

MINUTES OF BUDGET WORKSHOP MEETING

July 31, 2018

MONTGOMERY CITY COUNCIL

CALL TO ORDER

Mayor Sara Countryman called the Workshop Meeting to order at 4:07 p.m.

Present: Sara Countryman Mayor
John Champagne, Jr. Place #2
T.J. Wilkerson Place #3

Absent: Jon Bickford Place #1
Rebecca Huss Place #4
Dave McCorquodale Place #5

Also Present: Jack Yates City Administrator
Susan Hensley City Secretary
Kimberly Duckett Court Administrator
James Napolitano Chief of Police
Joe Belmares Police Lieutenant
Mike Muckleroy Public Works Manager
Cathy Branco Financial Consultant

BUDGET WORKSHOP:

- ❖ Discussion of the following items related to the City of Montgomery 2018-2019 FY Proposed

Operating Budget:

- Summary
- General Fund Revenue

Mr. Yates advised that they had budgeted \$11,000 for beverage tax and we expect to get \$13,000 to \$14,000 next year, because of the liquor licenses for the restaurants that are doing so well.

Mr. Yates said that the Ad Valorem Tax needed to be discussed because what he is proposing is that the City go down one penny on the assessment rate. Mr. Yates said

that right now the tax rate is \$.4155 and he is proposing that they go down to \$.4055. Mr. Yates said that it will still make considerably more money because the assessment went up from \$198 million to \$255 million this year. Mr. Yates handed out a chart that showed the different options. Mr. Yates said they were still bringing in \$142,000 more even at the one cent less tax rate because of the increase in the assessments. Mr. Yates said that about \$18 million of the increase in the assessments is new property, but said that does not include the new Kroger, which was here last year and has more than doubled, from \$9 million last year to \$21 million. John Champagne said based on the anticipated increase in assessed value, Mr. Yates quantified the values that he is anticipating the Ad Valorem would come from. Mr. Yates said that information was obtained from the Tax Assessor/Collector. John Champagne said that he thought it was a great idea. Mr. Yates said that right now the maintenance and operation portion of the tax rate is \$.2043 and what he has on the chart is \$.2093 and \$.1942 for debt service. Mr. Yates said that would still increase the debt receipts for this year by about \$108,000. Mr. Yates said they can pay \$1 million dollars of debt with each \$60,000 increase, so that would be almost \$2 million worth of debt that they are stockpiling. Mr. Yates said once you put money into the debt service you can't take it out. Mr. Yates said next year they will be doing good to finish all the TWDB projects, relocation of the lift station, realignment of Lift Station #3 and the waterline that goes from Jim's Hardware to across the street from City Hall. Mr. Yates said that water consumption is down, so it is not like they will have to do any substantial work to the water system as far as the wells. Mr. Yates said that he did not see the City having to borrow any funds this year at all. Mayor Countryman asked if they had said that differently at City Council, when they discussed that they were about to hit a water mark and be potentially high regarding the Catahoula Well. Mr. Yates said that was the well permit.

Mr. Yates said that they would be increasing the debt service fund considerably because of the increase because of the City's growth. Mr. Yates said that would mean that the Ad Valorem Tax would be \$528,930 instead of the \$561,000. Mr. Yates said the change in the amount is due to the protests filed with the tax office.

Mr. Yates said the Ad Valorem PID will be a wash out each year because it is a planned improvement district, which is their way of collecting back their capital cost for water

and sewer lines and streets. Mr. Yates said that right now it is the Ogorchocks' paying themselves but as they sell property, other people will also be paying this tax. Cathy Branco asked if they needed to show revenue and expense for this item. Mr. Yates said that was correct.

Mr. Yates noted that building permits will probably total \$220,000 this year, and said that the budgeted amount of \$200,000 was very conservative. John Champagne asked if there was any tangible indication that the permits would continue coming in. Mayor Countryman said yes, there is development being looked at right now on SH 105. Mr. Yates said the area immediately east and west of the Kroger center will be developing. Mr. Yates said if they also keep up with the seven homes per month, which are approximately \$2,500 each, which would be \$17,000 per month. Mr. Yates said the other side of that is there is an expense for the building inspection side and the building inspector is about to meet with the Building Committee and come to City Council to ask for an increase in building permits because the City of Montgomery is one of the lowest in the area and there has been no change since Vicky Rudy first set up the building permits, 10-12 years ago. Mr. Yates said that while the inspector was going to ask for an increase in the cost of the permits, his rates will remain the same.

Mr. Yates said that the fines are shown at \$470,000 but they are probably going to get up to \$480,000 this year. Mr. Yates asked Mrs. Duckett to discuss the Court collection fees. Mrs. Duckett said that those fees are what they pay Purdue Brandon for warrant collections. Mrs. Duckett said if the collections company has not done the collections and charged the fees, they have been removing them from the citations so that they are not getting fees for work they did not do work on and it saves the Court money on the back end. Mrs. Duckett said that she would recommend keeping the fee the same, stating that she wanted to decrease instead of increasing the fee. Mrs. Duckett said that she was asking for a part-time warrant officer this year at \$23.00 per hour. Mrs. Duckett said that she spoke to the Chief about the warrant officer and he said that he has a good person in mind for that part-time position and to also serve as City Council Meeting and Court Bailiff. Mrs. Duckett said that this person would work less than 25 hours per week and work through the warrants while he is on duty. Mr. Yates said this would not have the same issue that they had with Officer Bauer, where he is an officer that is traded over to the Police Department when needed. Mrs. Duckett said

that issue came up because Officer Bauer was a full fledge police officer and this person would be a part time warrant officer. Mayor Countryman asked if this person would be a police officer. Mrs. Duckett said yes, it is a retired police officer. Mr. Yates said that this person would not go out on patrol unless there was some extreme situation, they would not be pulled off of warrants. Mayor Countryman asked how many warrants the City has on file. Mrs. Duckett said they have a lot of warrants.

Mr. Yates advised, regarding interest on investments, he would like the City to get much more aggressive and said that he was going to recommend to City Council that they get a citizen group of CPA's and people from the community to advise them about investments. Mr. Yates said he is thinking that they call them the Banking Relations Committee at first because they need to go out for quotes for banks. Mr. Yates said they also have a banking collateral agreement that they are supposed to approve every five years and the last time that they approved it was 2006. Mr. Yates said that they can get more aggressive with TexPool and he felt they could double their interest. Mrs. Branco said the City has an Investment Policy that details all that information. Mrs. Branco said that interest fund has not been much during this last year because there has not been any income except for the last few months. John Champagne said that was something that they could investigate. Mayor Countryman said that it has been a while since they went through the exercise.

Mrs. Branco asked about page 3 of the proposed budget that has \$107,500 for MEDC contributions and asked if that was what they intent for them to contribute. Mr. Yates said that was correct and explained that MEDC, as was discussed at their last meeting, is going to cancel their contract with The Chamber of Commerce and they are going to propose and put into their budget \$80,500 for that person. John Champagne asked what the \$107,500 represents. Mr. Yates said right now MEDC transfers over \$37,500. Mayor Countryman said that adding the \$80,500 brings the total to \$107,500. Mrs. Branco said they are decreasing the \$37,500 by \$10,000 and adding the \$80,500 to total \$107,500.

Mr. Yates said that he would ask that the Department heads present their budget and then they can come back to Administration.

- General Fund Expenses

- Administration
- Police Department - Chief Napolitano presented his budget to City Council. John Champagne commented on the increase in the health insurance. Ms. Hensley advised they have not received the proposal for the renewal yet so this is all an estimate. Mr. Yates said he had figured an overall increase in the health insurance of 5%, which is probably too high. John Champagne said that he was looking at a 50% increase in the police budget. Mr. Yates advised that this included the increase in personnel.

