

DISCUSSION ON PROPOSED FY 2021-22 GENERAL FUND BUDGET

As was noted in the summary, this budget is based on a 3% pay increase for City staff. The budget is based on staffing levels remaining the same as what is included in this year's budget. Sales tax revenues were calculated based on the previous 12 months as were reported in the May 11th packet. Property tax is based on preliminary figures provided by the Somervell CAD based on adherence to the 3% cap as imposed by the State Legislature.

The largest project in the budget is the roughly \$1,000,000 largely grant funded sidewalk project to be done in conjunction with Somervell County and GRISD. The second largest project is reconstruction of a portion of Valley View Street. Originally, that street was improperly constructed. The proper base materials weren't installed and no reinforcement bars were used in the concrete. The street has been failing for some time. Also, we have experienced drainage problems during heavy rains. The majority of the drainage problems can be solved by reworking the contour of the street to channel water into desirable paths. Recently, there has been a flurry of building activity along Valley View Street. Residents of that neighborhood have asked the City to rebuild the streets in the past; hence, the project was included in our Capital Improvement Plan. Staff believe due to growth in that area and due to drainage issues, now is the time to take on this project.

The budget also includes funds for the remodel of City Hall. Funds for a remodel were included in the FY 2019-20 Budget, but weren't used due to the uncertainties created by the arrival of COVID 19. The walls in the Council Chamber need attention due to wallpaper failures. Much of the carpet in City Hall needs to be replaced, particularly in the north end office areas. Cracks in the walls in the front office due to the building shifting need to be repaired. Staff would like to add another window for Municipal Court activity to provide a measure of privacy. Staff would also like to see glass installed with devices to allow customers and staff to speak at the existing and the new payment areas. Staff would also like to reconfigure the front office area to allow the City Secretary to move her office to where Deputy City Secretary Sosol's office is located to prevent citizens from passing through areas where customer business is being discussed and customer paperwork is laying on desks. Also, the columns in the front of the building need to be repaired and the exterior soffits and fascia's need to be repainted.

Currently, the City obtains IT support on an hourly basis. City Secretary Ritchie believes the City would be better served by going with an annual contract. The budget provides for this change.

Public Works Director Holder would like to incorporate a new feature in the budget to place money in a vehicle and equipment fund, which would be available when vehicles or equipment need to be replaced. Council would still need to include the purchase of vehicles and equipment in the annual budget, but the funds will have been set aside in advance.

\$200,000 has been included for unspecified paving projects.

Councilwoman Conrad had asked that funds for a splash pad and a sidewalk on Barnard Street from the Water District's Parking Lot to Grace Street be included. The sidewalk grant project doesn't include this area, though it does include a sidewalk from where it now ends on Grace Street to Barnard Street. Also, the Water District is planning on installing a sidewalk in front of its Barnard Street parking lot.

The City has not yet received Texas Municipal Retirement System contribution rates or Texas Municipal League Intergovernmental Risk Pool rates. In both cases, last year's rates were used in preparing the budget.

Some of the court related revenue budgeting has changed due to a change in the way the money is routed through our new municipal court accounting software.