

**MINUTES OF THE SPECIAL CALLED CITY COUNCIL MEETING
CITY OF SPRING VALLEY VILLAGE, TEXAS
TUESDAY, JUNE 23, 2020 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 (by video conference)

Mayor Pro-Tem Allen Carpenter

Council Member Bo Bothe

Council Member David Dominy (by video conference)

Council Member Tom Donaho (by video conference)

Council Member Joy McCormack

Members Absent:

None.

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

City Administrator Julie Robinson presented the budget policy assumptions that City staff is currently using to develop the FY 2021 Budget and requested direction from the Council with regard to those assumptions to ensure that both Staff and the Council are on the same page. 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 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 building and drainage plan review services.
- Continue to not 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, which would be a 2% Cost of Living Adjustment (COLA) and a 2% merit increase. [Police Department (approximately \$74,935) and all other City Departments (approximately \$45,737)].
- Replacement of two (2) Police Department vehicles, instead of four (4) vehicles, as 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.

There was discussion concerning each of the budget policy assumptions, the impact of COVID-19 on the current budget and the FY 2021 budget, and minimizing the proposed revenue over expenditure amount for FY 2020. During the discussion, the Council directed that the following budget policy assumptions be modified:

Revenues

- Use 99% collection rate to estimate property tax revenues.
- Incorporate a Plan Review Fee Deposit in the amount of \$1,000 through an amendment to the Master Fee Schedule.

Expenditures/Expenses

- Include a 12% increase for health insurance. Council also requested information on the budgeted and final health insurance increases for the previous 3 years.

There was lengthy discussion concerning the budget policy assumption related to the proposed 4% increase for City employee salaries. Following discussion, Council requested information for 2% and 3% increases for City employee salaries.

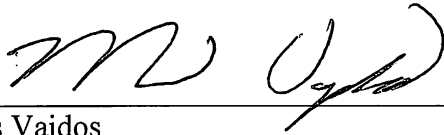
With the exception of the budget policy assumption related to the percentage increase for City employee salaries, it was the consensus of the Council that all of the budget policy assumptions presented and as modified by the Council were acceptable to and approved by the Council. Ms. Robinson advised that next budget workshop meeting would be held on July 14, 2020.

3. ADJOURNMENT

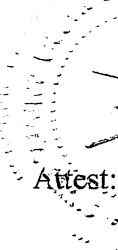
Council Member Carpenter made a motion to adjourn the meeting at 6:11 p.m., and Council

Member Bothe seconded the motion. Motion carried 5-0.

Signed: _____



Marcus Vajdos
Mayor



Attest: _____



Roxanne Benitez, TRMC, CPM, CMCC
City Secretary