Mr. Yates asked the Chief to address the wage increase in his budget. Chief Napolitano advised that he had started getting a lot of feedback from the officers on other departments close by that are in competition with what they are doing. The Chief said when they have Chiefs' Meetings they all seem to have the same issues, hiring and keeping good personnel. Chief Napolitano said all the other agencies are starting to give their employees other incentives to come to work, i.e. Conroe Police Department, Montgomery County Sheriff's Department, all the Constables offices in Montgomery County, and in the surrounding counties, Precinct 4 Constables Office in Houston, Harris County Sheriff's Department and they are all above us. Chief Napolitano said what they did was go back and looked at a half way point of what this Department is making and what Conroe Police Department is making and it fit in with the Shenandoah Police Department, which is how he came up with the 16% increase in wages. Chief Napolitano advised Mr. Yates that the wages were a little bit short from the figures that they originally had, but they could live with them. John Champagne asked if they are commensurate with Shenandoah. Chief Napolitano said that was the figures that he gave Mr. Yates. Chief Napolitano said that his original figure for salaries was about \$821,527, which included the certificate pay that they receive. Chief Napolitano said that Conroe Police Department pays their certificate pay at \$500 compared to our \$150. Chief Napolitano said to be a licensed peace officer you start out at basic, then intermediate, advanced and finally master. Chief Napolitano said that he has a master peace officer license, which requires you to attend so many classes, get a specific amount of education and experience and then you can apply for a master license with the State. Chief Napolitano said to keep the officers educated and moving along the certificate pay is an advance bonus. John Champagne asked

if it was a one-time annual payment or per month. Chief Napolitano advised that it was per month. Mayor Countryman asked the Chief how he chooses the officers that get the certificates to make sure that it is even across the board and they all get the opportunity. Chief Napolitano said that was up to them to spend the time and get the education, and all the officers have the same opportunity to get online and apply for the courses. Chief Napolitano said they are not holding back the officers from attending school; they are trying to get them as educated as they can. Chief Napolitano said they are not holding anyone back or anything else, it is up to them to get educated. Chief Napolitano said that he asks the officers all the time and so does Lieutenant Belmares where they are with getting their classes done. John Champagne asked if there was any evaluation that goes into the payment of the maximum \$500 per month or is it strictly education being proportional to the amount. Chief Napolitano said that education is proportional to the amount. Chief Napolitano said the City of Conroe throws a bit more incentive into their pot than the City has. Chief Napolitano said he has a good stack of applicants waiting to get hired and said he was waiting on this to advise them of what their salary may or may not be come October 1, 2018. Chief Napolitano said the other agencies are paying well and he had a sheet showing the comparison, which he would share with City Council. Mayor Countryman said she would love to have that information. John Champagne asked if the City of Willis pay information had been included. Chief Napolitano said he did not include that City. John Champagne said Willis would have been a good choice. Chief Napolitano said they looked at Shenandoah, Conroe, Harris County Sheriff's Office, Montgomery County Sheriff's Office and Montgomery County Precinct 1 Constables Office. Chief Napolitano said the difference in pay is the City's benefit package here with TML is better than what the County pays for retirement, so there is a little positive on each side.

John Champagne asked the Chief for the number of officers that are on staff. Chief Napolitano advised they have 11 full-time officers. John Champagne asked if the Department was fully staffed. Chief Napolitano advised that it was not, they are still missing two officers. John Champagne asked if 13 officers was the Chief's optimum. Chief Napolitano said that they have 13 officers on their books right now, which is why they are saving money because two of those slots have not been filled. The City Secretary advised that there were only 10 officers currently on

staff. Chief Napolitano said no, that was not correct. Mayor Countryman asked how many Lt. Belmares had under his command. Lt. Belmares said he had four officers, plus himself. Mayor Countryman said that there would be Lt. Rosario who the Chief advised had three officers, plus the Chief would be 10 officers. John Champagne said that they have budgeted for 11 officers, which they are minus one officer. Chief Napolitano said next year they had said they would hire someone half way through the year. Mayor Countryman asked if the officer would be hired in January. Chief Napolitano said that it would be March or April. Mrs. Branco asked if the \$821,527 would include hiring the half year officer. Chief Napolitano said that was correct. The Chief advised that actually that was a full-time position and said that he had made a mistake, so the \$821,527 was a calculated figure. Mrs. Branco asked if the Chief was going to be working within the \$788,187. Chief Napolitano said that was correct. Mayor Countryman confirmed there would be 12 officers. Chief Napolitano said that was correct.

John Champagne said he normally asked what the Police budget was relative to the total budget. Chief Napolitano said they have been under 50% for the last two years. John Champagne said that health insurance is the same in the other cities. Chief Napolitano said that all the TML policies have all the different health plans that they can pick from, and equivalent coverage with other cities. John Champagne asked if the officers elect of have the coverage. Chief Napolitano said that they do except for him because he has insurance from previous employment.

Chief Napolitano said last year they budgeted for oil and gas based on the price that was at the pumps at that time and they have had a 20% increase in gas since that last budget meeting. Chief Napolitano said by adding the extra officer and the prices of gas being approximately \$2.50/gallon, they are looking at changing the \$28,000 to \$33,000 for the year. Mrs. Branco asked if that figure should be changed because that is not what is shown. Chief Napolitano said that it should be changed to \$33,000. Mayor Countryman asked about the overtime figures. Mrs. Branco advised that she estimated the final 2017-2018 budget figure for overtime based on what they have done for the previous number of months and average that amount out for the remaining months to come up with a 12-month figure. Mr. Yates said the logic of the estimate is the Chief has been short two officers, and

said that if they had all the officers they would have less time where the officers would have to double up on their shifts. Chief Napolitano said when an officer makes an arrest at the end of their shift it takes them four hours to process the call, then they have to transport the person to jail. Mr. Yates said he had discussed a long time ago with the Chief, when an officer is getting toward the end of their week and they were about to get overtime, then they would give the officer time off. Mr. Yates said since they are so shorthanded they have not been able to do that. Mr. Yates said that public works or administration keeps overtime down by following the practice having the employee take time off versus accumulating overtime. Mayor Countryman asked if that could potentially, with 12 officers, be a shell game with time and scheduling and hard to manage. Chief Napolitano said if Lt. Belmares has two officers on each shift, it makes it good because they back each other up plus they can help each other out. The Chief said that on Lt. Rosario's shift they are still running a swing shift from 6 a.m. to noon or 2 p.m. there might only be one officer on duty and the Chief. Chief Napolitano said on noon Sunday, Monday, Tuesday and Wednesday the officer on the swing shift comes in at noon, on Thursday, Friday and Saturday the officer comes in at 2 p.m. because of the DWI situations. Chief Napolitano said that Montgomery County is the second highest county for DWI's in the State of Texas and the officers do a good job keeping intoxicated people off of the road. Chief Napolitano said unfortunately lately due to Bret Ligon's insistence on getting blood draws on DWI's, which is a good thing, they have to take the individuals to the hospital for blood work and they have to wait. Mayor Countryman asked why we are taking the prisoners to the hospital and asked if they could take the blood work on the road. Chief Napolitano said they have to go to the hospital because they have to have either a licensed nurse or technician to draw the blood. Lt. Belmares said the only time they have a nurse at the jail to draw blood is during the DWI task force weekend and that depends on when the DA's Office wants to do that. Chief Napolitano said that they try to watch the overtime budget as much as they can, but sometimes it is dictated by the citizens that they interact with.

