



# CITY COUNCIL AGENDA

## NOTICE OF REGULAR MEETING

Tuesday, August 1, 2017

7:00 p.m.

City Hall - Council Chamber

Daniel P. Moore Community Center Complex

1900 Billy G. Webb Drive

Portland, Texas

1. **CALL TO ORDER:** MAYOR KREBS
2. **INVOCATION AND PLEDGE:** MAYOR KREBS OR DESIGNEE
3. **FORMAL ANNOUNCEMENTS, RECOGNITION, PRESENTATIONS AND REPORTS THAT MAY BE DISCUSSED:**

- INTRODUCTION OF NEW EMPLOYEES – DIRECTOR OF FINANCE AND GENERAL SERVICES SUPERINTENDENT

4. **CITY COUNCIL COMMENTS CONCERNING ITEMS OF COMMUNITY INTEREST THAT MAY NOT BE DISCUSSED:**

Members of the City Council may present reports regarding items of community interest, provided no action is taken or discussed. Items of community interest include the following:

- Expressions of thanks, congratulations, or condolence
- Information regarding holiday schedules
- Honorary recognition of city officials, employees, or other citizens
- Reminders about upcoming events sponsored by the city or another entity that is scheduled to be attended by a city official or city employee
- Announcements of imminent threats to the public health and safety of the city

5. **CITY MANAGER'S REPORT:**

The City Manager may present announcements, comments and updates on City operations and projects.

**6. MEMBERS OF THE AUDIENCE WHO WISH TO (1) COMMENT OR PRESENT QUESTIONS ABOUT AN AGENDA ITEM, (2) PRESENT QUESTIONS OR CONCERNS ON ISSUES NOT ON THE AGENDA, OR (3) PROPOSE REGULATORY OR POLICY CHANGES, MAY ADDRESS THE CITY COUNCIL FOR UP TO FOUR (4) MINUTES. SPEAKERS MUST COMPLY WITH THE FOLLOWING RULES:**

- Persons who wish to speak must fill out and turn in a speaker card before the meeting is convened (The Mayor will notify you when it's your turn to speak)
- All persons must speak from the podium, and must identify themselves and their places of residence
- All comments, requests and proposals must be presented to or through the Mayor
- If you have a petition or other information related to your topic, please present it to the City Secretary. Any electronic media (e.g. CD, DVD, flash drive) that the speaker would like to use while they speak MUST be submitted a minimum of 24 hours prior to the meeting. Please contact the City Secretary at (361) 777-4513 to coordinate.
- The Texas Open Meetings Act prohibits the City Council from responding to or discussing your comments. The Mayor or City Council may:
  1. Make a statement of factual information
  2. Recite an existing policy in response to a question, or
  3. Advise the speaker that a subject will be placed on the agenda at a future meeting.
- It is the policy of the City Council that citizens shall have the right to be heard, and that no Council member, staff member, or member of the audience may berate, embarrass, accuse, or show personal disrespect for a member of the City Council, staff, or member of the public at any City Council meeting.

**7. MINUTES OF PREVIOUS MEETING:** THE CITY COUNCIL WILL CONSIDER THE MINUTES OF ITS JULY 18, 2017 REGULAR MEETING AND JULY 20, 2017 WORKSHOP – MAYOR KREBS AND CITY SECRETARY

**8. SETTING DATES FOR PUBLIC HEARINGS:** THE CITY COUNCIL WILL CONSIDER SETTING DATES FOR PUBLIC HEARINGS ON THE PROPOSED TAX INCREASE – DIRECTOR OF FINANCE

**9. EXECUTIVE SESSION:** THE CITY COUNCIL WILL CONDUCT AN EXECUTIVE SESSION ACCORDING TO GOVERNMENT CODE:

- §551.087 – DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS RELATED TO COMMERCIAL OR FINANCIAL INFORMATION THAT THE GOVERNMENTAL BODY HAS RECEIVED FROM A BUSINESS PROSPECT THAT THE GOVERNMENTAL BODY SEEKS TO HAVE LOCATE, STAY, OR EXPAND IN OR NEAR THE TERRITORY OF THE GOVERNMENTAL BODY AND

