



EST. 1955

SPRING VALLEY

V I L L A G E

**Special Called
City Council Meeting
June 23, 2020
5:00 p.m.**



Notice is Hereby Given of a Special Called Meeting of the City Council City of Spring Valley Village, Texas, 1025 Campbell Road, Spring Valley Village, Texas, in the Council Chambers, Tuesday, June 23, 2020, beginning at 5:00 p.m., For the Purpose of Considering and Acting upon the Following Items of Business:

In accordance with order of the Office of the Governor issued March 16, 2020, the City Council of Spring Valley Village will conduct the meeting scheduled at 5:00 p.m. on Tuesday, June 23, 2020 in the City Hall Council Chambers, located at 1025 Campbell Road, in part by telephone conference in order to advance the public health goal of limiting face-to-face meetings (also called “social distancing”) to slow the spread of the Coronavirus (COVID-19).

The meeting agenda and agenda packet are posted online at www.springvalleytx.com.

The video link to this meeting is <https://us02web.zoom.us/j/87377425806>

The public toll-free dial-in numbers to participate in the telephonic meeting are 1-346-248-7799 (Houston), 1-253-215-8782 (US), and 1-301-715-8592 (US); enter the Meeting ID: 873 7742 5806 and #.

The public will be permitted to offer public comments as provided by the agenda and as permitted by the presiding officer during the meeting.

An audio recording of the meeting will be made, and will be available to the public in accordance with the Open Meetings Act upon written request.

1. **CALL THE ROLL AND ANNOUNCE A QUORUM IS PRESENT**
2. **DISCUSSION AND DIRECTION CONCERNING:** Budget Policy Assumptions To Use In Development of Fiscal Year 2020-2021 Budget.
3. **ADJOURNMENT**

Agenda items may not necessarily be considered in the order that they appear. With regard to any item, Council may take various actions, including but not limited to rescheduling an item in its entirety or for particular action at a future date or time.

I certify that a copy of the June 23, 2020 agenda of items to be considered by City Council was posted on or before the 17th day of June, 2020 at 2:30 p.m. pursuant to the Open Meetings Act,

Chapter 551 of the Texas Government Code.

Attest:


Roxanne Benitez, TRMC, CPM, CMCC
City Secretary

In compliance with the Americans with Disabilities Act, this facility is wheelchair accessible and accessible parking spaces are available. To better serve attendees, requests for accommodations or interpretive services should be made 48 hours prior to this meeting. Please contact the City Secretary's office at 713-465-8308, Fax 713-461-7969, or Email secretary@springvalleytx.com for further information.

**Spring Valley Village City Council
Agenda Item Data Sheet**

MEETING DATE: June 23, 2020

| | |
|---------------|---|
| TOPIC: | DISCUSSION AND DIRECTION CONCERNING: Budget Policy Assumptions To Use In Development of Fiscal Year 2020-2021 Budget |
|---------------|---|

| | |
|--------------------|---|
| BACKGROUND: | City Treasurer Michelle Yi, Assistant City Treasurer Susan Thornhill, Assistant to the City Administrator Matthew Hitt and I have begun development of the City's Fiscal Year 2020-2021 Budget. However, before actual numbers are presented for the Council to review, it is important to review the budget policy assumptions that we are using to development the FY 2021 Budget to ensure that both Staff and the Council are on the same page. |
|--------------------|---|

Budget Policy Assumptions

Revenues

- To forecast revenues, use a conservative approach including trend analysis and take into account factors that may not be reflected in data yet such as financial fluctuations related to COVID-19.

- Evaluate current tax rate of \$0.4250 and determine whether any reduction is possible after analyzing current and anticipated future impacts related to COVID-19.

- Use 98% collection rate to estimate property tax revenues. For FY 2020, the City used a 99% collection rate. However, for the last two fiscal years, the collection rate was just under 98% (97.83% collection rate for fiscal year 2019 and 97.79% for current fiscal year as of May 2020).