Chief Napolitano addressed the auto repairs line item and said that figure was anticipating that they stick with the cars they have even if they get two new ones and get the extra officer, they will probably get rid of the 2011 vehicle. Chief Napolitano said that would still leave them with the 2013 vehicles that are starting

to get old and worn out so they will need more maintenance than the ones that are newer. John Champagne asked how many active vehicles the department has. Chief Napolitano said that each officer has a vehicle and there are three extra vehicles, and he uses a Charger when he goes out on patrol and drives the truck when he is not on patrol. John Champagne asked for the grand total of the vehicles. Chief Napolitano said they have a total of 12 active vehicles. John Champagne said \$16,000 is not a lot for repairs for 12 vehicles. Chief Napolitano said a transmission going out or something costly, but they really do not spend much for the vehicles other than tires, oil and gas. Mayor Countryman asked about the \$33,000 also shown under Maintenance-Vehicles and Equipment Item 16335.1 and asked if that was on top of auto repairs. Mrs. Branco said that there was no budget item for that and there was only \$50 estimated to get them through the end of the year so she was not sure exactly what that was for. Chief Napolitano said he has it on another sheet that he worked off of that says zero. Mayor Countryman said if that number should be zero that would make the total \$55,000 versus \$88,000 and the correction was made to zero out item 16335.1. Mayor Countryman asked about item 16373 that is equipment repairs and what it covered. Chief Napolitano said that covers the repair of the overheads or any of the equipment that goes on the car that is not an automobile device. The Chief said when they get a broken overhead light they are so expensive. Mayor Countryman asked about 16335-repairs and maintenance - other, which is zero budget, but there is an actual for last year of \$11,607, and asked if that had been put into some other item. Mr. Yates said they have Auto Repairs, Equipment Repairs and Building Repairs. Mrs. Branco said that #16335 has two entries and had nothing last year but had an entry the year before and said that she thought that what had happened was they do not have any repairs and maintenance to speak of like Public Works has; they have vehicle and equipment repairs and maintenance. Mrs. Branco said she thought in 2017 there was \$11,607 used under the line item 16335 Repairs and Maintenance Other, but she believed what they allotted #16357 on Auto and #16373 on Equipment Repairs rather than having a #16335 Repairs and Maintenance Other. Mayor Countryman asked to clarify that Mrs. Branco was saying that all three of the Auto Repairs are all collapsed into #16357 Auto Repair. Mrs. Branco said that was what she thought. Mayor Countryman said the figures do not match and are way off, they do not even match up. Mrs. Branco said they did not use anything in

2018 and they did not have a budget in 2018 for #16335. Mayor Countryman said that they spent funds in 2017 so there was something that they did in that line item. Mrs. Branco said she did not know why or what was used, but they did delete that item for the proposed budget year and it has a zero budget for 2019. Chief Napolitano said where it says oil and gas, #16334 that shows \$28,000, he had originally put in \$33,000 because he has it on his sheet, and then \$22,000 for #16357 Auto Repairs. Mrs. Branco asked about #16374 Building Repairs. Mr. Muckleroy asked if that was when they had the work done for the Police Admin Assistant's office electric plug. Mayor Countryman asked if #16351 Telephone was landline. Chief Napolitano said yes. Mayor Countryman asked if they got more lines for the amount to increase. Chief Napolitano advised the Mobile Data Terminal was their computers in the patrol vehicles. Mayor Countryman asked if the land line cost went up because it was \$2,880 and now it is being budgeted for \$4,000. Chief Napolitano said yes, it went up and said that he would have to go back and look at how the numbers went. Mr. Yates asked if they showed the break that we got because of the new service. Chief Napolitano said that was in the Mobile Data Terminals (MDT's). Chief Napolitano said that Verizon was charging them \$1,500 per month for daily usage on their cell phones plus the MDT's in the cars. Chief Napolitano said they have not received a bill from AT&T yet, but they are estimating that they will be down 10%-15% by the end of the year. Mrs. Branco said that since they are taking out \$28,000 and moving the \$33,000 up. Mayor Countryman asked about #17031 Police Officer Scheduling System is \$2,000 and whether this was a 3-year contract or was it year-to-year. Chief Napolitano said it was a year-to-year contract, and this is a cost for the Department to be on their system. Mr. Yates said since the Chief has worked out such a simple system with the A and B Shift, and asked why they need the scheduling system at all. Chief Napolitano said it works to keep the officers on schedule and reminds them when they are working and information about their shift on their phone. The Chief said the biggest part is when they go on vacation he can look and see they are going to be one person down and he can see who is on duty. The Chief stated that the cost is \$2,000 a year for them to access their system to work off of.

Chief Napolitano commented on #16244 Radio Fees that shows \$420 for 2017 and this year at \$4,398, so he will have to go back and review that item. Mayor

Countryman asked if this line item was for new radios. The Chief advised new radios would be listed under #17050 Radios, and explained that this was a fee to use the actual radios themselves on the Sheriff's Department system. Mayor Countryman asked if they rented space on the Sheriff's Department network. The Chief said that was basically it for a flat fee. Chief Napolitano said that he looked at having Conroe PD doing their dispatching and it was exponentially more money than he wanted to spend. Chief Napolitano said that his Department still can't hear all of the calls that Conroe PD has so they have to have their dispatcher call the Sheriff's Department dispatcher to notify them when something is heading their way or vice versa. Mayor Countryman said that it is frustrating that they do not have someone sitting in this City that is a dispatcher because there was a lady in her neighborhood that had a heart attack and it was challenging for her husband to tell the dispatcher and it costs valuable time and is not simple and direct. John Champagne said that they have had that conversation a number of times over the past 10 years and it is the cost to benefit. Mayor Countryman said with all the DWI's that they have talked about you would think that there was enough activity to get our own dispatch. Mr. Yates said the number for us to have our own dispatch would be hundreds of thousands of dollars. Chief Napolitano said they pay the Sheriff's Department a fee for their dispatch services. Chief Napolitano said there is a lot of confusion with addresses and jurisdictions. Mayor Countryman asked how much money they were talking about for dispatch. Mr. Yates said it would not surprise him, just to get a public service access point wiring could easily be \$1.2 million to \$2 million dollars because of how involved it is and then there is the staffing. Chief Napolitano said staffing and training would be an issue, and said that he does not even address the issue because right now he knows that they are not at that point. Mayor Countryman said she was curious what the breaking point would be and does the City need to have a certain amount of money to get that done or how is it determined. Chief Napolitano said it is worth us paying \$5,000 for the Sheriff's Department to dispatch for us. Mr. Yates said that was part of the reason they needed someone on the Montgomery County Emergency Communications Board. Mayor Countryman asked what a uniform costs. Chief Napolitano said the shirts, without patches are \$50, plus the patches being attached for \$25 each, and the pants are \$50 each. Chief Napolitano said they try to give each officer three pairs of pants and three shirts, and if they want to purchase more

on their own it is up to them. Chief Napolitano said they have to have at least two vest carriers for their vest because they will sweat through them in the summer. Chief Napolitano said the problem is they have three uniforms and they work their three day stretch, then they have two days off to clean them and come back for a two day stretch. Chief Napolitano said when they wear out they have to go and have the uniform replaced. Chief Napolitano said they consider the belt a piece of their uniform. Lt. Belmares said tourniquets is another thing they need for the officer, which they recommend four, one for each limb if they need it, and some of them are only carrying one tourniquet. Mr. Yates asked how the Khaki uniform worked out. Chief Napolitano said he asked the officers and it is up to them to choose, and both officers on a shift have to wear the same uniform to stay standardized as a uniform. Chief Napolitano said that during the summer the officers are allowed to wear the Khaki uniform, which is a lighter color, but since the guys are not participating in that, they did not do any purchases this year. Chief Napolitano said that Officers Carswell and Bauer were the only two officers when they worked the same daytime shift that would wear Khaki.