WITH WHICH THE GOVERNMENTAL BODY IS CONDUCTING ECONOMIC  
DEVELOPMENT NEGOTIATIONS

**10. ADJOURNMENT: MAYOR KREBS**

**NOTICE OF ASSISTANCE**

If you plan to attend this public meeting and you have a disability that requires special arrangements to be made, please contact City Secretary, Annette Hall (361) 777-4513 or [annette.hall@portlandtx.com](mailto:annette.hall@portlandtx.com) in advance of the meeting. Reasonable accommodations will be made to facilitate your participation. The City Hall is wheelchair accessible and specially marked parking spaces are located in front of its entrance. Special seating will be provided in the Council Chamber during the meeting.

**BRAILLE IS NOT AVAILABLE**

**Posted:** July 28, 2017 by 5:00 p.m.  
Portland City Hall  
Electronically at [www.portlandtx.com](http://www.portlandtx.com)

**By:**   
Annette Hall  
City Secretary

**CITY OF PORTLAND  
CITY COUNCIL  
REGULAR MEETING  
MINUTES  
JULY 18, 2017 – 7:00 P.M.**

On this the 18<sup>th</sup> day of July 2017, the Council of the City of Portland convened in a regular meeting session at 7:00 p.m. in the Council Chambers of City Hall, Daniel P. Moore Community Center Complex and notice of regular meeting giving the time, place and date and subject having been posted as described by Section 551 of the Government Code.

**MEMBERS PRESENT:**

David Krebs	Mayor
Cathy Skurow	Council Member
Gary Moore Sr.	Council Member
John Green	Council Member
Bill T. Wilson II	Council Member

**MEMBERS ABSENT:**

Ron Jorgensen	Mayor Pro Tem
John G. Sutton Jr.	Council Member

**STAFF PRESENT:**

Randy Wright	City Manager
Brian DeLatte	Assistant City Manager
Annette Hall	City Secretary
Katie Griffin	Director of Finance
Mark Cory	Chief of Police
Lyle Lombard	Fire Chief
Mona Gandy	Director of Marketing & Communications
Ginny Moses	Library Director
Terrell Elliott	IT Manager
Drew Schell	IT Technician
Brandon Lemon	Assistant Accountant

And with a quorum being present, the following business was transacted:

**A. PROCEDURAL MATTERS, HONORS AND RELATED NON-ACTION ITEMS:**

- 1. CALL TO ORDER: MAYOR KREBS**

Mayor Krebs called the meeting to order at 7:00 pm.

**2. INVOCATION AND PLEDGE: MAYOR KREBS OR DESIGNEE**

Mayor Krebs gave the invocation and led the Pledge of Allegiance.

**3. FORMAL ANNOUNCEMENTS, RECOGNITION, PRESENTATIONS AND REPORTS THAT MAY BE DISCUSSED:**

There were none.

**4. CITY COUNCIL COMMENTS CONCERNING ITEMS OF COMMUNITY INTEREST THAT MAY NOT BE DISCUSSED:**

Members of the City Council may present reports regarding items of community interest, provided no action is taken or discussed. Items of community interest include the following:

- Expressions of thanks, congratulations, or condolence
- Information regarding holiday schedules
- Honorary recognition of city officials, employees, or other citizens
- Reminders about upcoming events sponsored by the city or another entity that is scheduled to be attended by a city official or city employee
- Announcements of imminent threats to the public health and safety of the city

Council Member Skurow commented that the City's budget season has begun and encouraged public participation to better understand the process before public hearings begin to set the tax rate.