- If needed, reduce transfer from General Fund to CIP Fund by the amount needed to balance the FY 2021 Budget. It is anticipated that this would only be for FY 2021 to offset any reductions in Municipal Court Fines and Interest Income resulting from COVID-19.

- Incorporate a Plan Review Fee Deposit to be held in escrow to offset the City's incurred expenses for plan review services. The City has used and currently uses an engineering firm for drainage and/or building plan reviews and a contract building services company for building plan reviews for which the City incurs separate charges. The building permit fee historically has not been collected until after all plan reviews have been completed and the applicant is ready to pick up their plans and begin construction. Therefore, the City incurs the expense for plan review services but does not receive payment from

**Spring Valley Village City Council
Agenda Item Data Sheet**

the applicant for those services until some later time.

There have been several times in the past year where a building permit application and accompanying drainage plan were submitted to the City for review, and the applicant decided not to pursue construction of the project. As a result, the applicant did not pay the building permit fee nor reimburse the City for the plan review fees that had been incurred on their behalf.

Since the City would not otherwise incur plan review fees, it is appropriate to require permit applicants to pay for these fees at the time that the permit application is submitted. It is our recommendation that a Plan Review Fee of \$1,000 be required at the time a permit application is submitted with this amount to be held in escrow by the City for use in paying for plan review services for the project. The fees would be a straight pass-through of the fee incurred by the City resulting from a permit application without any additional fees added. In the event that an applicant decides not to pursue construction of the project, any balance remaining after incurred expenses have been paid would be refunded to the applicant. In the event that an applicant decides to proceed with construction of the project, any balance will be applied to the building permit fee. Recouping the plan review fees on the front end will offset the expenditure for these services that is not currently occurring.

- Continue not to include ambulance fee revenue to allow Village Fire Department to retain that revenue to support the service.

Expenditures/Expenses

- To forecast expenditures/expenses, use a conservative approach including trend analysis and take into account factors that may not be reflected in data yet such as unfunded mandates, and specific needs of Departments in order to maintain and/or improve service levels to the residents.
- Inclusion of 15% increase for health insurance. We will not know the increase until late August or early September.
- For all City employees, 4% increase for salaries. [Police Department (approximately \$74,935) and all other City

**Spring Valley Village City Council
Agenda Item Data Sheet**

Departments (approximately \$45,737)].

- Replacement of 2 Police Department vehicles. As a reminder, two of the Police vehicles were replaced in FY 2020 leaving the replacement of other two Police vehicles to be budgeted in FY 2021.
- Use of Child Safety Fund revenues to fund appropriate Police Department projects.

Capital Improvement Projects

- 2019 & 2020 Certificates of Obligation debt payment amount to be transferred from General Fund to Debt Service Fund instead of rolling into tax rate.
- Continue with Capital Projects for the General Fund approved on March 24, 2020, a copy of which is provided with this agenda item.

RECOMMENDATION: Staff requests direction concerning the outlined Budget Policy Assumptions to be used in developing the FY 2021 Proposed Budget.

ATTACHMENTS:

- Copy of 5-Year General Fund Capital Improvement Projects List Approved on March 24, 2020

FUNDING ISSUES:

Not applicable – no dollars are being spent or received.

Full amount already budgeted in Acct/Project# _____

Not budgeted, if approved, the following will be included in the next Budget Amendment:

\$_____ from Acct/Project# _____ will be transferred to Acct/Project# _____

\$_____ from unassigned fund balance will be used and added to Acct/Project# _____

\$_____ will be added to Revenue Acct# __-__ and \$_____ added to Expenditure Acct/Project# _____

FINANCE VERIFICATION OF FUNDING:

Julie M. Robinson

SUBMITTING STAFF MEMBER:

Julie M. Robinson, City Administrator

CITY ADMINISTRATOR APPROVAL:

