

**STATE OF TEXAS
COUNTY OF HIDALGO
CITY OF MCALLEN**

The McAllen Board of Commissioners convened in a Workshop on **Tuesday, August 8, 2017**, at 5:00 pm, at the Palm View Golf Course, with the following present:

Mayor Jim Darling, Commissioner Richard Cortez, Commissioner Joaquin Zamora, Commissioner Omar Quintanilla and Commissioner John Ingram

Absent: Mayor Pro Tem Aida Ramirez, Commissioner Veronica Whitacre

Staff: City Manager Roel Rodriguez, City Attorney Kevin Pagan, Assistant City Manager Jeff Johnston, Assistant City Manager Michelle Leftwich, City Secretary Perla Lara, Budget Director Angie Rodriguez, Finance Director Susan Lozano, Strategic Planning Coordinator Greg Townsend

CALL TO ORDER

Mayor Darling called the meeting to order.

1. DISCUSSION OF FY 2017-2018 CITY OF MCALLEN BUDGET.

A review of the department's highlights was given by staff. Management Staff gave an overview of the General Fund and the Capital Improvement Fund (CIP). A slide show depicting revenues and transfer-ins was reviewed. Staff reported on the reserves and mentioned 153 days of operating budget.

Staff presented a 10 year comparison as follows:

- Expenditures are outpacing Revenues
- 2008 Expenditures were growing faster than revenues
 - Surpluses
 - Deficits
- Trend: Sales Tax
- Trend: Property Tax
- Expenditures Increases, Decreases: 10 year trend
 - General Government
 - Public Safety
 - Highway & Streets
 - Health/Welfare
 - Culture/Recreation (New Venues)
- 10 Year Health Claims – Fund Balance from Strong to Negative
- Shift from Cash (Transfers to CIP) to Bond Projects
 - CIP Expenditures
 - Bond Projects
- Days in General Fund Balance (Reserves) vs Minimum Requirement (# of days)

General Fund Budget Highlights were reviewed as follows:

- General Fund Revenues and Expenditures by Year
 - 2014 – 150 Days
 - 2015 – 171 Days
 - 2016 – 153 Days
 - 2017 – 150 Days
 - 2018 – 153 Days
- Major Revenues
 - Current Property Tax
 - Sales Tax
- Total General Fund Revenues by Source
 - Current Property Tax
 - Sales Tax
 - Franchise Tax – Electric
 - Licenses & Permits
 - Operating Transfers-In – Bridge
 - Oil & Gas Royalties
 - Transfers-in Development Corporation
- Other Revenue
 - Franchise Tax – Natural Gas, Telephone & Cable

- Management Service Fee
- Fines & Forfeits
- Airport Transfers-In
- State Mixed Drink Tax
- Reimbursements/Grants
- Investments Earnings
- Major Revenues Increases / Decreases Projected
- General Fund Expenditures By Service Area
- Full-Time and Part-Time Employees One Time Disbursements
 - Full-Time Employees (\$450 per employee)
 - Part-Time Employees (\$225 per employee)
 - Police Department (\$294/Officer (average)

A discussion ensued as it related to one time disbursements. Staff answered questions posed by the Mayor and City Commission. Comments were expressed as it related to performance evaluations, analysis/graph of how many employees have been added through the years. Additional comments were shared by the Mayor and City Commission.

A recap of the Fiscal Year 2017-2018 general fund decision packages was provided. It was reported that for the 2017-2018 Fiscal Year the following general fund new employee positions were being recommended:

- Planning – Senior Planner
- Fire Department – 2 Firefighter
- Engineering – Construction Manager
- Environmental Code Compliance – Code Enforcement Officer
- Parks – Parks Crew Leader
- Parks – Groundskeeper II
- Parks – Mechanic
- Parks – Trades Helper I

1 Part-Time Position

- Human Resources – Receptionist/Clerk

Staff briefly discussed the City of McAllen Capital Improvements Projects as follows:

- Neighborhood Matching Grant Program – On Going Project
- Neighborhood Matching Commercial Grant Program – On Going Project
- City Fiber – On Going Project
- Downtown Lighting Improvements – On Going Project
- Roadway Safety Improvements – Rollover
- Signal Controller Replacements – On Going Project
- Trimble Survey Unit
- Pedestrian Bridge – Rollover
- Subdivision Paving – On Going Project
- Assorted Parks Amenities – On Going Project
- Quinta Mazatlan – Restoration of Buildings
- Orchid Street Property Improvement

Staff reported briefly that the following agency applications nothing they would be presenting on Wednesday, August 9, 2017 as follows:

- Amigos Del Valle Inc
- Museum of South Texas History
- Boys & Girls Club of McAllen
- RGV Literacy Center
- Comfort House
- United Way of South Texas
- Capable Kids Foundations
- Easter Seals
- Pasion RGV's Professional Chorus
- **Mujeres Unidas**
- Humane Society
- McAllen International Museum
- RGV International Music Festival
- South Texas Symphony

Staff also outlined the Development Corporation Applications for FY 2017-2018 as follows:

- Affordable Homes of South Texas
- LRGV Community Health/El Milagro Clinic
- Comfort House
- LiftFund Inc.
- Easter Seals RGV-Early Learning
- South Texas College
- Boys & Girls Club of McAllen
- Easter Seals – Child Development Center
- VIDA
- McAllen Heritage Center Inc.
- McAllen Economic Development Corporation

A lengthy discussion ensued and staff answered questions posed by the Mayor and City Commission. Comments and concerns were expressed as it related to Comfort House and McAllen Heritage Center.

Staff distributed handouts on the Performing Arts Construction Fund, Certificates of Obligation Series 2014 Fund Summary and Street Improvement Construction Fund. A discussion was held over the handouts distributed.

2) DISCUSSION OF COSTS OF FUTURE ELECTIONS.

Staff reported that Hidalgo County Elections Administration had notified the city of various changes relating to future contract elections with political subdivisions. It was noted that with the recent purchase of the County's new "Verity" voting equipment only full contracts will be administered by Hidalgo County Elections Department. Political subdivisions' only other option will be to full contract, buy or lease with other vendors. Staff also mentioned that rates for future elections are uncertain as city will not have new rates until after the County's November Election.

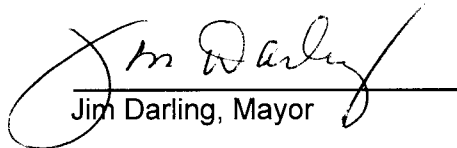
Options were presented as follows:

- The City Commission may choose to full contract with County for upcoming elections. After post-election review, City maintains the option to run and manage future elections without County participation
- The City Commission may choose to purchase equipment and conduct in-house elections
- The City Commission may choose to lease equipment and conduct in-house elections

A discussion ensued and staff answered questions posed by the Mayor and City Commission. Comments, questions and concerns were raised by the City Commission. After due consideration, staff was instructed to bring back a report with new rates when available.

ADJOURNMENT

There being no other business to come before the Commission, the meeting was adjourned at 7:15 pm.


Jim Darling, Mayor

Attest


Perla Lara, TRMC/CMC, CPM
City Secretary