Council Member Moore announced that he attended the Port of Corpus Christi Commissioners Meeting that included an announcement of the approval of a lease agreement for 41 acres on Inner Harbor with Howard Energy Partners and the appointment of Wes Hoskins and Sean Strawbridge to the San Patricio EDC Board of Directors.

**5. CITY MANAGER'S REPORT:**

The City Manager may present announcements, comments and updates on City operations and projects.

- Gave an update on San Patricio County tax appraisals process.

- Announced that the San Pat County Appraisal District has appointed Robert Cenci as their new Chief Appraiser
- Announced that San Patricio Economic Development Corporation will hold their monthly partner breakfast tomorrow at North Shore Country Club at 7:30 a.m.
- Announced that the City's Budget Workshop on Thursday at 4:30 p.m.

**6. MEMBERS OF THE AUDIENCE WHO WISH TO (1) COMMENT OR PRESENT QUESTIONS ABOUT AN AGENDA ITEM, (2) PRESENT QUESTIONS OR CONCERNS ON ISSUES NOT ON THE AGENDA, OR (3) PROPOSE REGULATORY OR POLICY CHANGES, MAY ADDRESS THE CITY COUNCIL FOR UP TO FOUR (4) MINUTES. SPEAKERS MUST COMPLY WITH THE FOLLOWING RULES:**

- Persons who wish to speak must fill out and turn in a speaker card before the meeting is convened (The Mayor will notify you when it's your turn to speak)
- All persons must speak from the podium, and must identify themselves and their places of residence
- All comments, requests and proposals must be presented to or through the Mayor
- If you have a petition or other information related to your topic, please present it to the City Secretary. Any electronic media (e.g. CD, DVD, flash drive) that the speaker would like to use while they speak MUST be submitted a minimum of 24 hours prior to the meeting. Please contact the City Secretary at (361) 777-4513 to coordinate.
- The Texas Open Meetings Act prohibits the City Council from responding to or discussing your comments. The Mayor or City Council may:
  1. Make a statement of factual information
  2. Recite an existing policy in response to a question, or
  3. Advise the speaker that a subject will be placed on the agenda at a future meeting.
- It is the policy of the City Council that citizens shall have the right to be heard, and that no Council member, staff member, or member of the audience may berate, embarrass, accuse, or show personal disrespect for a member of the City Council, staff, or member of the public at any City Council meeting.

There were none.

**7. MINUTES OF PREVIOUS MEETING: THE CITY COUNCIL WILL CONSIDER THE MINUTES OF ITS JULY 5, 2017 REGULAR MEETING – MAYOR KREBS AND CITY SECRETARY**

Council Member Green made the motion to approve the minutes of the July 5, 2017 regular meeting, seconded by Council Member Moore.

The motion passed with the following vote:

Aye: 4 - Mayor Krebs, Council Member Skurow, Council Member Moore, and Council Member Green

Nay: 0 -

Absent: 3 - Mayor Pro Tem Jorgensen, Council Member Wilson and Council Member Sutton

Abstained: 0 -

**8. AUTHORIZATION TO CONDUCT THE 2017 CITIZEN SATISFACTION SURVEY: THE CITY COUNCIL WILL CONSIDER ENGAGING NATIONAL SERVICE RESEARCH TO CONDUCT A SURVEY OF PORTLAND CITIZENS – CITY MANAGER**

City Manager, Randy Wright presented the following information:

The City of Portland conducts periodic surveys of its residents to assess community needs and the City's performance.

Our success as a city rests largely on our ability to both understand and deliver a menu of quality services that our citizens want and need. We conduct periodic surveys to gauge our day-to-day performance, understand the needs of the community, and identify changes in citizen attitudes over time.

Surveys were conducted 2012 and again in 2015. Since 2015, many changes have occurred in the area and it is important to understand how our citizens view those changes.

