

Budget Workshop Meeting Minutes

August 23, 2022

1. **Call to Order @ 6:31 pm**
2. **Pledge of Allegiance/Invocation**
 - a. The United States Flag
 - b. The Texas state flag: "*Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.*"
3. **Roll Call- All Present**
4. **Conflict of Interest Statement - None**
5. **Discussion**
 - a. Discussion shall be limited to evaluation of current budgets and of items pertinent to establishing budgets for the City of Bevil Oaks for fiscal year 2022-2023. The City will receive input from private persons and entities including by not limited to its engineering firm, legal counsel, accountant, personnel with specific information related to the proposed budget.
 - **Charolette Yeats-** Goes over the tax revenue. Goes over the General fund.
 - **Councilwoman Mitchell** – What account are the franchise fee put into?
 - **Charolette Yeates** – They go into the operating account
 - **Councilwoman Mitchell-** The money that we get from waste disposal doesn't go into the road fund?
 - **Charolette Yeates-** No
 - **Councilwoman Mitchell-** Even though they are utilizing our roads.
 - **Charolette Yeates-** the funds are not restricted. The Council could decide that all franchise fees go into the road fund. That would need to be done informally with a discussion or you would need to pass a resolution to do so.
 - **Councilman Mullins-** On the franchise fees, aren't they used in our yearly budget as part of the revenue?
 - **Charolette Yeates** – Yes, it is part of the revenue. Based on the question on whether the the franchise fees can be reserved, the Council would need to look at if there was other revenue to cover the expenses. Suggests that all the franchise fees not be transferred so that they can also be used for operating.
 - **Councilwoman Mitchell-** Suggests renegotiating the franchise fees
 - **Mayor Emmons-** Suggests that they use a percentage of the franchise fees, rather than a dollar amount, to transfer to the road fund.
 - **Councilwoman Mitchell** – Republic uses the roads, so a percentage of the franchise fees that the City receives from it can go toward the roads.
 - **Charolette Yeates** – Suggests that at the end of the fiscal year, the Council looks into the franchise fees to see if there is a net profit and transfer funds then. **Continues to go over the rest of the budget.**
 - **Councilman Mullins-** Why are the permit revenue so high?

- **Charolette Yeates-** Mentions that Arkitektura pulled permits for all the houses that they elevated and that there are a few different types of permits that are pulled.
- **Councilman Merendino-** Mentions that the sales tax is going to go up.
- **Councilman Emmons-** Asks about the gas franchise fee
- **Charolette Yeates –** That’s from Centerpoint. They pay quarterly.
- **Councilman Merendino-** mentions that Council has spoken to someone in the past about the gas pipeline because the City is the one who maintains the grass on the pipeline and the City isn’t receiving any money from them. States that he isn’t sure what they said.
- **Charolette Yeates-** Goes over the fee for Edgar, Kiker & Cross and explains why the increase for their services. Explains that someone in their office other than her will take care of the services that EKC provides because the fee for her (Charolette) is higher.
- **Councilman Merendino-** Asks if they take care of the water bill payments
- **Charolette Yeates-** explains that most payments are made online or by credit card. Sabrenna handles the payments that are made by check. She can remote deposit them. The only thing that is happening in the office is taking check payments and making remote deposit. Prior when there was another person in the office, payroll was done internally, bill payments were done internally, remote deposits were done internally.
- **Councilman Merendino-** Why did we stop doing it internally
- **Charolette Yeates-** Part of it was the theft. Ali was doing a lot of it before she quit. When she quit, Edgar, Kiker & Cross started doing it.
- **Councilwoman Mitchell-** The girls in the office don’t touch anything.
- **Charolette Yeates-** They don’t touch anything. There is a very minimal chance of theft this way. That is part of the reason why our service fee increased.
- **Resident (Mr. Childers) –** Asks who does the bill pay
- **Charolette Yeates-** One of her coworkers. Most of the time her staff comes to the office and works off the computer. On QuickBooks, it does have a log in for Council to be able to run reports but that is all they can do. They can’t enter anything, they can’t enter a deposit, they can’t write a check and they can’t see payroll. It is password protected.
- **Resident (Mrs. Childers) –** When you are talking about numbers are you talking about grants?
- **Charolette Yeates-** No because you can’t budget for grants. Those funds are outside of the normal operating budget
- **Resident (Mrs. Childers) –** Asks if she would be one of the ones watching over the grant funds.
- **Charolette Yeates-** Yes.
- **Councilwoman Vautrot-** Nobody can take money out of the grant accounts

