

BUDGET WORK SESSION

JUNE 28, 2018

The City Council of the City of Athens met in Budget Work Session on Thursday, June 28, 2018, at 8:00 a.m. and immediately following convened into a Special Session at “The Texan”, 209 E. Tyler St., Athens, Texas with the following members present, to-wit:

Monte Montgomery, Mayor
Toni Clay
Aaron Smith
Robert Gross

Elizabeth Borstad, City Manager
Bonnie Hambrick, City Secretary

others present: Thanasis Kombos, Buddy Hill, Ryan Adams, John McQueary, Brandon Blue, Randy Williams, Jennifer Robertson, Mandie Quigg, Rachel Proctor, Mark Carroll, David Hopkins, and David Rodriguez;

with the following member absent; Councilmember McCain

constituting a quorum at which time the following proceedings were enacted, to-wit:

CALL TO ORDER

The meeting was called to order by Mayor Monte Montgomery.

The Council recessed at 8:00 a.m.

The Council reconvened at 8:06 a.m.

PRESENTATION AND DISCUSSION OF THE CITY OF ATHENS CURRENT TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)

Elizabeth Borstad, City Manager explained during the May 10, 2018 City Council Work Session one of the priorities identified for Fiscal Year 2019 was the City’s Texas Municipal Retirement System (TMRS) Pension burden to the City’s budget.

David Rodriguez, Senior Regional Manager City Services, presented an overview on the Texas Municipal Retirement System (TMRS) which included the following:

- TMRS History and Membership
- TMRS Funding Basics
- TMRS Makes Dollars and Sense to Cities
- TMRS Makes Dollars and Sense for the Public
- TMRS Sound Investment Funding
- TMRS Benefits

Mr. Rodriguez presented Athens Benefits and Athens Rates. He presented a comparison of cities along with a possible plan change study for the City of Athens.

Throughout the presentation questions from the City Council were answered by Mr. Rodriguez.

Mayor Montgomery opened the floor for public comment.

Buddy Hill, Chief of Police asked the City Council as they look at potential changes to the retirement system, to please do so very carefully because it is currently hard to recruit and compete with other cities.

David Hopkins, former City of Athens Finance Director, explained the history of TMRS and stated the City implemented TMRS as a means to retain employees. Mr. Hopkins stated he understands everyone is concerned with the liability being on the Balance Sheet.

Discussion occurred.

The Council recessed at 8:58 a.m.

The Council reconvened at 9:03 a.m.

DISCUSS AND REVIEW PROPOSED FISCAL YEAR 2019 BUDGET

Ms. Borstad presented Fiscal Year 2018-2019 Draft proposed Budget for General Fund and Utility Fund which identified estimated revenues and their percent of the budget and how the funds are prioritized. Ms. Borstad explained the proposed draft budget did not include in Capital Requests or Personnel items.

Jennifer Robertson, Director of Human Resources discussed the re-rate of the City's group insurance and the loss ratio.

Mandie Quigg, Finance Director discussed the Fund Balance.

Mayor Montgomery stated he would like to see a ninety (90) day reserve.

Councilmember Gross requested the net effect of "The Texan" on the budget.

Discussion occurred.

After discussion Mayor Montgomery requested the City Council to review the proposed budget.

Ms. Borstad explained that a more defined budget would be presented to the City Council in approximately one month.

DISCUSS FIVE YEAR STREETS CAPITAL IMPROVEMENT PROGRAM

Thanasis Kombos, Assistant City Manager, presented the proposed Five Year Streets Capital Improvement Program.

DISCUSS FIVE YEAR UTILITIES CAPITAL IMPROVEMENT PROGRAM

Randy Williams, Utilities Director, presented the proposed five year utilities capital improvement program.

ENTER INTO CITY COUNCIL SPECIAL SESSION

The City Council entered Special Session at 9:58 a.m.

DECLARATION OF CONFLICT OF INTEREST

No action was taken.

DISCUSS, CONSIDER AND TAKE ACTION, AS NECESSARY, APPROVING
A RESOLUTION AWARDDING BIDS AND AUTHORIZING THE CITY
MANAGER TO EXECUTE MULTIPLE CONTRACTS FOR VARIOUS
TRADES AND CONSTRUCTION WORK RELATED TO FACILITY
RENOVATIONS AT THE CAIN CENTER

Ms. Borstad provided a brief update regarding the Cain Center Project. She stated that Blake Armstrong, City Attorney has spoken with the Cain Foundation's attorney and the Foundation does not foresee an issue with delaying the project due to high bids being received. Ms. Borstad explained the item is on the agenda for further discussion.

Councilwoman Clay voiced a concern regarding re-bidding the project. She stated with the discussions of the escalating trade war and tariffs going up; if bids are still way over the budget, the City Council needs to have discussion regarding what will be done and what would be cut.

Councilmember Smith stated he hopes the bids will come in under the budget so the project could proceed as is.

There was a brief discussion.

Mayor Montgomery stated when the project goes out to bid that the City should also ask for value engineering using the same the plans.

Ms. Borstad explained staff will ensure all project modifications that the City requested are included in the bid packages when the project is re-bid.

After discussion, the item died due to the lack of a motion.

ADJOURN

The meeting adjourned at 10:06 a.m.

PASSED AND APPROVED THIS THE 9th DAY OF JULY, 2018.

Monte Montgomery, Mayor

ATTEST:

Bonnie Hambrick, City Secretary