Director of Marketing & Communications, Mona Gandy, explained that NSR has the most Texas Municipal survey experience of the four proposals received. The same methodology used in the previous survey conducted will be used in this one. 3,000 surveys will be mailed and will collect a minimum of 400 random surveys through a combination of email, phone and online instruments. The survey and data analysis will be completed in September.

The City Council, City Manager and Ms. Gandy discussed the proposal cost by NSR of \$10,250 and reviewing the survey questions before they are mailed to Portland residents.

Council Member Green made the motion to engage National Service Research to conduct a citizen satisfaction survey at an approximate cost of \$10,250, seconded by Council Member Skurow.

The motion passed with the following vote:

Aye: 4 - Mayor Krebs, Council Member Skurow, Council Member Moore, and Council Member Green

Nay: 0 -

Absent: 3 - Mayor Pro Tem Jorgensen, Council Member Wilson and Council Member Sutton

Abstained: 0 -

**9. STREET IMPROVEMENT PROGRAM PHASE 9A PROJECT CLOSEOUT: THE CITY COUNCIL WILL CONSIDER CHANGE ORDER NO. 7 IN THE AMOUNT OF \$51,873.40, FINAL PAY APPLICATION, AND PROJECT ACCEPTANCE FOR THE STREET IMPROVEMENT PROGRAM PHASE 9A – ASSISTANT CITY MANAGER**

Assistant City Manager, Brian DeLatte, presented the following information:

Construction of the city-wide Phase 9A Street Improvements Program has been completed. Haas-Anderson Construction completed overlays and rehabilitations on 12 streets. LJA Engineering has inspected the work and recommends project acceptance. With the approval of Change Order No. 7, the project was completed \$91,010.20 under budget.

Change Order No. 7 formally authorizes the remainder of the field changes that were issued by City Staff throughout the project. The field changes utilized allowances available for unforeseen conditions customary in these types of projects.

The unaudited breakdown of final projects costs is as follows:

Item	Budget	Actual
Construction Contract	\$3,393,235.70	\$3,393,235.70
Construction Contingency and Allowances	\$240,000.00	\$165,827.69
Construction Administration and Testing	\$152,570.00	\$135,732.11
<b>Total Construction Cost</b>	<b>\$3,785,805.70</b>	<b>\$3,694,795.50</b>
<b>Over/(Under) Budget</b>		<b>(\$91,010.20)</b>



Council Member Moore made the motion to approve the Street Improvement Program Phase 9A Change Order No. 7 in the amount of \$51,873.40, the final pay application, and project acceptance, seconded by Council Member Green.

The motion passed with the following vote:

Aye: 4 - Mayor Krebs, Council Member Skurow, Council Member Moore, and Council Member Green

Nay: 0 -

Absent: 3 - Mayor Pro Tem Jorgensen, Council Member Wilson and Council Member Sutton

Abstained: 0 -

#### **10. MUNICIPAL PARK AND SPORTS COMPLEX IMPROVEMENTS PROJECT CHANGE ORDER**

**NO. 2:** THE CITY COUNCIL WILL CONSIDER MUNICIPAL PARK AND SPORTS COMPLEX IMPROVEMENTS PROJECT CHANGE ORDER NO. 2 IN THE AMOUNT OF \$168,091.00 – ASSISTANT CITY MANAGER

Assistant City Manager, Brian DeLatte presented the following information:

Construction is nearing completion on the Municipal Park and Sports Complex Improvements Project. Several field changes and utilization of contract allowances have been incurred to date during the construction and Change Order No. 2 formally authorizes those changes. The project remains on budget and on schedule for a late August 2017 substantial completion.

Change Order No. 2 formally authorizes a number of previously approved field changes and utilization of contract allowances. The only remaining significant field change or allowance not covered under this change order is the park entrance sign at each park, which are budgeted and will be processed during project closeout.

Council member Green made the motion to authorize the City Manager to execute Change Order No. 2 with Hellas Construction in the amount of \$168,091.00., seconded by Council Member Moore.

