

BUDGET WORK SESSION

AUGUST 9, 2018

The City Council of the City of Athens met in a Budget Work Session on Thursday, August 9, 2018, at 12:00 p.m. in the Derek D. Daniels Conference Room of the Athens Partnership Center, 201 W. Corsicana St., Athens, Texas with the following members present, to-wit:

Monte Montgomery, Mayor
Ed McCain, Mayor Pro-Tem
Toni Clay
Aaron Smith
Robert Gross

Elizabeth Borstad, City Manager
Bonnie Hambrick, City Secretary

others present: Thanasis Kombos, Buddy Hill, Ryan Adams, Randy Williams, Jennifer Robertson, Mandie Quigg, Adrianna Hinds, and Deborah Deas;

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

CALL TO ORDER

The meeting was called to order by Mayor Montgomery.

Mayor Montgomery recognized Deborah Deas with the East Texas Arboretum and Botanical Society for being in attendance.

Mayor Montgomery thanked Mandie Quigg, Finance Director, for all the hard work she has done in preparing the budget.

DISCUSS HOTEL OCCUPANCY FUNDING FOR FISCAL YEAR 2019

Elizabeth Borstad, City Manager, explained the agenda items being presented carried from the last budget meeting. She stated the items listed on the agenda needed additional discussion.

Mayor Montgomery stated regarding the hotel occupancy funding it is “heads in beds” funding, and the hotel owners and managers do support the Fairpark and the Arboretum as they do bring “heads in beds” and they are a great asset to the City. He stated he personally feels the City should look at the remaining funds in an effort to help those organizations.

Thanasis Kombos, Assistant City Manager, presented changes to the proposed budget for Hotel Occupancy Funding for Fiscal Year 2019.

He stated staff removed the \$65,000 contribution that was discussed in the newly created Texan Fund and moved it back to *HOT Funds*. He stated “The Texan” fund will be completely supported by its own revenues and the fund’s budget will allow for The Texan to be available only as an event space. Mr. Kombos further explained that staff anticipates enough revenue to pay utilities with no other contributions going into “The Texan” Fund. He stated staff anticipates enough revenue to reimburse the General Fund for the use of on-duty police officers.

He stated staff has included in the HOT Funds budget full funding for the East Texas Arboretum and Botanical Society (ETABS), and Henderson County Regional Fairpark. He explained that \$32,000 remained as a surplus over a balanced budget for HOT Funds and this amount was placed in a general account called “city sponsored events”. He stated those funds could be used for events held at “The Texan” and in coordination with other functions.

Mr. Kombos stated staff would like to discuss further changes with the City Council.

Councilmember McCain stated HCRFP is definitely “heads in beds” and the ETABS does more culturally for the community than what may be seen on a day to day basis. He stated he is in support of funding ETABS as much as possible.

Councilmember McCain expressed concern with funding the Athens Teenage Baseball Association and Athens ISD for the basketball tournament. Councilmember McCain stated the previous City Council backed the \$60 Million bond. He stated the gym should be enough of an attraction to bring people. He stated he is for spending less now and building the HOT Funds and saving HOT Funds for a rainy day. He stated a lot of city resources were spent over the last three (3) years at the baseball parks, at what point do we not provide funding. He stated the organizations need to be self-sustaining.

Councilwoman Clay asked for clarification regarding the amount of funds that were freed up from the \$65,000 that was previously designated for “The Texan” Fund, with Mr. Kombos stating \$32,000 would remain after funding organizations requests.

Mr. Kombos reviewed the funding requests.

Organization	Amount Requested	Currently Budgeted
AISD	\$3,500	\$3,500
Old Fiddlers Reunion	2,925	\$2,925
ATBA	\$15,000	\$10,575
ETABS	\$11,250	\$11,250
Fire It Up Productions	\$3,000	\$3,000
HCRFPC	\$21,060	\$21,060
SuperRide	\$18,500	\$0

Councilmember Gross asked about the SuperRide event not being funded. Mr. Kombos explained the organization was funded \$6,000 in Fiscal Year 2017 and \$5,000 in Fiscal Year 2018

Councilmember Gross expressed concern with funding the school district’s request as it is a taxing entity.