- **Mayor Emmons-** We don't approve it until the grant administrator does.
- **Charolette Yeates-** explains that the fee for the auditor went up because there was a single audit that had to be done because of the grants that the City had. If you spend more than \$750,00 a year, a single audit has to be done per the government. States that she is anticipating that with there being two phases of the elevation grant, that a single audit will have to be done again. States that until the elevation grant is done, there will probably have to be done.
- **Councilman Merendino-** asks why we don't contract the lawyer out. States that he doesn't understand why the City has to have a lawyer.
- **Mayor Emmons-** Suggests that we discuss that in a Council meeting
- **Councilman Merendino-** States that the year that the other Mayor was in office the City spent \$60,000 on the attorney.
- **Councilman Mullins-** The City has to have an attorney on staff.
- **Councilman Merendino-** States that other Cities don't have an attorney on staff. They pay an attorney on an as needed bases. States that he doesn't understand why the attorney has to be at every meeting.
- **Mayor Emmons-** suggest that it be discussed at the regular Council meeting
- **Charolette Yeates-** SAM registration is new to the budget. It is a registration requirement that the City must do to apply for grants. **Continues to go over budget.**
- **Councilwoman Mitchell-** For the grounds and maintenance, isn't the contract for a set dollar amount?
- **Charolette Yeates-** thinks that it's around \$19,000
- **Resident (Mrs. Childers) –** When it comes to the lawn maintenance, what all are they responsible for?
- **Mayor Emmons-** there is a map at the office that shows what they take care of.
- **Councilwoman Mitchell-** The budget is something that gives us an idea of what we could spend, we could spend less.
- **Charolette Yeates-** Mentions that most of the stuff that is in the miscellaneous column on the budget is for publicizing for the grants. **Continues to go over the budget.**
- **Councilman Merendino-** asks if the price that the City is paying for the printer rental at the City office, is a good price?
- **Charolette Yeates-** Isn't sure if the agreement that the City has for the printer is a lease to buy or if it is just leased.
- **Mayor Emmons-** We don't pay it monthly, it is quarterly.
- **Councilman Merendino-** We don't know If we are buying or renting
- **Mayor Emmons-** Sabrenna can look into it.
- **Resident (Mrs. Childers) –** Is it used often?

- **Mayor Emmons-** Yes, it is used daily. It does several things, it isn't just a printer.
- **Resident (Mrs. Childers)** – How much does the inspector make?
- **Charolette Yeates-** states that she thinks it is a per inspection price.
- **Resident (Mrs. Childers)** – Does he get paid regardless of if he does inspections?
- **Charolette Yeates-** No, it is per inspection
- **Resident** – Wants to know if the permit fee that he paid was for the inspection?
- **Councilman Merendino** – He only makes about \$40 per inspection
- **City Employee (Sabrenna Crain)** – It depends on how many inspections you per job as to how much he makes.
- **Councilman Merendino-** What does the tax assessor do?
- **Charolette Yeates-** they calculate the taxes rate.
- **Resident (Mrs. Childers)** – What type of taxes?
- **Charolette Yeates-** Property tax
- **Councilman Merendino-** The City gets a small cut off the taxes that are paid.
- **Councilman Merendino-** Asks what contingency funds are
- **Charolette Yeates-** It's emergency funds
- **Councilwoman Mitchell-** Does the City side have a saving account?
- **Charolette Yeates** – Yes
- **Councilman Merendino-** Is the savings tied to anything?
- **Charolette Yeates-** No. If you don't use the funds that are designated for certain things, Council can choose to reserve those funds and they will be moved to the savings account.
- **Mayor Emmons-** The funds that are designated for the streetlights may go up because we are putting the lights at the basketball court.
- **Charolette Yeates** – There are some road projects. States that Councilman Emmons suggested that y'all use \$60,000 of the restricted road funds for those projects.
- **Councilman Mullins-** states that the \$60,000 will be used to buy the material for the roads and the County will do the roads when they have time to come out.
- **Charolette Yeates-** continues to go over budget.
- **Charolette Yeates-** states that she has budgeted for depreciation. It is a way to build the balance up for future capital outlay.
- **Councilwoman Mitchell-** So it is an amount that doesn't exist?
- **Charolette Yeates** – It is an expense. Your roads are being used every day and they are being depreciated.
- **Councilwoman Mitchell-** states that she has a hard time understanding why the depreciation is put in the budget.