Mayor Countryman asked what the protective gear covered. Chief Napolitano said it was their vests, and advised that they do get some money every year for about the same price that they put into the item from the Federal Government in grant funds. Chief Napolitano said Lt. Belmares takes care of that grant. Chief Napolitano said the vests are only good for five years and they might have to replace the cover every year because they wear out. Chief Napolitano said the Operating Supplies was a little bit of everything from getting water to anything that they need operationally. Lt. Belmares said that it included paper and files, envelopes, evidence tape and labels. Mayor Countryman said Operating Supplies shows a 111% increase. Chief Napolitano said the figure that he has on his sheet is \$7,000, which was a \$200 increase. Mrs. Branco said they can check the item to find what is included under that item based upon what they have already done. John Champagne said based on \$9,000 from \$3,000 they need to figure out what is going on. Chief Napolitano said he would look into #16460 Operating Supplies to figure out what it covers so he can tell them about it later on. Chief Napolitano stated that Emergency Equipment would be anything that they might need for storms like floatation devices or anything during the hurricane season. Chief

Napolitano said Emergency Equipment could be equipment to cordon off a parking lot during an emergency, or purchase a generator, anything they would need. Mayor Countryman asked if they had to do any purchases for Emergency Equipment during the tax day flood or Hurricane Harvey. Chief Napolitano said they did not. Chief Napolitano said on the next item #17050 Radios every year they have been purchasing the new radios that they need to have and last year they moved some of the radio money over to buy the Watch Guard, which is the new video system. Chief Napolitano said the \$24,000 was the amount of money that he needed to get the rest of the three radios done, for \$3,500 each without accessories. Chief Napolitano said this should be the last year they should have a major purchase of radios, then it will be just adding one or two for an officer coming on board. Chief Napolitano said that under #17100 Capital Purchase Furniture included a new desk for Lt. Rosario last year and then one in the Administrative Assistant's Office. Chief Napolitano said eventually they will probably have to do something with the patrol room. Mr. Yates asked the Chief if he still needed \$6,000 for furniture. Chief Napolitano said they could cut that amount in half. Mr. Yates said they would reduce it to \$3,500 for #17100 Capital Purchase Furniture. Chief Napolitano advised that any of the police training would be deducted from the \$10,000 budgeted under Item #16241 Police Training/Education. Mr. Yates said that normally once or twice a month someone from the Department attends a school. The Chief advised that the officers attend SWAT school so they understand the tactics that are being used. Mayor Countryman stated they have the Montgomery ISD Police, Sheriff's Department, Constables Office and Montgomery Police Department, four agencies and asked if any of the other agencies have SWAT training. Chief Napolitano said that some of them do and said he did not know about MISD Police Department, but the Sheriff's Department will have some guys that are and some that are not. Chief Napolitano said the officers are not going to act like a SWAT team it will teach them how this all works should they have to respond to an area with SWAT involved. Chief Napolitano said District 5 of Montgomery County Sheriff's Department has as little as two people on a shift, which is everything west of I45 and north of Town Creek. Chief Napolitano said that Sheriff's Deputies can be far away, which leaves it to us and Montgomery ISD Police. Chief Napolitano said what you have to remember is if there is an active shooter or something going on at the high school it does not mean

that you leave all the other areas uncovered. Mr. Yates asked if the County SWAT Team had two units, with the vehicles and all the supplies that they need. Chief Napolitano said that SWAT is an hour away no matter what, so if it is a hostage situation they will be useful, but if it is an active shooter or mass casualty it will be the officer that makes contact to try and make the situation stop as quickly as possible. Mayor Countryman said she felt that it was important that the officers have the SWAT training. Mayor Countryman asked if every officer attends that training. Chief Napolitano said so far there are only three officers that do not have that training out of 10 officers. Chief Napolitano said that he felt that they needed to have the officers trained and be prepared on this end of the County; if they are in downtown Conroe you have a lot of Conroe Police officers. Chief Napolitano said the only other officers that would respond here would be Montgomery County Precinct 5 and 1 to assist our officers. Chief Napolitano said he met with Constable Cash the other day and Constable Cash has guaranteed that he would put three constables a day, one crisis intervention officer and two regular officers on the west side of the County, so we know that they are close by.

John Champagne asked how many schools they had within the City limits. Mayor Countryman said there are four inside the City limits and two in the vicinity, along with the new high school on FM 2854.

Chief Napolitano advised the price of ammo fluctuates with supply and demand. Mayor Countryman asked if there was a special place that the Chief purchases ammunition. Chief Napolitano said they look online for wholesale prices and use only premium ammo.

Mayor Countryman asked what Community Relations includes. Chief Napolitano said that would be things like Coffee with Cops, National Night Out and the stickers and coloring books that they hand out to the children, and come out of that line item. Chief Napolitano said they probably need to go back to the \$1,300. Mayor Countryman said she felt this is a smart investment. Lt. Belmares said they are also asking some of the local businesses to help with National Night Out. Lt. Belmares said that Brookshire Bros. usually donates so he is in the process of completing their application, along with Walmart, Kroger and they will meet with

some of the other local businesses. Mayor Countryman said she thought that McDonald's would probably do it too. Lt. Belmares said McDonald's donates tea and the cups. Lt. Belmares said National Night Out would be on October 2, 2018.

Chief Napolitano said under travel and training, they travel to training and they look for lower costing hotels to save funds. Mayor Countryman asked if this included training for new officers. Chief Napolitano advised that in another section of their budget they have police training for new officers and themselves and the travel and training is for going to a school. Insurance coverage is estimated at \$17,000 for the officers until the quote is received from TML. The City Secretary advised that she should be getting the insurance quote from TML in two weeks, because the rerate exposure survey has already been sent in, so they will use the estimated \$3,500 until the quote is received.

Chief Napolitano said the amount for the vehicles should have been \$64,500 for two new vehicles, either a Ford Expedition or Chevrolet truck. Chief Napolitano said he was shopping around right now to get the best price. Mayor Countryman asked if that would retire the two Chargers. Chief Napolitano said it would retire at least one of the Chargers. Chief Napolitano said one would remain for the Reserves and/or him to use and then the other one will be assigned to the new officer when they come on. Mr. Yates said they would put the sale of one of the Chargers in proceeds back over into the revenue. Chief Napolitano said he thought the Expedition would run \$29,000 and the truck is at \$33,000. Mayor Countryman asked how they get rid of the vehicles that they retire. The City Secretary advised that they advertise for bids to sell the vehicles. Mr. Yates said last time they had to advertise two times for bids. Mayor Countryman asked if the emergency lights and decals ran \$12,000 for each vehicle. Chief Napolitano said that was about right, stating that it costs almost as much to equip the vehicle as it does for the vehicle. Mr. Yates said they can't pull much out of the ones that they are getting rid of. Chief Napolitano said that was correct because of the change in technology and the style of the vehicles.

Chief Napolitano advised that he had body cameras for each of the officers, because he felt that they were great and every time he had a complaint on an officer, he went back and looked at the video and it cleared the complaints.

Mayor Countryman asked about the vehicle replacement item and asked if that was our first time to have this. Mr. Yates said they have not spent the money yet, but it is in this year's budget, so this would be \$30,000 and they can either use those funds next year or they can let it build up. Mr. Yates said in 2017-2018 they have \$15,000 budgeted that they have not spent so far. Mayor Countryman said she had nothing in that line item. Mrs. Branco said she was estimating that they were not going to spend those funds this year, but Mr. Yates is saying it is in the budget. Mr. Yates said he was going to spend it this year and next year, and budget for next year, so they will spend \$15,000 this year that they budgeted and will budget \$15,000 for next year. Mr. Yates said this is putting money back in the Capital Projects Fund for the Replacement Vehicle Program. Mr. Yates said they could use the \$30,000 toward the \$64,000. Mr. Yates said if they have enough money in the budget they could just let it ride. Chief Napolitano said he looked at it like an insurance policy for them. Chief Napolitano said they have not had a serious car accident only some bumps.

