



# City of Corpus Christi

1201 Leopard Street  
Corpus Christi, TX 78401  
cctexas.com

## Meeting Minutes

### City Council Workshop Session

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Thursday, February 15, 2018

8:30 AM

City Hall Basement Training Room

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**THE USE OF CELLULAR PHONES AND SOUND ACTIVATED PAGERS ARE PROHIBITED IN THE TRAINING ROOM DURING MEETINGS OF THE CITY COUNCIL.**

**A. Mayor Joe McComb to call the meeting to order.**

Mayor Joe McComb called the meeting to order at 8:31 a.m.

Note: This City Council Workshop Session was relocated to the Council Chambers.

**B. City Secretary Rebecca L. Huerta to call the roll of the required Charter Officers.**

City Secretary Rebecca L. Huerta called to roll and verified that a quorum of the City Council and the required Charter Officers were present to conduct the meeting.

**Charter Officers:**

City Manager Margie C. Rose, City Attorney Miles K. Risley and City Secretary Rebecca L. Huerta.

**Present** 9 - Mayor Joe McComb, Council Member Rudy Garza, Council Member Paulette Guajardo, Council Member Michael Hunter, Council Member Debbie Lindsey-Opel, Council Member Ben Molina, Council Member Lucy Rubio, Council Member Greg Smith, and Council Member Carolyn Vaughn

Council Member Lucy Rubio arrived at 8:41 a.m. Council Member Lindsey-Opel arrived at 9:05 a.m. Council Member Hunter arrived at 9:12 a.m.

**C. BRIEFINGS TO CITY COUNCIL:**

**1. FY 2018 BUDGET WORKSHOP**

**Overview of Fiscal 2018 Budget/Preview of Fiscal 2019 Budget**

City Manager Margie C. Rose provided a brief introduction regarding the Budget Workshop.

Director of the Office of Management and Budget Eddie Houlihan presented information on the following topics: FY 2018 all funds revenues vs. expenditures; FY 2018 General Fund revenues vs. expenditures; FY 2018

General Fund Revenues by major category; FY 2018 department budgets and full-time equivalents (FTEs) in the General Fund; General Fund revenues in FY 2018 vs. FY 2019; General Fund projected obligations and considerations for FY 2019; and the six major service categories in the General Fund.

Council members and staff discussed the following topics: cutting expenditures vs. raising taxes; General Fund subsidies; expenditure and revenue trends; revenues from industrial district agreements; the rate, amount and timeline required to fully fund employees' retirement; a desire by some council members that the city manager recommend cuts that council members can review and decide on; the pros and cons of making the Solid Waste fund an Enterprise Fund instead of remaining in the General Fund; increases to the City-funded portion of employees' retirement; employees' percentage contribution to retirement; that retirement contribution rates are tied to Public Safety collective bargaining agreements; the fully-funded retirement contribution rate; the unfunded retirement balance; a desire by some council members to be provided with data relating to how departments are managing their current budgets; the contribution that elimination of wastefulness in departments may make toward balancing the budget; elimination of car allowances and mobile phones as a cost-saving strategy; Street Department process improvements; and cutting waste instead of services.

City Manager Rose stated that car allowances are being phased out for new employees and upon promotion.

Council members and staff discussed the following additional topics: cutting travel budgets in the General Fund; that there is approximately \$556,000 in travel funds budgeted in the General Fund; that, due to consistent cuts in previous fiscal years, the quality of current health insurance coverage available to civilian employees has significantly diminished, while civilian employees' health-related costs have substantially increased, creating a particularly significant financial burden on low-income earning civilian employees; civilian employees' salaries not keeping pace; whether retirement is calculated on car allowances; the need to be cautious about yet again taking monies and benefits away from civilian employees in FY 2019; the financial inability of civilian employees to withstand additional cuts; civilian employee morale issues relating to low pay combined with the high costs associated with the City's current high-deductible civilian health plans; the status of sales tax revenues; a lack of depth in what is presented as part of this budget workshop; a request that City Council be provided a budget timeline; the projected health insurance plan shortfall in the Fire Department; the need for better data; a desire to be higher than needed on expenditure projections rather than too low; that the \$9.7 million FY 2019 projected budget shortfall in the General Fund does not include the anticipated shortfall in the Fire Department's health plan; reducing staff and services in order to balance the budget; the City Council's vs. the City Manager's responsibilities in the annual budgeting process; the purpose of current debt in the Solid Waste Department and why operational funds are not used instead; funding the covering of cells at the landfill by means other than the use of debt financed over 20 years; cutting travel funds from the General Fund from each department in the General Fund; certain departments or services being considered "sacred cows" by certain council members; the need to provide clear direction to the city manager from the outset of this budget process as to whether there are "sacred cows" or whether cuts in all departments are on the table; a request from

Mayor McComb that any council member with a "sacred cow(s)" identify them now; the need for staff to know about "sacred cows" in order to make the most effective use of time spent on the budget; a council member identifying the new Harbor Bridge as a "sacred cow"; past street funding from one-time revenues; implementing the 2-cent voter-approved property tax increase in FY 2019; the need for flexibility in making cuts vs. across-the-board cuts by department; past fiscal years' budget shortfalls as compared to the FY 2019 projected budget shortfall; the need for long-term budget decisions vs. making budget decision year-to-year; not politicizing votes, but voting based on what is best from a budget perspective; providing City Council with a five-year pro forma before its next budget meeting; and a decision by a consensus of the City Council that future budget workshops will take place on the third Thursday of each month from 9:00 a.m. to 11:00 a.m.

In response to a question from a staff member, the Council concurred that the 2-cent voter-approved property tax increase is to be included in the FY 2019 budget.

#### **D. ADJOURNMENT**

The meeting was adjourned at 10:09 a.m.