City of San Angelo, Texas
Special City Council Meeting – General Fund Budget Workshop
Thursday, August 11, 2022

Present:

Mayor Brenda Gunter
Mayor Pro tem Tom Thompson, SMD 2
Council Member Tommy Hiebert, SMD 1
Council Member Harry Thomas, SMD 3
Council Member Lucy Gonzalez, SMD 4
Council Member Karen Hesse Smith, SMD 5
Council Member Larry Miller, SMD 6

1. **Call to Order**

With a quorum of the City Council Members present, Mayor Gunter called the Budget Workshop session of the San Angelo City Council to order at 8:30 a.m. on Thursday, August 11, 2022 at the San Angelo McNease Convention Center, 501 Rio Concho Drive, San Angelo, Texas 76903.

2. Public Comment

San Angelo Destination Marketing Organization (DMO) Vice President Diann Bayes asked if public comment would be taken during the workshop agenda items.

Public Works Executive Director Shane Kelton spoke regarding the downtown detour signage.

3. Workshop Itinerary

a. Discussion of matters regarding the fiscal year 2022-2023 budget preparation, including, but not limited to:
   1. Consideration of funding for Destination Marketing Organization;
   2. Municipal Pool revenue and expenditure plan;
   3. General Fund revenue and expenditures; and,
   4. Other items needing Council direction (Presentation made by Finance Director Tina Dierschke)

The following entities spoke regarding Hotel Occupancy Tax:

Art in Uncommon Places Artist Julie Raymond expressed interest in obtaining HOT funding to grow their collection and introduced Art in Uncommon Places President Dr. Gigi Perez-Langley.

City Attorney Theresa James spoke regarding the eligible uses of HOT funding and read the letter from the Legal Counsel for the Texas Hotel and Lodging Association.

Mayor Gunter clarified only HOT eligible expenses (i.e. wayfinding signage) would be funded in regards to the International Water Lily Collection.

DMO Vice President Diann Bayes spoke in support of the request for $1,012,000 and answered questions from the City Council.

Council Member Thompson stated the group had discussed four tangible benchmarks for evaluation the DMO's performance: total direct travel spending, local tax receipts, DMO bookings, and savings per household.

Mayor Gunter read the DMO board's resolution in support of a larger budget into the record.

<u>*Public Comment:*</u>

DMO Advisory Committee Chair Griff Griffin, Chamber Board Chair Janet Karcher, DMO Advisory Committee Member Mimi Clark, and Chamber Board Member Sherley Spears all spoke in support of increasing the budget to $1.012 million.

Citizen Michelle Babiash stated her business has benefited from free advertising courtesy of DMO.

DMO Advisory Committee Vice Chair Joe Hyde spoke in support of the DMO's accomplishments and stated they need a steady funding amount to be able to plan for future years.

[Council Member Thompson proposed the city budget $950k for the DMO with quarterly reviews of the four benchmarks, resulting in an additional $15,000 each quarter for achieving the milestones. If all milestones are met, the resulting budget would be $1,010,000.

Mayor Gunter provided additional direction to staff to include $25,000 in HOT funds for wayfinding signage downtown, and an additional $25,000 allocated for Art in Uncommon Places.

Additionally, staff will amend the DMO contract to clarify the new benchmarks/quarterly review intervals and specify the DMO budget will be due in June (versus September) to better align with the City's fiscal year and budget preparation.]

The following staff spoke regarding Municipal Pool:

Recreation Manager Brent Casey spoke about the recent pool improvements, the strategic plan for increasing revenue (increasing hours, changing service offerings, and the sale of naming rights), and possible long-term expansion of the pool amenities.

Staff discussed bringing back the proposed fee increases with guidance to incorporate the revised fees into the projected revenue for budget preparation purposes.

The following staff spoke regarding the General Fund:

Finance Director Tina Dierschke provided an overview of the General Fund, proposed revenue and expense budgeted amounts, and special requests for consideration. Additional comments were provided by the following staff:

- Parks & Recreation Director Carl White and Recreation Manager Brent Casey responded to questions regarding revenue at Texas Bank Sports Complex.
- Fort Concho Manager Bob Bluthardt stated their budget is in solid financial condition.
- Assistant City Manager Rick Weise spoke about the ongoing efforts to stabilize the riverbank.
- IT Director Bucky Hasty spoke about the need to hire an additional employee to monitor and address security threats.
- Public Works Executive Director Shane Kelton addressed their requests to hire a grant administrator and the need for an additional $458,000 in equipment replacement funds to supplement the $1,540,000 budgeted.
- Fire Chief Brody requested additional funds to continue the peak hours ambulance, move every fire fighter to two sets of bunker gear, and increasing the amount of funds allocated to the annual fire truck replacement fund.
- Neighborhood & Development Services Director Jon James responded to questions regarding the request for a new position to clean and maintain the Chadbourne Streetscape and purchase a truck for the proposed employee. Council requested this item go back to the TIRZ board to reevaluate funding the position from TIRZ funds.

- Human Resources Director Bryan Kendrick requested using the funding currently spent on benefits software to instead fund a benefits administrator position.
- Human Resources Director Bryan Kendrick gave an overview of the city's classification and compensation plan over the prior 14 years, existing vacancies, projected vacancies due to retirement eligibility, reduced interest in first responder roles, and morale issues.
- Human Resources Assistant Director Veronica Sanchez stated very few employees are hired at a lower rate than their successor made.

[Staff was directed to prepare the budget with 7% increases across the board to all salaries, fund the entire health insurance increase, allocate $2,500 stipends (halved between the second check of November and the second check of May) for all employees using ARPA funds, and allocate up to $882k for market rate adjustments to fund increasing grades 11-13, making the minimum wage $13.30, and ensuring 5% gaps between each grade.

City Manager Daniel Valenzuela stated he will bring back a five-year compensation plan to Council.

Staff was directed to put $186k marginal revenue towards equipment replacement and fund the remainder of Operations and Fire requests with a one-time funding source.]

National Firefighter Association President Mason Matthews made public comment on behalf of the association and other non-civil service employees to emphasize the retention and recruitment challenges among city staff and stated both are rooted in pay. He expressed his thanks to HR, Finance, the City Manager, and City Council and stated he looks forward to a long-term plan to increase compensation for all city employees.

4. Follow Up and Administrative Issues

a. Announcements and consideration of Future Agenda Items

No action taken.

5. Adjournment

Consensus: Council Member Hiebert made a motion to adjourn.

There being no further business, the meeting was adjourned at 2:08 p.m. by consensus.

THE CITY OF SAN ANGELO:

DocuSigned by:
Brenda Gunter
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Brenda Gunter, Mayor

ATTEST:

DocuSigned by:
Julia Antilley
C3EC4F8DC9044C1...
Julia Antilley, City Clerk

In accordance with Chapter 2, Article 2.300, of the Official Code of the City of San Angelo, the minutes of this meeting consist of the preceding Minute Record and the Supplemental Minute Record. Details on Council meetings may be obtained from the City Clerk's Office, or a video of the entire meeting may be purchased from the Public Information Officer at 481-2727. (Portions of the Supplemental Minute Record video tape recording may be distorted due to equipment malfunction or other uncontrollable factors.)