City Secretary advised that under 16281 Records Shredding under Contract Services they needed to add \$600. Chief Napolitano said the computer equipment went up since they are going to be replacing some computers. Chief Napolitano reviewed Copsync advising that was what they used for their report. Mayor Countryman said she thought that was under another line item, computers and website for \$21,000 on page 9, Item 16342. Chief Napolitano advised he would have to come back and look at that information. Mrs. Branco said they would have to question both items. Mayor Countryman said that would be \$22,500 for computers and Copsync, plus \$21,000 for computers and websites. Chief Napolitano said Copsync used to be its own separate item. Chief Napolitano said when Mr. Yates started doing the line item budget, they started pulling some of those items out and making it a separate item. John Champagne asked what RMS meant. Chief Napolitano advised RMS has everything that the officer does during the day, including reports, ticket writing and license and registration.

Chief Napolitano advised under investigative and testing equipment he has doubled up on the amount. Chief Napolitano said he noticed under protective gear they had bullet proof vests listed again, which it was not supposed to state because that was addressed earlier. Chief Napolitano said that was supposed to be a shield and not a vest, and this was for just one shield for \$10,000.

Mrs. Branco asked if the Police Department goes out for ballistic grant, specify what they are getting, such as vests or shields and she will need to know how much they will bring in and how much is spent. Chief Napolitano said all the officers that attended SWAT school had to have a helmet and they are \$1,000 each. Mrs. Branco asked if they were going to need to separate the vests from the shield. Chief Napolitano said they would have to separate them. Mr. Yates asked where they would keep the one shield. Chief Napolitano said it would be kept at the office and handed from officer to officer when they change shifts so they can have it with them out on patrol.

Chief Napolitano advised the patrol weapons were supposed to remain on the budget, which includes hand guns and rifles. Chief Napolitano said the patrol rifles needs to be changed to capital outlay which was to include several items that they could invest in capital purchases as follows:

- \$2,500 - air conditioning unit for the server room;
- \$21,591 to redo the property room including ventilation and layout of the room. Mayor Countryman asked if the footprint of that room was adequate. Chief Napolitano said no, but if they can reorganize the room, they can work with ventilation and reorganization.
- \$15,000 for upgrading the security cameras to include a recording system, upgrade alarm system and add panic buttons for the desks. Mayor Countryman asked if the officer is on duty and the alarm goes off, is the officer able to see on their phone a video of the building. Chief Napolitano said they will, with the upgrade.
- \$10,000 – \$1,000 each, 10 - water filled barriers that are 8-foot long by 3-feet tall for use during festivals;

- \$1,500 (used) - \$3,000 (new) – Conex box (shipping container) for storage of police items, with concrete pad \$5,000;
- \$2,000 – for 10 spike strips for all the patrol units;
- \$3,000 – for four finger print scanners that could identify someone;
- \$8,000 – wooden fence (6-foot tall) installation in the back of the building to the parking lot to protect the exiting employees. Mr. Yates said they have thought about setting up a break area in the back and the fence could also wrap around that area; and
- \$17,000 – All terrain police vehicle (ATV) for events or for going off road to search for people. Chief Napolitano said they could transport a prisoner on the ATV to a patrol vehicle to get them out of the crowd.

Chief Napolitano said the following items were of importance, in the order as follows:

1. Employee Security
2. Evidence Room
3. Air Conditioner for the Server Room
4. Water filled barriers

Chief Napolitano said all the items were of importance. Mrs. Branco said the Magnolia Fire Department just purchased an ATV that goes on water and on land and pulls a trailer, so they might be getting rid of some of their smaller equipment. Chief Napolitano said he would check with the Magnolia Fire Department.

Lt. Belmares said they need to make a line item for medical testing that would include the sexual assault kits that they will pay out to the hospitals. John Champagne asked if the City retained the forensic evidence. Lt. Belmares said that was correct it will be placed in the City's evidence file. Lt. Belmares said the costs that the City is charged by the hospital is 100% refundable through the Attorney General's Office. Lt. Belmares said they do not have a specific line item for that expense to show where the money is going, so they are requesting to get the line item created. Mrs. Branco asked if they would have a revenue for that line item. Lt. Belmares said yes, they will be getting reimbursed for 100% of the cost. Mrs. Branco said they will need a revenue and expense item, at \$750 each. Chief

Napolitano said he was estimating \$4,000. Lt. Belmares said he also wanted to make a separate line item for when the officers are tested for exposure. The City Secretary advised that was covered under Worker's Compensation.

Chief Napolitano said they need to set up an account for cash evidence, where the officer's will put the cash in as a deposit in a bank account. Chief Napolitano said the funds will stay in the bank and then when they come in to claim their reimbursement and the Judge says they can have the funds back, the City would write them a check for the amount from a separate checking account. Chief Napolitano said it would be a checking account in the name of the Police Department from the City where they put cash that they take from suspects at the time of their arrests. Mrs. Branco asked what they would want that account named. Mr. Yates said "Cash Evidence Fund" and asked if they could make interest on the funds. Chief Napolitano said yes, they could make interest on the funds.

City Council took a break at 6:40 p.m.

City Council reconvened at 6:56 p.m.

- Court – Court Administrator Kimberly Duckett presented her budget to City Council. Mr. Yates said that he only included Mrs. Duckett and the Clerk in the wages, so he will need to add a part-time person, which would make the total personnel \$154,140. Mr. Yates said he would also have to go back to the individual items, but the total is \$22,000 for salary and wages, \$80 in unemployment insurance, \$200 workers compensation, and \$1,500 payroll taxes. Mrs. Duckett said she was instructed to hire the part-time person at \$23 per hour. Mr. Yates advised the salary would be \$22 hour for 20 hours times 50 weeks is \$22,000. John Champagne asked to confirm that wages would be \$122,300. Mr. Yates said that was correct.

Mrs. Duckett said the prosecutor fees would go up because sometimes they use two prosecutors on court night. Mrs. Duckett said the Judge's fees would remain about the same because when the full-time Judge can't appear, the part-time Judge appears and he is paid out of the Judge's fee. Mrs. Duckett said they are going to keep the collection agency at \$45,000 but she is considering looking at other

agencies just to compare costs. John Champagne said the cost could go down. Mayor Countryman asked if the cost could go down since they are collecting the warrants and not having to give them anything. Mrs. Duckett said it is not that much of a savings. Mrs. Duckett said she has reached out to a couple of different agencies and they are willing to show her what they can offer. Mayor Countryman asked if we are using the same firm that Montgomery County uses. Mrs. Duckett said we are not using the same agency as Montgomery County.

Mrs. Duckett said the telephone is a zero funds because she does not have a City phone. Mrs. Duckett stated they are budgeting for the fines to go up according to our traffic stops and the fees going up. Mayor Countryman said when they get the fees they have to pay the State fees. Mr. Yates said if they pull in \$170,000 in state fines this year, they should be able to get by with \$190,000 state portion of fines next year rather than \$250,000. Mayor Countryman asked about the state fees and when the state collects the money, what fund does that go into, Department of Public Safety, roads, where does it go?

Mrs. Duckett said when they get the part-time person, they will determine how much the uniform cost will be. Mrs. Duckett said that person would not need multiple sets of uniforms because they would be part-time. Mr. Yates said they might be able to get one of the used uniforms that they have a lot of.

Mrs. Duckett said furniture is the only item that might increase a little bit because hopefully once they get the second window they will be able to sell the desks that they currently have, to have a built in desk area to make more room in the front, and a more efficient office space to function out of both windows. Mayor Countryman asked where the second window was going. Mrs. Duckett said it would be next to the current window so they can work side by side, especially during court night. Mr. Muckleroy said it will essentially function as one window during normal days and have the capability to open both. Mrs. Duckett said with two windows during court night things would run a lot smoother. Mrs. Duckett said the desks are only a year and a half old so hopefully they can sell them, to help pay for the built in office space.