The motion passed with the following vote:

Aye: 4 - Mayor Krebs, Council Member Skurow, Council Member Moore, and Council Member Green

Nay: 0 -

Absent: 3 - Mayor Pro Tem Jorgensen, Council Member Wilson and Council Member Sutton

Abstained: 0 -

**11. CREATION OF SPORTS DIRECTOR POSITION: THE CITY COUNCIL WILL CONSIDER AUTHORIZING THE ADDITION OF A SPORTS DIRECTOR TO MANAGE OPERATIONS OF THE CITY'S SPORTS VENUES – CITY MANAGER**

City Manager, Randy Wright, presented the following information:

Hellas Construction will complete construction of the Municipal Park and Sports Complex projects by mid-September or earlier. We have already begun negotiation with a national company to provide baseball tournaments at facilities.

To ensure that we are able to meet our primary goals of (1) providing quality sports venues for our kids, (2) creating a park destination for our residents, and (3) maximizing our sports tourism potential, a single point of contact and coordinator is needed. The scope of work and time needed to oversee the physical maintenance of our facilities, and the time required to promote and coordinate maximum usage is so great that an additional department director is required.

If approved, this position will oversee and manage the operations of the City's sports venues, and serve as our liaison for local leagues and out-of-town tournament organizations.

Although not a part of this agenda item, for FY 2017-2018, the City Council will be asked to consider adding two maintenance workers to provide support for these facilities as well as the parks department at large.

The City's new \$17 million sports venues are nearing completion. A new position entitled Sports Director is needed to successfully manage operations and coordination of the facilities.

Council member Skurow made the motion to authorize the City Manager to establish the position of Sports Director, seconded by Council Member Green.

The motion passed with the following vote:

Aye: 4 - Mayor Krebs, Council Member Skurow, Council Member Moore, and Council Member Green

Nay: 0 -

Absent: 3 - Mayor Pro Tem Jorgensen, Council Member Wilson and Council Member Sutton

Abstained: 0 -

**12. EXECUTIVE SESSION:** THE CITY COUNCIL WILL CONDUCT AN EXECUTIVE SESSION ACCORDING TO GOVERNMENT CODE:

- §551.087 – DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS RELATED TO COMMERCIAL OR FINANCIAL INFORMATION THAT THE GOVERNMENTAL BODY HAS RECEIVED FROM A BUSINESS PROSPECT THAT THE GOVERNMENTAL BODY SEEKS TO HAVE LOCATE, STAY, OR EXPAND IN OR NEAR THE TERRITORY OF THE GOVERNMENTAL BODY AND WITH WHICH THE GOVERNMENTAL BODY IS CONDUCTING ECONOMIC DEVELOPMENT NEGOTIATIONS

At 7:24 p.m. Mayor Krebs announced that the City Council will conduct an Executive Session according to Government Code:

- §551.087 – DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS RELATED TO COMMERCIAL OR FINANCIAL INFORMATION THAT THE GOVERNMENTAL BODY HAS RECEIVED FROM A BUSINESS PROSPECT THAT THE GOVERNMENTAL BODY SEEKS TO HAVE LOCATE, STAY, OR EXPAND IN OR NEAR THE TERRITORY OF THE GOVERNMENTAL BODY AND WITH WHICH THE GOVERNMENTAL BODY IS CONDUCTING ECONOMIC DEVELOPMENT NEGOTIATIONS

Council Member Wilson arrived at 7:52 p.m.

Mayor Krebs reconvened the meeting at 8:04 p.m. and announced that the Executive Session was concluded at 8:03 p.m.

**13. ADJOURNMENT:** MAYOR KREBS

Mayor Krebs adjourned the meeting 8:05 p.m.