Councilmember Gross suggested funding SuperRide at a much smaller amount perhaps \$2,500.

There was discussion regarding the A/V system at “The Texan”. Mayor Montgomery asked Adrianna Hinds, Community Services Coordinator, if she had been contacted by Trinity Valley Community College (TVCC) regarding a concert at “The Texan”, with Ms. Hinds stating she had been contacted regarding a concert in conjunction with TVCC’s homecoming.

Ms. Hinds stated TVCC is willing to pay the band fees if the City pays for the sound equipment. Mayor Montgomery asked how much the sound equipment would cost, with Ms. Hinds stating in order to get a quote she needed to know what type of system the band needed. She stated an estimated cost for audio equipment is \$8,000.

After discussion, Councilmember McCain stated staff was going to gather data regarding the use of “The Texan”

Councilmember Smith suggested funding \$5,000 to ATBA.

After discussion it was the consensus to fund the following amounts for the listed organizations from Hot Funds in FY 2019 Budget, all remaining funds would remain in Fund Balance.

Organization	Amount Requested	Funding in 2019
AISD	\$3,500	\$0
Old Fiddlers Reunion	2,925	\$2,925
ATBA	\$15,000	\$5,000
ETABS	\$11,250	\$11,250
Fire It Up Productions	\$3,000	\$3,000
HCRFPC	\$21,060	\$21,060
SuperRide	\$18,500	\$2,500

DISCUSS ALLOCATIONS FOR FISCAL YEAR 2019 PUBLIC FUNDING FOR AID TO OTHER ORGANIZATIONS

Ms. Borstad explained the current proposed budget does not have funding for aid to other organizations. She stated that includes the Library and Keep Athens Beautiful.

Councilwoman Clay expressed her desire to keep funding the Henderson County Library at the same level as previous years.

Councilmember Gross asked what the funding has been in previous years, with Mayor Montgomery stating the Library began with \$13,000 and it went up to \$15,000 and Keep Athens Beautiful was \$15,000.

Mr. Kombos reviewed two (2) applications that were funded in the Fiscal Year 2018 Budget.

Organization	Amount Requested	Fiscal Year 2018 Funding
Henderson County Library	\$17,500	\$15,000
Keep Athens Beautiful	\$15,000	\$15,000

Discussion occurred. Councilmember McCain asked the City Manager to discuss with Judge Sanders the possibility of the county matching the City's funding for the Henderson County Library in Fiscal Year 2019.

After additional discussion, it was the consensus of the City Council to allocate the following funding for aid to other organizations in the Fiscal Year 2019 Budget.

Organization	Fiscal Year 2019 Funding
Henderson County Library	\$12,000
Keep Athens Beautiful	\$12,000

Ms. Borstad asked for clarification regarding the level of funding for the library if the County is unable to provide funding in 2019. It was the consensus to fund \$12,000 to the library.

DISCUSS CAIN CENTER FUNDING

Mr. Kombos explained the changes incorporated into the proposed Fiscal Year 2019 budget for Cain Center Operations since the last budget work session. He explained the number has grown from \$100,000 to \$232,000. He stated this amount was allocated to allow additional funding if the Cain Center were open at the end of Fiscal Year 2019. Mr. Kombos stated staff also looked at any possible revenue opportunities and the pre-sale of memberships is included.

Mayor Montgomery stated if the City Manager needs the funds that are allocated for the Cain Center the City Council should be willing to offer those back to the City Manager. The City Council agreed.

Ms. Borstad explained every department's budget was decreased to increase the Cain Center funding.

Councilwoman Clay asked what some of the decreases were; with Ms. Borstad providing the following example of budget decreases since the last the budget meeting:

- HR Module
- Vacation Buy Back benefit option
- Sick leave buy back

ADJOURN

The meeting adjourned at 12:56 p.m.

PASSED AND APPROVED THIS THE 27th DAY OF AUGUST, 2018.

Monte Montgomery, Mayor

ATTEST:

Bonnie Hambrick, City Secretary