Seguin.

City Manager Steve Parker stated that there is never enough money to fund everything, but declared that City Staff did an excellent job selecting what is needed for a City with aging infrastructure that is the 21st fastest growing City in the United States. He thanked all department directors and managers, but specifically Assistant Finance Director Tracey Stephens, Human Resources Director Kristy Lehnert, and Deputy City Manager Rick Cortes for their hard working preparing the budget.

Mrs. Caddell presented the proposed budgets for FY24-25, highlighting that property tax revenue is anticipated to increase by \$2M over last year's revenue due to increased property values. The City is recommending keeping the current tax rate for next Fiscal Year, a rate of \$0.5125. She also noted that Sales Tax Revenue is anticipated to increase by \$1.3M, for a total of \$13M in sales tax revenue, due to the large commercial growth. Now that Spring Hills water issue has been resolved, a greater number of building permits is anticipated, increasing building permits revenue, ROW User Fees, and Refuse Collection revenues. Mrs. Caddell explained that the expenditure for salaries and benefits are anticipated to increase by \$2,418,207 because of the addition of key positions as well as a budgeted 3% Cost of Living Adjustment (COLA) (\$639,241.52) and a 2.5% step-increase for qualified employees. Due to the increased debt payments from the issuance of the 2024 Certificates of Obligation Bonds- General, the transfers to General Interest and Sinking Fund will increase by \$1,030,461. And because an increase in sales tax revenue is anticipated, an increase of \$216,667 is budgeted for the transfer to Seguin Economic Development Corporation.

Mr. Parker stated that the budgeted 3% COLA is sufficient and lets the City fund the proposed additional positions while keeping salaries competitive with those of surrounding cities. Mr. Parker listed the proposed new positions, some funded partially by the General Fund and partially by the Utility Fund, and explained that the reason there are so many mid-year positions budgeted is to be sure that revenue predictions come to fruition prior to hiring new staff.

Mrs. Caddell also presented that Capital Equipment expenditures are budgeted to increase by \$1,543,636, Capital Projects/Streets by \$1,704,127, and the Proposed Bond expenditures are \$43,000,000. She gave an overview of the capital equipment, projects and what the proposed certificates of obligation will cover.

Mr. Parker gave an overview of the budgeted facility projects. He mentioned that the City will conduct a long-term plan for facilities to be sure that the City is managing growth of its staff and facilities well.

Mrs. Caddell announced that the Public Hearing on the proposed tax rate and budget will be at September 3rd City Council meeting and the final reading on the budget and proposed tax rate will be at the September 17th meeting.

Mr. Parker informed that the utility rates will be presented at the August 20th City Council meeting.

7. Adjournment from Regular Session and Open the Budget Workshop

Mayor Dodgen adjourned the Special Meeting and opened the Budget Workshop at 6:25 P.M.

City Council FY2025 Budget Workshop

- a. General Fund
- b. Debt Service
- c. Special Revenue Fund
- d. Utility Fund

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Councilmember Biesenbach questioned Assistant Fire Chief Garrick Herbert about the proposed Fire Station # 2 storage expansion. Chief Herbert stated that the added storage would allow for apparatus that is currently uncovered to be covered. The proposed addition is 60'x100'. Councilmember Biesenbach also asked about the proposed IT portable building. Facilities Director Randy Kell explained that the cost to rent the building was nearly the same to buy the building, so they recommendation is to purchase the building.

Councilmember Lievens mentioned that there is a long-term facility plan for \$100,000 budgeted. With the current growth of the city and staff, if asked if more facilities would be needed for other departments. Mr. Parker answered that there will be a facility feasibility study conducting to ensure that the City is utilizing and growing its facilities in the most efficient way possible. City Manager Steve Parker said that the portable building can be sold when the City doesn't need it anymore, or it can be moved somewhere else for another department to utilize. He said that the long-term facilities plan will help to track the efficient growth of City facilities and staff levels. He added that the plans for the new Public Works facility have been postponed because it is believed that an existing building will come up for sale that would be a good location for Public Works.