**NOTICE OF ASSISTANCE**

If you plan to attend this public meeting and you have a disability that requires special arrangements to be made, please contact City Secretary Annette Hall (361) 777-4513 or

[annette.hall@portlandtx.com](mailto:annette.hall@portlandtx.com) in advance of the meeting. Reasonable accommodations will be made to facilitate your participation. The City Hall is wheelchair accessible and specially marked parking spaces are located in front of its entrance. Special seating will be provided in the Council Chamber during the meeting.

**BRaille IS NOT AVAILABLE**

Approved:

\_\_\_\_\_  
David Krebs, Mayor

Attest:

\_\_\_\_\_  
City Secretary

**CITY OF PORTLAND  
CITY COUNCIL  
WORKSHOP MEETING  
JULY 20, 2017 – 4:30 P.M.**

On this the 20<sup>th</sup> day of July 2017, the Council of the City of Portland convened in a workshop meeting session at 4:30 p.m. in the Council Chambers of City Hall, Daniel P. Moore Community Center Complex and notice of workshop meeting giving the time, place and date and subject having been posted as described by Section 551 of the Government Code.

**MEMBERS PRESENT:**

David Krebs	Mayor
Cathy Skurow	Council Member
Gary Moore, Sr.	Council Member
John Green	Council Member
Bill T. Wilson, II	Council Member

**MEMBERS ABSENT:**

Ron Jorgensen	Mayor Pro Tem
John G. Sutton, Jr.	Council Member

**STAFF PRESENT:**

Randy Wright	City Manager
Brian DeLatte	Assistant City Manager
Annette Hall	City Secretary
Katie Griffin	Director of Finance
Lyle Lombard	Fire Chief
Terrell Elliott	IT Manager
Ginny Moses	Library Director
Dorothy Torres	Children's Librarian
Mark Cory	Chief of Police
Becky Stewart	Division Coordinator – Administration
Lorenzo Lara	Controller
Josh Irvin	General Services Superintendent
Joe Lopez	Chief Plant Operator
Sheri Gagliano	Aquatics Specialist
Ana Mooney	Administrative Assistant

And with a quorum being present, the following business was transacted:

**1. CALL TO ORDER: MAYOR KREBS**

Mayor Krebs called the workshop to order at 4:30 p.m.

**2. CAPITAL PROGRAM: THE CITY COUNCIL WILL DISCUSS THE 5 YEAR CAPITAL PROGRAM (OCTOBER 1, 2017 THROUGH SEPTEMBER 30, 2021) - CITY MANAGER**

City Manager, Randy Wright, explained that this item will be combined and discussed under item No. 3.

**3. BUDGETS: THE CITY COUNCIL WILL DISCUSS REVISIONS TO THE CURRENT BUDGET (2016-2017 FISCAL YEAR), ADOPTION OF A NEW BUDGET (2017-2018 FISCAL YEAR) AND RELATED MATTERS - MAYOR, CITY MANAGER AND DIRECTOR OF FINANCE**

City Manager, Randy Wright, presented and reviewed the following information with the City Council:

**Budgeting 101**

- a. Open to the public/transparent
- b. Governed by GASB (Government Accounting Standards Board)
- c. Divided into funds (7)
  - General Fund
  - Waters/Wastewater Fund
  - Venue Sales Tax Fund
  - Type B Sales Tax Fund
  - HOT Fund
  - Drainage Fund
  - Debt Service Fund

Controller, Lorenzo Lara, presented and reviewed the calculations of transfers between funds for the Preliminary Budget Year 2018 with the City Council.

***Budget Calendar***

Director of Finance, Katie Griffin, presented and reviewed the 2017-2018 Budget Calendar with the City Council.

***Capital Improvement Plan***

City Manager, Randy Wright, explained that there has been no changes since the last time the 2017-2021 Capital Improvement Plan was presented in May.