Julie M. Robinson

DIVIDER PAGE

**CITY OF SPRING VALLEY VILLAGE
CAPITAL IMPROVEMENT PLAN
APPROVED MARCH 24, 2020**

| Item No | Projects by Type | Start 2018 - 2019 | Year 1 2019 - 2020 | Year 2 2020 - 2021 | Year 3 2021 - 2022 | Year 4 2022 - 2023 | Year 5 2023 - 2024 | Greater than 5 Years | Total | |
|---|--|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|----------------------|--------------|
| PAVEMENT & UTILITY IMPROVEMENTS | | | | | | | | | | |
| BOND 1 | 1 Hilldale/Bade/Cardwell | 1,673,382 | | | | | | | 1,673,382 | |
| | Loeser | | 386,113 | 386,113 | | | | | 772,226 | |
| | 2 Traweek | | 400,000 | 599,350 | | | | | 999,350 | |
| | Lone Star | | 331,537 | 531,538 | | | | | 863,075 | |
| | West Tex | | 376,932 | 576,963 | | | | | 953,895 | |
| | 3 Green Valley & Winningham, West of Voss | | 700,000 | 363,750 | | | | | 1,063,750 | |
| | Bond 1 Total | | | | | | | | 6,325,678 | |
| BOND 2 | 4 Winningham, East of Voss | | | 272,550 | 272,550 | | | | 545,100 | |
| | Cedarspur E. of Voss | | | 272,550 | 272,550 | | | | 545,100 | |
| | Burkhart, East of Voss | | | 227,125 | 227,125 | | | | 454,250 | |
| | 5 Cedarspur (W. of Bingle) | | | | 227,125 | | | | 227,125 | |
| | Burkhart (East of Bingle) | | | | 700,000 | 685,463 | | | 1,385,463 | |
| | 6 Brighton Place Streets • Cedarspur St • Pech Rd between Cedarspur St. & Winningham Ln. • Burkhart Cir. • Burkhart Ct. • Winningham Ln. East of Bingle Rd. | | | | 500,000 | 3,240,000 | 1,660,000 | | 5,400,000 | |
| | Bond 2 Total | | | | | | | | 8,557,038 | |
| Cumulative Bond Totals | | \$ 1,673,382 | \$ 2,194,582 | \$ 3,229,939 | \$ 2,199,350 | \$ 3,925,463 | \$ 1,660,000 | \$ - | \$ 14,882,716 | |
| OTHER PAVEMENT & UTILITY IMPROVEMENTS | | | | | | | | | | |
| CASH FUND | A Cavell (E. of Fries) | | | | | | | 454,250 | 454,250 | |
| | Heather Cir | | | | | | | 250,000 | 250,000 | |
| | Echo Valley (E & W of Fries) | | | | | | | 908,500 | 908,500 | |
| | B Spring Oaks Circle | | | | | | | 408,825 | 408,825 | |
| | C Croes (E & W of Fries) | | | | | | | 1,430,888 | 1,430,888 | |
| | D Campbell Rd. Detention at Briar Branch | | | | | | | 800,000 | 800,000 | |
| | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,252,463 | \$ 4,252,463 |
| | PUBLIC FACILITIES | | | | | | | | | |
| | A Fire Station Renovation | 450,261 | 362,240 | | | | | | | 812,501 |
| | B Renovation of Public Works Building | | | 250,000 | | | | | | 250,000 |
| | \$ 450,261 | \$ 362,240 | \$ 250,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,062,501 | |
| COMMUNITY IMPROVEMENTS | | | | | | | | | | |
| A Street Light Replacement Program | 60,000 | | | | | | | | 60,000 | |
| B Katy Freeway Noise Reduction | 46,800 | 46,800 | | | | | | | 93,600 | |
| C Bingle Road Traffic Improvements | | | | | | | 700,000 | | 700,000 | |
| D SBISD Park Initiative | | | | | | | | | - | |
| E Repair/Replacement of Bridge Over Briar Branch Creek at Tamy Lane and Randy Drive | | | | | | | | | | |
| F Renovation of Pech Road Footbridge | | | | | | | | | | |
| G Phase III Park Improvements (Playground) | | | | | | | | | - | |
| | \$ 106,800 | \$ 46,800 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 700,000 | \$ 853,600 | |
| | | | | | | | | | \$ 21,051,280 | |