Mr. Yates said if you take the total of the court's fines and forfeitures, it is \$498,000, and the court costs are \$497,000. John Champagne said from 2017 to 2019 it is essentially flat. Mayor Countryman asked how they could grow that delta, more tickets. Mr. Yates said they could bring in a lot more warrants because they have \$700,000-\$800,000 in outstanding warrants. Mrs. Duckett said they were going to prepare to do a purge later to try and move warrants off the log that are very old. Mrs. Duckett said they were going to start talking to other courts to try and figure out a program to clean the shelf because they are so old, which is why she did not want the collection agency paid on those, because we are essentially the ones doing the leg work on them. Mayor Countryman asked what the shelf life is of a warrant. Mrs. Duckett said they do not go away, they are there. Mayor Countryman said they could be potentially eight years old. Mrs. Duckett said there are warrants from people that are from 2003 coming in to pay their warrants. John Champagne said if you are a private business how long do you think you would stay in business that way. Mayor Countryman said you wouldn't stay in business. Mayor Countryman asked how they know they have warrants outstanding. Mrs. Duckett said when they renew their driver's license, and there are some people that are incarcerated and they want to try and get their warrants removed so they will write a letter to get jail credit. Mayor Countryman asked if they accrue late fees. Mrs. Duckett said they only have collection, warrant and OMNI fees. Mr. Yates said the older they are the more efficient your time is to get the ones in the past six months because you can get in contact with them easier. Mrs. Duckett said they have to have an efficient warrant officer that is going out and do door hangers and knock on doors, and do physical work to bring in the revenue. Mayor Countryman asked to confirm that was who they were hiring. Mrs. Duckett said that was correct. Mayor Countryman asked if the person with the warrant moves out of state, is the warrant then moved to bad debt or do they keep it live. Mrs. Duckett said they keep it live. Mr. Yates said mostly they don't write them off because there is no reason to write them off. Mayor Countryman asked if a person is deceased do they request a death certificate. Mrs. Duckett said she requests that information. Mayor Countryman said if they have an aggressive warrant officer that could make a difference.

Mr. Yates said the reason to keep the Municipal Court is the long time future of the warrants and the long time future of the City. Mr. Yates said five years from now they could easily be writing twice as many fines and only go up one staff person in the Court.

- Public Works – Mr. Muckleroy presented his budget. Mr. Yates advised that they were asking for one more person that will be put over in utilities. Mr. Muckleroy commented on overtime stating that in their department it translates to savings, because if he sends two men out to fix a water leak on overtime it is a lot cheaper than calling Gulf Utility to come and fix the leak. John Champagne said they were only showing \$6,000 for overtime. Mr. Muckleroy said they were estimated this year for \$6,000. Mr. Muckleroy said just ballpark what they have fixed is probably \$15,000 in savings. John Champagne asked why they were asking for another person if they were only running \$6,000 in overtime. Mr. Muckleroy said the overtime is leaks that are coming in and not related to their day-to-day work. Mr. Muckleroy said they do not stay late because they did not get something done during the day. John Champagne said that Mr. Muckleroy has four guys now and he wants one more and asked where they are running behind. Mr. Muckleroy said this would make two complete crews and would give two 2-man crews with a foreman over them. Mr. Muckleroy said right now they are running one 2-man crew and then a single man by himself. Mr. Muckleroy said the single guy works okay for running the parks, but there are a lot of times where you need a second person on the job. Mr. Muckleroy said to him it is not a waste of time to have two guys run the parks because they get it done twice as fast and then they can move onto a project. John Champagne asked what the foreman is doing while two crews are working. Mr. Muckleroy said he sets them up in the morning and gets them going and then while he is checking on what they are doing and offering a third hand, he is also doing whatever Autumn calls and asks to have water turned on a specific location, deliver trash cart and he is free to do those duties. Mr. Yates said they will be doing man hole inspections this year and they will save 2/3 of his salary just by doing the man hole inspections. John Champagne said he also increases customer service so he understands. Mr. Muckleroy said he really feels that when they get the two 2-man crews they will be set for a while and things will run smoother, and hopefully they won't have to add another person the following year.

Mr. Muckleroy said he always feels that their list is growing faster than they can get it crossed off and never stops coming in.

Mr. Muckleroy said he was putting extra money for mowing based on the possibility of having to take over Lone Star Parkway. Mr. Muckleroy said he obtained a quote from our mowing contractor and it would add \$40,000 - \$45,000 a year to mow Lone Star Parkway if we accept it from the County. Mr. Muckleroy said that would be mowing Lone Star Parkway 12 times a year, and right now they mow the rest of the right-of-ways 18 times a year. Mr. Muckleroy said the quote for 18 times per year was almost double the contract, so he asked the contractor what they could do to lower that amount. Mr. Muckleroy said currently that area is only being mowed three times per year so 12 times a year would be a dramatic improvement over what is being done now. John Champagne asked if they were enforcing the ordinance for undeveloped property regarding grass height. Mr. Yates said unless it is next door to a house that is true, and even on some of the ones that are next to houses, they are not enforcing. John Champagne said they are not enforcing the ordinance, and said he had an issue as to why in the middle of town we allow people to have grass grow three feet high, but we are keeping out right-of-ways the way they should be. John Champagne said, in his mind the way he thinks, if they were keeping their property the way that it should be they should also be keeping the right-of-way, and to him that is community involvement, but that is not how it works. Mayor Countryman said that is if we accept Lone Star Parkway. John Champagne said it was a large number without Lone Star Parkway. Mr. Muckleroy said they have an interlocal agreement with the State of Texas that says any state road, SH 105, FM 149 and FM 1097, they assume maintenance of the road, but the City assumes the mowing responsibilities. John Champagne said he was okay with that, it is the internal roads that he has an issue with. Mr. Muckleroy said they looked at the option last year of what they could do to lower the mowing budget, and when they looked at the internal roads it was only \$10,000 or \$12,000, because the majority of the footage is the right-of-ways. Mr. Muckleroy said City Council agreed that they wanted to keep everything looking nice so that is what they are going with. Mr. Muckleroy said that is something that City Council could come back and review.

Mr. Muckleroy said there is nothing in records shredding so they will need to add \$200 for that cost. Mr. Muckleroy said inspections and permits is going up with increased development coming into the City. Mr. Yates said that is for the building inspector and the plan reviewer. John Champagne asked if this was taken out of the revenue number they saw. Mr. Yates said that was one way of looking at it, so they will bring in \$200,000 and possibly more if the rates are increased. Mayor Countryman said they pay the inspector \$123,000 of the \$200,000. Mr. Yates said he would be paid \$115,000. Mayor Countryman asked how the inspector is paid per inspection. John Champagne asked when the last time that they have shopped that position was. Mr. Muckleroy said he had no idea. John Champagne asked that this position be shopped. Mr. Yates said he would do that. Mayor Countryman asked if the inspector worked for other cities or just ours. Mr. Yates said he performs the inspections for many cities. Mr. Muckleroy said the inspector has been really good for the City, he has pushed for the stronger standards. John Champagne said it is always good for a guy in that business to push for the stronger standards. Ms. Hensley stated that she thought Ms. Redman and Mr. Hanna had looked at all the surrounding areas as far as their permit fees, and how the breakdown was. John Champagne said that he wanted to request a quote for that service. Mr. Yates said he understood. Mrs. Branco said she would ask that they put the names across her because she hears a lot about different inspectors. John Champagne said they can do that.