### ***Tax Rate History***

Director of Finance, Katie Griffin, presented and reviewed the following information with the City Council:

- Major Sources of Revenue
  - Ad Valorem Taxes
  - Tax Franchise & Other Taxes
  - Licenses
  - Permits Intergovernmental
  - Revenue Charges for Service
  - Fines & Forfeitures
- Ad Valorem Tax Rate History 2011-2017
- General Fund Sales Tax History 2009-2017

### ***Comparing Portland to Area Communities***

Assistant City Manager, Brian DeLatta presented and reviewed the following information with the City Council:

#### Comparison Goal and Methodology

- Our goal was to compare area cities' building permit fees, utility rates, and ad valorem tax rates to determine the annualized local government fees and taxes associated with living in each area city
- The following parameters were utilized for comparative purposes:
  - 2016 fees and rate used for common comparisons
  - 1,500 SF home with assessed value of \$176,000
- Building Permit Fees
- Water Rates
- Wastewater Rates
- Solid Waste Rates
- Total Utility Bill
- City Ad Valorem Tax Rates
- School District Ad Valorem Tax Rate
- County Ad Valorem Tax Rate
- Total Combined Ad Valorem Tax Rates
- Total Annual Building Permit Fees, Utility Rates, and Ad Valorem Taxes
- City of Portland Projected Population
- Assuming 2.0% and 3% Growth Rate
- Full Time Equivalent Positions

The City Council and City Manager discussed preliminary budget options, growth and population of the city, surrounding industry, and sales tax predictions.

Mayor Krebs recessed the workshop at 5:45 p.m.

Mayor Krebs reconvened the workshop at 6:25 p.m.

### ***Funding Employee Pay for Performance***

City Manager, Randy Wright, presented and reviewed the following with the City Council:

- Escalating salary costs
- Vacation buyback

### ***Budget Summaries***

City Manager, Randy Wright, presented and reviewed the following Preliminary FY 2017-2018 Budget Highlights by fund with the City Council:

- General Fund
- Water/Wastewater Enterprise Fund
- Drainage Fund
- Venue Sales Tax Fund
- Special Revenue (Type B) Sales Tax Fund
- Restricted Use Fund Changes and Features
  - HOT Fund
- Debt Service Fund Changes and Features

Director of Finance, Katie Griffin, presented and reviewed the following with the City Council:

- Preliminary Certified Values
- Preliminary Effective Rate

The City Council, City Manager, Assistant City Manager and Director of Finance discussed the following:

- Effective Tax Rate
- Rollback Rate
- Reserves
  - 90 day in Operating funds
  - \$100,000 in non-operating funds



- Drawdowns
  - One time drawdowns for Capital items
- Proposed number of new employees
- Moving the Electronic Message Board purchase to 2018 budget

Director of Finance, Katie Griffin, presented and reviewed preliminary Fund Balance estimates and reserve requirements by fund with the City Council.

City Manager, Randy Wright, presented and reviewed the following proposed preliminary 2017 Tax rate with the City Council.

- The General Fund, the balanced budget as presented will require a property tax increase of almost 5 cents (\$0.04876) above the effective tax rate (\$0.549104).
- The current tax rate is \$0.566668. The new rate is \$0.59787. The calculated rollback rate is \$0.599000.
- About 2 cents is for I&S and will pay for voter-approved Bond 2016 payments.
- About 3 cents is for M&O. Most is for public safety personnel and maintenance employees. Capital equipment and project costs in the budget are funded through a drawdown of General Fund balance as well as from unused proceeds of a 2014 Tax Note.
- Even with the drawdown, the General Fund balance remains healthy and well above our minimum levels.
- Amending the preliminary CIP to move the 18-005 Electronic Message Board (\$200K) to FY 2018-19 will reduce the General Fund drawdown by \$100K.
- These numbers are preliminary and will be refine once the certified roll is received.
- Barring any problems, we will revisit in workshop before the next regular meeting (August 1).

#### 4. **ADJOURNMENT:** MAYOR KREBS

Mayor Krebs adjourned the workshop at 8:31 p.m.

