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KENNEDALE CITY COUNCIL MINUTES

SPECIAL MEETING | August 17, 2017
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE
WORK SESSION - 6:30 PM

I. CALL TO ORDER

Mayor Brian Johnson called the meeting to order at 6:45 p.m.

II. ROLL CALL

Present: Mayor Brian Johnson; Rockie Gilley (Place 1); Sandra Lee (Place 3); Mayor Pro Tem Jan Joplin (Place 5); **Absent:** Kelly Turner (Place 4), Liz Carrington (Place 2)

Staff: *City Manager George Campbell, City Secretary & Communications Coordinator Leslie Galloway, Finance Director Brady Olsen, HR Director Kelly Cooper, Community Development Director Rachel Roberts, Police Chief Tommy Williams, Fire Chief Mike McMurray, Public Works Director Larry Ledbetter, Library Director Amanda King, Accounting Technician Debby Scott, EDC Director Jack Thompson*

III. WORK SESSION

A. Continued discussion of the City Manager's FY2017-18 budget proposal

City Manager George Campbell stated that, since the last meeting, Council was provided with an informal staff report answering raised questions. He added that the purpose of today's meeting was to continue to answer specific questions about the budget, but there would be no formal staff presentation. Finance Director Brady Olsen noted that the presentation from the Friday, August 11, 2017 meeting was available at www.cityofkennedale.com/budget; and that there had since been one change: the insurance renewal is a 20% increase, rather than 15%.

In response to Mayor Pro Tem Jan Joplin's question about reimbursement to the Water Fund, Finance Director Brady Olsen stated that the fund is projected to end strong this year, and with the budgeted deficit in the General Fund, staff recommended against that transfer.

In response to Joplin's question about funding for the ambulance, Olsen responded that the note was for originally for purchasing vehicles, but staff had since moved to leasing, which left funds in the Debt Service section of the budget that could now be used for replacing the ambulance.

In response to Councilmember Lee's question about the $0.50 increase in stormwater fees, Public Works Superintendent Larry Hoover stated that when the fee was originated, there were about thirty projects identified as needed to protect the infrastructure, costing a total of about $30 million. Since, an additional $3.5 million has been identified in the Winding Creek area. The goal is to build the fund up until there is enough cash to fund a single project at once.

In response to Lee's questions about alternate distribution of the 2% increase in salary, Campbell noted that it would create compression problems over time. He added that if the funds were divided equally among all employees, that could be done as a single lump sum bonus check, rather than a salary adjustment to avoid issues with compression.

In response to Councilmember Gilley's question about the Streets Department's request for an additional Full-Time Employee, Public Works Superintendent Larry Hoover stated that he would like to restructure his staff into two crews – land landscaping and streets – which would allow more focus on streets. Olsen noted that this request was not included in the proposed budget.

In response to Mayor Johnson's question about staffing levels, City Manager George Campbell stated that the City is understaffed in some areas and community growth will only add to this problem. He added that several staffing requests were made, but not included in this budget.

In response to Councilmember Gilley's question about iPads for Council, Campbell stated that he was trying to move to a paperless option for packets, as well as eliminating the computer screens on the dais, which make visibility a problem for both the Council and the audience.

In response to Councilmember Gilley's question about the Vactor Truck, Public Works Superintendent Larry Hoover stated that the life expectancy was about eight years. Gilley expressed concern with spreading payments across twenty years for a piece of equipment that was only in use for eight. Public Works Director Larry Ledbetter added that the estimate for contracting the cleanout of wastewater lines would be about $1 million. Campbell agreed that issuing debt that is longer than the life of the item is questionable.

In response to Councilmember Gilley's question about the Strategic Planning Update, Community Development Director Rachel Roberts stated that the current plan was through 2015, and should be updated.

In response to Councilmember Gilley's question about the water and sewer engineering costs, Public Works Director Larry Ledbetter stated that the costs were for Shield Engineering to review and correct submitted plans, which prevents long-term issues and costs.

In response to Councilmember Gilley's question about the City's various memberships and the associated travel, City Manager George Campbell stated that TML advocates for cities at the state level and NLC at the national level, but they wouldn't be nearly as effective without small cities' input. He added that the majority of cities have a population under 25,000, and it's beneficial to exchange information with other cities facing similar issues. Councilmember Lee stated that she feels it would be wise to avoid travel for the next year.

In response to Councilmember Gilley's question about the cost of IT support, Director of Finance Brady Olsen stated that it includes server support and integrating numerous software applications throughout the City. City Manager George Campbell noted that it also includes the expertise necessary to meet the security regulations for police communications.

In response to Councilmember Gilley's question regarding the replacement of a tractor and the cost of maintaining landscaping, Public Works Superintendent Larry Hoover stated that the tractor has been in need of repairs quite frequently and that from February 2016 to February 2017, 44% of his crew's time was spent on landscaping.

City Manager George Campbell stated that if Council had further questions, they could submit them via email.

Councilmember Joplin stated that she was against any tax increase, and wanted to see a budget reflecting the effective tax rate. George Campbell stated that the proposed budget was based on a $0.78 property tax, but the effective rate is about $0.72 – which would require more than $400,000 in cuts.

Councilmember Joplin asked what effect reducing the ¾" meter base rate by an additional $2.00 would have. Director of Finance Brady Olsen stated that his proposed rate structure lowered each base rate as much as possible, while maintaining the financial integrity of the fund, and that further decreases would result in a perennial deficit. City Manager George Campbell stated that staff could create a list of cuts necessary to reduce property taxes to the effective rate, but warned that it would include cuts to staffing. He added that the majority of costs are personnel, and that the majority of personnel are Police and Fire, but Council stated they do not want to cut staffing or any emergency services costs.

Councilmember Joplin stated that the Council's budget could be cut by $50,000, but added that she did not want to see cuts to the Library, Police, or Fire. She asked if EDC-owned property could be sold to bolster the General Fund. Finance Director Brady Olsen stated that, legally, that is not an option. Mayor Johnson asked that Council email specific requested cuts to Olsen.

City Manager George Campbell stated that he understood that Council desired that the budget be based on the effective tax rate without personnel cuts – which is what it would take. He added that EDC revenue is committed to debt service, leaving no excess available to the City.

Councilmember Gilley stated that this budget was based on a 10% tax increase. Director of Finance Brady Olsen responded that some of that revenue growth comes from development; and that an average home ($225,000) would see an increase of $45 on their annual tax bill.

VI. ADJOURNMENT

Motion To adjourn. **Action** Adjourn, **Moved By** Rockie Gilley, **Seconded By** Sandra Lee. **Motion passed Unanimously.**

Mayor Brian Johnson adjourned the meeting at 8:11 p.m.

CITY OF KENNEDALE TARRANT COUNTY, TEXAS

APPROVED:

BRIAN JOHNSON, MAYOR

ATTEST:

LESLIE GALLOWAY, CITY SECRETARY