Mr. Muckleroy said they were doubling their engineering number. Mr. Yates said he felt that he needed to get more information together for us to possibly hire our own engineer. Mr. Yates said he thought they could get a functioning engineering department for about \$160,000 to \$170,000, and if you add up how much we are paying Jones & Carter per year on just basic engineering items, they are probably at about \$200,000 - \$225,000. Mr. Yates said if you add all the special studies, which they would not get away from Jones & Carter completely because of those studies and some of the work that they would want them to perform. Mr. Yates said he did think if they looked at it they could have a chance of saving money. Mayor Countryman said she liked the idea. John Champagne said he thought Mr. Yates was on the right track. Mr. Yates said he should have some information by the next time they get together.

Mr. Muckleroy said they were going up on street signs by a small amount, because they are requiring more signage in the City. Mr. Muckleroy said the telephone amount does not reflect a dramatic increase in the number of phone lines. Mr. Muckleroy said what happened between the public works and utility budget was whenever he started coding all of the bills in January after the audit, he found some things were being coded wrong. Mr. Muckleroy said everything is in the proper place now, so everything telephone-wise is where it is supposed to be. John Champagne said there should have been a corresponding decrease somewhere else. Mr. Muckleroy said he needed to go back and look, and said the biggest one is going to be City Hall with the way City Hall was done has been changed. Mr. Muckleroy said this one does have some of the cell phones and land lines included. John Champagne said the City's phone bill is pretty heavy and asked when was the last time they looked at pricing that service. Mr. Yates said it has been a year that they have been actively trying to get a quote. Mr. Yates said Suddenlink service is faster and cheaper.

Mr. Muckleroy said they might need to raise gas and oil a little bit more. Mayor Countryman asked how many vehicles they had in the department. Mr. Muckleroy advised they had four vehicles. John Champagne asked what maintenance covers, and whether it would be around the pump. Mr. Muckleroy said not a pump because that would be utility, but it could be anything related to streets; he uses that item when they have to buy a pallet of grass to put in the ditch. Mr. Muckleroy said it is a miscellaneous item. Mr. Muckleroy said he was taking out vehicle maintenance and equipment because they are due for a full backhoe service this year, which is a \$1,000 service. John Champagne said that was actually pretty cheap. Mayor Countryman asked if the trucks are newer vehicles. Mr. Muckleroy said the oldest vehicle they have is 2013 and it is in good shape.

Mr. Muckleroy said they went up three percent on street repairs, such as pot holes and crack sealing. John Champagne asked where speedbumps were taken out. Mr. Muckleroy said that would be streets – preventative maintenance or street repairs - minor.

Mayor Countryman asked who was to repair Lone Star Parkway from the damage caused by the 18-wheeler last week. Mr. Muckleroy said that was outside the City limits. Mayor Countryman asked if the road was ever repaired. Mr. Yates asked if Officer Bracht had contacted Montgomery County. Chief Napolitano said that Officer Bracht had filed a report and said he would check with him in the morning as to whether he contacted Montgomery County.

Mr. Muckleroy advised that they reduced the cost a little on uniforms because they negotiated a new contract with a new company. Mr. Muckleroy said he reduced Cedar Brake Park because they are not using the amount that was listed; Fernland Park is increasing just a small amount due to them getting busier and they need more supplies; the Community Center is being reduced a little because that amount is not being used; and he had zeros on everything else. Mr. Muckleroy said their training and education is the same as the other departments, just classes for continuing education hours for their licenses. Mr. Muckleroy said everyone in his department is licensed except one employee.

Mr. Muckleroy said this year he is signing his staff up with the Texas Water Utility Association for \$65 per person and getting continuing education hours by attending a monthly meeting, which will come out of the Utility Fund. Mr. Yates said they could send someone to street safety school in Public Works. Mr. Muckleroy said training and travel went up five percent.

Mr. Muckleroy said they were reducing maintenance for Memory Park a little bit because they are not using the full amount. Mr. Muckleroy said the Rotary Club is taking care of quite a bit there. Mayor Countryman said that might be changing so they might need to keep those funds in there. Mr. Yates said so far the Rotary Club is saying that they are going to keep doing the same amount of work. Mr. Muckleroy said they basically want a written agreement with the City. Mayor Countryman said she just wanted to make sure. Mr. Muckleroy said last year they had the large number in the budget for the sidewalk improvements, which are done so they can bring that back down. Mr. Muckleroy said Cedar Brake went up a little bit and Homecoming Park stayed the same. John Champagne asked about the \$25,000 for Fernland Park. Mr. Muckleroy said that was for the sidewalks. John

Champagne asked if the City paid for half of that. Mr. Muckleroy said that Troy paid for half of the concrete costs and the City had to pay for all the labor.

Mrs. Branco advised that the liability insurance shown is exactly what it is going to be, \$1,843. Mr. Muckleroy said they need to match it. Mrs. Hensley advised they do not have that figure yet from TML.

Mr. Muckleroy advised that street lights are increased a little bit because they have a couple extra lights going in. Mr. Muckleroy said that downtown utilities is a new line item that is part of moving things around where they should be located. Mr. Muckleroy said they had a line item that said "traffic lights" that was actually a "lift station", they had the lights on McGowan Street that are also tied into the poles and used for festivals, and so he separated them out and created its own line item and the welcome flags; they were paying the water bill towards the electronic sign, so he put all of those into one downtown utilities line item. Mr. Muckleroy said the LED lighting that they did two years ago and the air conditioner that they replaced has brought the utilities down. Mr. Muckleroy said the capital outlay Community Center project was completed last year.

Mr. Muckleroy asked Ms. Hensley about Laserfiche and whether they needed to include that in the budget. Ms. Hensley said they should not be zeroed out in the budget.

Mr. Muckleroy said the public works items have dropped because they are not adding a truck this year. Mr. Muckleroy said they were asking for a couple of items that include:

- Attachment for the bob cat excavator, which is a flail mower attachment that is like a miniature brush hog on a boom;
- A commercial ice machine, which will be housed at the Public Works office, but will be available if the Police Department needs ice or for any function;
- \$2,500 for the new bob cat, because the one that they purchased last year was purchased on a municipal exchange program, which allows them every year, as long as they keep the machine under 500 hours, they can exchange

it for a brand new machine every year for \$2,500. Mr. Muckleroy said that fee is the trade in fee and to have their mechanics switch over the tracks and the digging bucket, which are the only two items that they do not replace. Mr. Muckleroy said there is no maintenance cost, and with the brand new machine they get the first 50 hour service for free. Mr. Muckleroy said the equipment is completely owned by the City and it is not a lease program. Mr. Muckleroy said they can trade the machine in on October 1 and get their brand new machine that will be 100 percent owned by the City of Montgomery. Mr. Muckleroy said they can upgrade the machine anytime they want to; they only have to pay the difference in the two machine sizes. Mr. Yates said the bob cat has been a success and does really well.

- \$800 for a steel hand held auger, which is the pole auger that they use for street signs.

Mr. Muckleroy said the drainage improvements are remaining the same; and contract labor streets is going down and is the balancing account where they place the funds.

Mr. Yates said the FM 149 and SH 105 is funds for tearing down the building at that location after they purchase it.

John Champagne said this department proposed base budget is going down 6 percent from the 2018 budget and is appreciably less than the actual 2017 budget. Mayor Countryman said it includes adding a potential fifth person.

Mr. Muckleroy said the \$3,000 is the number that Mr. Yates told him to put into the capital purchase. Mr. Yates said that was supposed to be part of the building at the sewer plant assigned to Public Works as opposed to utilities.

- Utility Fund

Mr. Yates said regarding the water and sewer fees he and Randy Burleigh had gotten together and the suggestion is to go up \$.25 cents per 1,000 gallons for 2,000 up to

20,000 gallons for the water and sewer, which would raise \$39,000. Mr. Yates said they are already putting about \$800,000 from the utility fund and from the capital project funds over for water and sewer capital improvements, which they thought was enough, plus the addition that they are doing to the debt service fund. Mr. Yates said this sort of follows the third year of the three-year plan. Mr. Muckleroy asked if there were any numbers that they needed to change. Mr. Yates said no, he had already plugged them in.

