

**MINUTES OF THE SPECIAL CALLED CITY COUNCIL MEETING
CITY OF SPRING VALLEY VILLAGE, TEXAS
WEDNESDAY, MAY 23, 2023 AT 5:00 P.M.
IN THE COUNCIL CHAMBERS OF CITY HALL
1025 CAMPBELL ROAD, HOUSTON, TEXAS**

1. CALL THE ROLL AND ANNOUNCE A QUORUM IS PRESENT

With a quorum of the Council Members present, the Special Called Meeting of the Spring Valley Village City Council was called to order by Mayor Vajdos at 5:07 p.m.

Members Present:

Mayor Marcus Vajdos
Mayor Pro-Tem Allen Carpenter
Council Member Bo Bothe
Council Member Steve Bass
Council Member Joy McCormack

Members Absent:

Council Member David Dominy

2. DISCUSSION AND POSSIBLE DIRECTION CONCERNING: Budget Policy Assumptions To Use In Development of Fiscal Year 2023-2024 Budget.

Acting City Administrator Zachary Meadows presented the budget policy assumptions that City staff are currently using to develop the FY 2024 Budget and requested direction from Council with regard to the individual policy assumptions to ensure that both Staff and the Council are on the same page while development of the budget is underway. The budget policy assumptions were:

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 the current economy.
- For purposes of property tax revenues, utilize the low end of HCAD's Projected 2023 Taxable Value Range. A copy of the 2022 Certified Estimate of Taxable Value from Harris County Appraisal District Dated April 25, 2023, was provided in the packet.
- Use of a property tax rate of \$0.4050, which is the same as the current tax rate. If financially prudent, evaluate possible property tax rate reduction options.
- Use 99% collection rate to estimate property tax revenues.
- For Sales Tax Revenues and all Municipal Court-related Revenues, use an average of the three (3) previous fiscal years' actuals plus the current fiscal year's projections.
- Continue not to include the ambulance fee revenue to allow Village Fire Department to retain that revenue to support the service.
- Continue to evaluate the fee schedules to make sure that the charges are enough to cover our expenses due to continual charges in the cost of doing business.

Expenditures/Expenses

- With the exception of Salaries & Benefits and specific line items that are already known, use the FY 2023 Adopted Budget was used as the FY 2023 base budget. Line items that have already been identified for increases include: Fuel, Audit Services, funding for the Village Fire Department, Professional Services, and Electricity.
- To forecast expenditures/expenses, a conservative approach including trend analysis and taking 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 6.5% increase for health insurance. This amount is a bit higher than the average to maintain conservativeness in the budget, taking into account an average of the last three (3) years and the most recent estimates from the broker. For reference, a breakdown of health insurance actuals has been provided with this item. It is anticipated that we will be going out for proposals in the next month or so and will not know what those proposals will look like until later August or early September.
- With regard to Salaries, according to the April Consumer Price Index Overview Table (CPI), the Houston-Woodlands-Sugarland Metropolitan Area is at 4%. I would like to include as a baseline a 3% Cost-of-Living (“COLA”) adjustment for all City employees. However, it would be my recommendation for the Council to either schedule a separate Council Workshop or use one of the other anticipated Council workshops to discuss only the issue of employee and salary adjustments. The CPI Table for April 2023 has been provided with this item.
- Replacement of three (3) Police Department vehicles. Chief Schulze proposing to replace two patrol vehicles and one admin vehicle for the FY 2024 Budget.
- Replacement of one (1) Public Works vehicle. Public Works Director Kristina Watson has two vehicles needing replacement, one of the vehicles was placed in the current fiscal year and was ordered but has not arrived yet, this replacement would be for the second vehicle.
- IT Infrastructure: Based on current IT infrastructure and computer issues we are currently experiencing, the City and BEMA have begun discussions about how to address the City’s future needs in terms of an overall solution. We are evaluating the most cost-efficient, compliant, and practical solution going forward.

Capital Improvement Projects

- The FY 2024 Debt Service Fund Transfer will be \$974,462.50.
- Continue with the 5-Year Capital Improvement Projects list approved on March 28, 2023, a copy of which was provided with this agenda item.

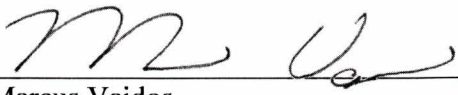
Following the discussion, it was the consensus of the Council for Staff to proceed with the development of the FY 2023 Budget using the Budget Policy Assumptions as presented. The Council also asked for the budget to be formulated with salary associated with an additional FTE. City Council also agreed to conduct a separate salary workshop, in which proposals of 2% - 5% salary adjustments would be presented.

3. DISCUSSION AND POSSIBLE DIRECTION CONCERNING: Review and Possible Changes to Interlocal Agreement by and between City of Spring Valley Village and City of Hilshire Village for the Provision of Police and Municipal Court Services.

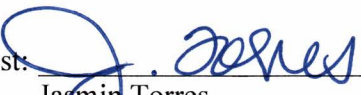
City Council agreed to discuss this item during the regular meeting under the same item language as time was not permitting the discussion to be discussed during the workshop.

4. ADJOURNMENT

Council Member Carpenter made a motion to adjourn the meeting at 5:41 p.m., and Council Member Bass seconded the motion. Motion carried 4-0.

Signed: 

Marcus Vajdos
Mayor

Attest: 

Jasmin Torres
City Secretary