- **Charolette Yeates** – It is an expense. Prior to Harvey, the City wasn't budgeting for depreciation, it only covered the operating expenses, but the fund balance wasn't built up to be able to have the funds for things such as Harvey.
- **Councilman Merendino**- Who decided on the roads that will be done with the \$60,000 worth of material.
- **Mayor Emmons**- The County.
- **Resident**- do we budget for law enforcement
- **Mayor Emmons**- No. The County provides law enforcement
- **Resident**- Is that something that we can look into?
- **Mayor Emmons**- Suggests that the resident comes to the Council meeting on Thursday and talk to the office that will be there.
- **Charolette Yeates**- continues to go over the budget. States that the \$60,000 is not income, but it is an expense that the City will have. By covering the depreciation, you are covering the operating expense for the future.
- **Mayor Emmons**- Suggests at the end of the year, moving over money from Community Development to the road account to replenish the \$60,000 that will be spent
- **Charolette Yeates**- If the Council decides that they want to reserve the funds that aren't spent, the funds can be moved. Starts the budget for Public Works.
- **Councilman Merendino**- Mentions that the City of Beaumont is raising their rates by 8%, so it could be possible that our sewer rates will go up.
- **Councilwoman Mitchell**- It doesn't mean that our sewer rates will go up, it just means that the City will have to pay Beaumont more money.
- **Charolette Yeates**- starts public works budget. Sewer and water are correlated.
- **Councilman Merendino**- doesn't the sewer money go out directly to Beaumont?
- **Charolette Yeates**- a percentage of it, yes.
- **Councilwoman Mitchell**- What do with the difference left over out of the sewer?
- **Charolette Yeates**- It goes into operating ***Continues to go over budget.***
- **Councilman Merendino**- Is the depreciation for the lift stations and pumps?
- **Charolette Yeates**- Yes, the whole system.
- **Councilman Merendino**- States that he wasn't aware that the City had to pay for line locates.
- **Sabrenna Crain**- States that when someone calls for a line locate, all utilities come out and locate. We have to pay for Utility Innovations to come out and locate our water and sewer lines.
- **Councilman Merendino**- 811 calls everyone else to locate the other lines. When they go out to repair a water line, do we have to pay for a line locate?

- **Sabrenna Crain-** Depending on the severity of the leak, they have to call in the locates. If it's a large leak, we don't get charged for the locate, but they have to sit there while they wait on the emergency locates to be done. They can't leave until the locates get done, so we have to pay them for the time that they sit there. For emergency locates, it's 2 hours.
- **Councilman Merendino-** If my water line busts, can I go turn my water off?
- **Sabrenna Crain-** According to the ordinance, no. That's a question for Council. If it's the weekend and someone calls the emergency number, the customer gets charged for the call out.
- **Councilman Merendino-** How much is that, \$100.00?
- **Sabrenna Crain-** It depends on how long it takes.
- **Councilman Emmons-** Mentions that citizens were given a chance to have a shut off valve installed on their side.
- **Charolette Yeates-** *continues to go over budget*
- **Councilman Merendino-** What is the daily expense?
- **Sabrenna Crain-** If they are out here and they change a meter or something like that.
- **Charolette Yeates-** *Continues to go over budget*
- **Councilman Merendino-** How many accounts do we have?
- **Sabrenna Crain-** 16
- **Councilman Merendino-** How many banks do we have?
- **Councilwoman Mitchell-** one
- **Resident-** What bank do y'all use?
- **Mayor Emmons-** Allegiance
- **Resident-** Is that a bank or a credit union?
- **Mayor Emmons-** A bank. They will be merging with Community bank at the end of the year.
- **Councilwoman Mitchell-** We have 3 restricted accounts.
- **Charolette Yeates-** The road account and the debt service are restricted. The only other restricted funds are the grants.
- **Councilwoman Mitchell-** The other one is insurance
- **Charolette Yeates-** the insurance funds are not restricted. The Council has informally assigned the funds to the City Hall and Community Center, but it is not restricted funds.
- **Resident-** The funds are used for the grant match?
- **Charolette Yeates-** yes. If it is not used for the City Hall and Community Center, the funds can be transferred to a different account and used for something else.
- **Councilman Merendino-** asks where the money that we have to rebuild the Civic Center?
- **Charolette Yeates-** It is in the insurance accounts.

- **Charolette Yeates-** *continues to go over the budget.* The user fee can be lowered a little when the reserve is built to one year. The user fee can only be lowered a little bit because it still has to cover enough for a year expense. If you have another flood or hurricane, you want to have the reserve, so you don't have to worry about pulling out of the savings to pay for operating expense. Once the badger meter loan is paid off, we could continue to budget that \$24,000 and use it toward the bond payment and lower the user fee.
- **Councilman Merendino-** he suggests that the vacant property should be paying the user fee to because they have access to water and sewer as well.
- **Councilman Merendino-** What is the balance on the user fee?
- **Charolette Yeates-** You have 3 years left.

6. Adjourn Meeting @ 8:24 pm M/M/2/C- Councilman Emmons/Councilwoman Vautrot

Barbara Emmons

Mayor, Barbara Emmons

Attest: *Doug Mullins*

City Secretary, Doug Mullins