John Champagne asked what comes after they reach 20,000 gallons. Mr. Yates said it would be \$5.00 per 1,000 gallons for over 20,000 gallons, which City Council did last year. Mr. Yates said this also gets the City to our cost of service. Mr. Yates said the City's water consumption is down about 12 percent from last year, which is great. Mayor Countryman asked if they could contribute that to more rain. Mr. Yates said yes and higher rates. Mr. Yates said Randy Burleigh is going to figure out everyone that has an 11,000 gallon average and they will write them a special letter explaining how the irrigation meter will help use less sewer. Mayor Countryman said they will be saving them money in the long run and looking out for the best interests of the citizens and helping them save money. John Champagne asked if they could put a six month pay plan on the meter cost and they might get more interest.

Mr. Yates advised there were more impact fees this year and less tap fees. Mr. Yates advised that they needed to remove the impact fees – other. Mayor Countryman asked about ETS Revenue. Mr. Yates said he thought that was a typo and that he was going to remove and change to Miscellaneous Revenue. Mayor Countryman asked what those funds were from. Mrs. Branco advised they were the credit card fees.

Mr. Yates said he added one personnel under the personnel. Mr. Yates said he did not understand why personnel was so low for this year at \$139,000. Mrs. Branco advised that was because they had pulled Mr. Yates pay out of that line item. Mr. Yates said $\frac{1}{4}$ of his salary and three employees comes out of this fund. Mayor Countryman confirmed that water/sewer pays for $\frac{1}{4}$ of Mr. Yates salary and three public works employees. Mr. Muckleroy advised that was correct, his department is split between public works and utilities. Mrs. Branco advised that Mr. Muckleroy and the utility clerk are under utilities, and the rest of public works are in water/sewer. Mr. Yates said the

proposed personnel wages for 2019 is \$266,000, including adding one person. Mr. Yates said this new position is a labor position that would be paid \$15 - \$16 per hour.

Mr. Muckleroy advised that license and permits for the sewer plant was a typo, it is not supposed to be \$10,400 it is supposed to be \$19,400. Mr. Muckleroy said everything else is zeros except for operating supplies, and they are just going up a little bit on that item, because that is where all their water meters come from. Mr. Yates said they are completely up to speed on new meters, including the compound meters. Mr. Yates said they did a lot of investing this year on meters. Mr. Muckleroy said when they did the original meter swap out 2 ½ years ago they elected to keep some of the Neptune brand meters in the ground, because that was the only brand that you could put Badger electronics on. Mr. Muckleroy said what they were not told at the time was the Neptune meters would only read in 500 gallon increments, so you do not get the true usage and they are old meters and at the point of being replaced anyway. Mr. Muckleroy said they went through this year and switched out 16 of the 2-inch meters and put Badger meters in and they will get truer numbers, in fact Randy Burleigh has already pointed out a couple of them that the usage has gone up; it is not the usage it is just the accuracy of the meter. Mr. Muckleroy said the new meters also helps with leak alerts, and said they already replaced a meter at Summit Business Park where the meter was only a couple years old, but they already had a leak on their side that was not alerting them because it was not rolling more than 500 gallons an hour. Mr. Muckleroy said they found it when they dug up the meter. Mr. Muckleroy said it was a good investment to get them up to speed, and they only have a few Neptune meters left in the system. Mr. Muckleroy advised the figure for sludge hauling is not correct, it was supposed to be \$19,250, and said they were not going to hit \$20,000 this year.

Mayor Countryman asked about the testing line item. Mr. Muckleroy advised that was for both water and sewer testing, which they do every week. John Champagne asked if Gulf Utilities was doing the testing. Mr. Muckleroy advised no, a third party was doing the testing after Gulf pulls the sample and they have another company that comes and picks up the sample for testing. Mr. Muckleroy said they increased taps and inspections based on the number they have coming in. Mr. Muckleroy said they are going up on maintenance and repairs, which is for anything that goes wrong with the utility system goes under that item. Mr. Muckleroy said they were going up a little on

gas and oil, which also includes diesel for generators, but after discussion they decided to increase to \$6,200. Mr. Muckleroy advised they increased a little bit for staff development since they would be hiring another person.

Mr. Muckleroy said the capital outlay sewer plant improvements is because they are out of space where they are located, so they are going to utilize the building that they are in right now. Mr. Muckleroy said the office space is in one third of the building and they want to expand out; originally they were considering another third of the building just to create more office space. Mr. Muckleroy said they want to get a portable building at the back of the property to house all of the items that are housed in the shop, then they can use the existing building that already has the electric, water and sewer to create some more office space. Mr. Muckleroy said if they hire a City Engineer this would be a prime location for them to work and space for a plotter if they need it, and a place to store blue prints.

John Champagne asked about page 23, and asked if he was to deduce from the engineering fees that this is Gulf or Jones & Carter. Mr. Muckleroy said it was Jones & Carter, advising that the operator is Gulf. John Champagne asked if \$40,000 was the budget. Mr. Muckleroy said that was correct for their base fee for running the plants and the rest of it is located in 26335, which increased to \$225,750. John Champagne said they had a budget of \$160,000. Mr. Yates said the budget was \$215,000 and they are actually going to use \$160,000. John Champagne said they estimate the total cost for Gulf Utilities for maintenance and repairs would be \$160,000. Mr. Muckleroy said it was not just for Gulf, it was any repairs, including preventative maintenance. Mr. Yates said what he probably should do is go to the invoices and add them up and break them out like he did last year. Mr. Muckleroy said Mrs. Branco can do that. Mrs. Branco said she could show if it was paid to Gulf or if it was somebody else. John Champagne said he would like to know how close Gulf is to their proposed contract. Mr. Muckleroy said the proposed contract has a lot of variables, but said Gulf has stuck true to their base, but we added \$25,000 in preventative maintenance on the entire utility system. Mr. Yates said most of Gulf's fees were comparable to two other people after the base fee, the other services were pretty comparable. John Champagne said as he remembers, they were in another industry in regards to the number that they submitted compared to the other two bidders. Mr. Yates said they were quite a bit less.

John Champagne said his point is he does not know what the other quotes had for preventative maintenance and was it part of their scope of services. Mr. Muckleroy said he still stuck to the simple fact that Gulf had already been servicing the City so they knew the true cost of what it was going to take to run this as opposed to someone coming in here and doing an hour walk through of the system but not getting details on everything. Mr. Muckleroy said he remembered Gulf telling him before the quotes came in, saying we had to be careful if somebody bids low because they are probably going to nickel and dime you on something else, and then they came in so much lower. John Champagne said they came in significantly lower so he immediately had red flags. Mr. Muckleroy said he treats them the same as any contractor that comes to the City, he is loyal to no one, so if we want to go out for bid in December, but what scares him about that is base price getting driven up. John Champagne said that was why he deferred to Mr. Muckleroy and to a lesser degree Mr. Yates on that decision. Mr. Muckleroy said they are still happy with Gulf.

- Special Funds

- Capital Projects Fund

Mr. Yates said he was not prepared to review the Capital Projects at this time.

- Court Security Fund

- Court Technology Fund

- Hotel Occupancy Tax Fund

- Police Assets and Forfeitures

- Montgomery Economic Development Corporation

- ❖ Discussion 2018 Tax Rate

ADJOURNMENT

Mayor Countryman adjourned the Workshop at 8:31 p.m.

Submitted by:


Susan Hensley, City Secretary

Date Approved:

12/11/18




Mayor Sara Countryman