#### **NOTICE OF ASSISTANCE**

If you plan to attend this workshop and you have a disability that requires special arrangements to be made, please contact City Secretary Annette Hall (361-777-4513 or [annette.hall@portlandtx.com](mailto:annette.hall@portlandtx.com)) in advance of the meeting. Reasonable accommodations will be made to facilitate your participation. The City Hall is wheelchair accessible and specially marked parking spaces are located in front of its entrance. Special seating will be provided in the Council Chamber during the workshop.

**BRaille IS NOT AVAILABLE**

**Approved:**

---

David Krebs  
Mayor

**Attest:**

---

City Secretary

**AGENDA TITLE**      **SETTING DATES FOR PUBLIC HEARINGS**  
 THE CITY COUNCIL WILL CONSIDER SETTING DATES FOR PUBLIC HEARINGS ON THE PROPOSED TAX INCREASE.

**MEETING DATE**      8/1/2017

**DEPARTMENT**      Finance

**SUBMITTED BY**      Katie Griffin, Director of Finance

**EXECUTIVE SUMMARY**

In accordance with Truth-in-Taxation laws, the City is required to hold two public hearings on the proposed ad valorem tax rate if it exceeds the lower of the effective tax rate or the rollback rate. The dates, location and times of these hearings must be published in the newspaper and on the City website at least seven days before the first hearing. In order to set the dates of the public hearings, a recorded vote of the City Council is required.

**PRIOR ACTIONS OR REVIEWS**

On July 20, 2017 in a Budget Workshop, the City Council met to review the Proposed FY 2017-2018 Budget and Proposed Tax Rate.

**DETAILS / STAFF ANALYSIS**

The budget process is a culmination of many months of data gathering, forecasting and determining the best uses of the City’s limited resources. The Proposed Budget is presented by the City Manager at the Budget Workshop to be deliberated. The City Council evaluates proposed positions, programs, equipment purchases and capital projects; in addition to maintenance and operations expenditures. The City Council also uses this forum to decide the appropriate tax rate to fund approved budget items.

The Proposed FY 2017-18 Budget is predicated on the proposed tax rate in the table below.

	<u>2017 Effective Tax Rate (ETR)</u>	<u>2017 Rollback Tax Rate PROPOSED</u>	<u>2016 Tax Rate (Prior Year)</u>
General Fund - M&O Rate	\$0.350929	\$0.400732	\$0.382364
Debt Service - I&S Rate	<u>0.198939</u>	<u>0.198939</u>	<u>0.184304</u>
Total Ad Valorem Tax Rate	\$0.549868	\$0.599671	\$0.566668

The proposed tax rate will generate approximately \$154,252 in additional tax revenue for maintenance and operations (M&O) compared to the prior year’s rate and \$579,948 compared to the effective tax rate.

**ALTERNATIVES CONSIDERED**

There are no alternatives due to the Truth-in-Taxation requirements that two public hearings be conducted when a tax increase is under consideration.

**FINANCIAL IMPACT**

The Proposed FY 2017-2018 Budget is predicated on the proposed tax rate. The Proposed Budget is a financial tool used to guide the City through the fiscal year. The Proposed Budget contains new full-time positions, new programs, equipment purchases and capital programs that are necessary to support City growth. The City is bordered by industrial development that will affect our growth in single-family housing, retail/commercial building and as a result our tax revenues. Planning for such growth requires investment in infrastructure, personnel and services. The Proposed Budget is a conservative financial plan that encompasses the City's mission while managing growth.

The Proposed Tax Rate will generate the necessary revenue to fund additional public safety and parks maintenance personnel, allow for the purchase of necessary capital items to continue infrastructure projects, to and support debt obligations.

**ATTACHMENTS**

None

---

**RECOMMENDED ACTION**

Motion setting the public hearings on the proposed tax rate for August 22, 2017 at 7:00 p.m. and August 29, 2017 at 7:00 p.m.