Mayor Dodgen added that the City has learned they didn't know how big to build even the new Animal Shelter and Utility Operations Center as they are quickly being outgrown. She used the crowded city council chambers as another example to illustrate the point.

Facilities Director Randy Kell said that the proposed IT portable building will consist of 6 offices, a conference room, and cubicle space for up to 8 people. It will serve as a good temporary home for IT while the City develops a long-term facility plan.

Councilmember Rangel asked the square footage of the building and Mr. Kell answered it will be a 64'x60' building.

Councilmember Lievens stated he didn't think the Sebastopol House is being used to its fullest potential and asked if there were any plans to improve how it is used. City Attorney Mark Kennedy answered that the City is actively looking at options for using the Sebastopol House. Parks and Recreation Director Jack Jones added that a 501C3 has been formed for Sebastopol House and that it just needed to be launched, hopefully opening up more grant opportunities.

Councilmember Lievens also asked if the merit based pay increase is based on discretion or if there is a process. Merit pay question - based on discretion? Human Resource Director Kristy Lehnert answered that the merit based pay raise is based off the results of an annual evaluations, adding that employees must receive a rating of 80% or higher.

Councilmember Biesenbach asked for clarification of proposed evidence storage project at the Police Department. Chief Jason Brady said that current evidence storage is almost at mass capacity. The plan is to move narcotics evidence to an underutilized office with its own HVAC system. Additionally, adding storage on a track system will allow 40-50% more storage. Councilmember Biesenbach also asked Chief Brady to describe why the locker room expansion is needed. Chief Brady explained that the increasing number of female officers requires more showers and toilets for females.

Lastly, Councilmember Biesenbach thanked Parks and Recreation Jack Jones for moving forward with Manuel Castillo Park renovations because that park is heavily used.

Mayor Dodgen added thanks for the work done at Pachanga Park as well. Councilmember Keller concurred that the improvements that have been done and that are being done now are fantastic. Mr. Jones said that the quality of life features are what residents are looking for when they look to move to a new city.

Councilmember Biesenbach asked why there is \$800,000 budgeted for the pickleball courts and Mr. Jones explained that it was for the new restrooms, sidewalk, and pavillion, and picnic tables.

Councilmember Biesenbach asked why the electric vehicle charging stations are budgeted at \$200,000 instead of the \$80,00 that was previously proposed. Library Director Silvia Christy said that the stations that are proposed now are more efficient than what was previously proposed. She added that there are still grant opportunities being explored and there is even possibility for it to become a future revenue source.

Mayor Dodgen asked how the City's proposed Cost of Living Adjustment compares to surrounding areas and Mrs. Lehnert confirmed that what is proposed is meeting the standard. Mr. Parker added that some cities have chose to go higher, but they are ones that are playing catch up from not consistently raising in past years.

Mayor replied that is good because she wants to be sure that the City can keep its employees. She asked Mr. Parker to speak to how the current budget speaks to keeping the current plans moving forward. Mr. Parker stated that the proposed budget has many projects moving our current plans forward, including adding the downtown restrooms, RFQs for someone to develop the Wells Fargo building, and the potential park improvements at Rudeloff and Huber that will provide a park with many amenities at very little cost to the tax payers.

8. Adjournment from the Budget Workshop and Open the Regular Session

Mayor Dodgen adjourned the Budget Workshop and reopened the Special Meeting at 7:24 P.M.

Propose a New Tax Rate of \$.5125 per \$100 valuation for FY2025 - Susan Caddell, Director of Finance

Indexes:

Councilmember Keller made a motion, seconded by Councilmember Biesenbach, to place a proposal to adopt a tax rate of \$0.5125 per \$100 valuation on a future agenda. The motion carried by the following vote:

Excused: 1 - Councilmember Gaytan

Presiding: 1 - Mayor Dodgen

Aye: 6 - Councilmember Rea, Councilmember Lievens, Councilmember Rangel, Councilmember Carter, Councilmember Biesenbach, and Councilmember Keller

9. Adjournment

Mayor Dodgen adjourned the meeting at 7:26 P.M.

Donna Dodgen, Mayor

ATTEST:

Kristin Mueller, City Secretary