



City of San Marcos

630 East Hopkins
San Marcos, TX 78666

Budget Policy Workshop Meeting Minutes City Council

Thursday, February 17, 2022

5:30 PM

City Council Chambers

630 E. Hopkins - Budget Policy Workshop

I. Call To Order

With a quorum present, the budget policy workshop meeting of the San Marcos City Council was called to order by Mayor Hughson at 5:31 p.m. Thursday, February 17, 2022. This meeting was held in person and online.

II. Roll Call

Council Member Prather arrived after roll call at 6:02 p.m.

Present: 7 - Mayor Jane Hughson, Council Member Maxfield Baker, Council Member Saul Gonzales, Mayor Pro Tem Shane Scott, Deputy Mayor Pro Tem Alyssa Garza, Council Member Jude Prather and Council Member Mark Gleason

III. 30 Minute Citizen Comment Period

Lisa Marie Coppoletta, spoke on the City Charter and said there are rules for citizen engagement but does not see anything about the decorum for presiding office and elected officials. She spoke on item #2 and the ethics ordinance. This could be a role for other cities. She stated the focus should be on families and small business and not infrastructure and out of town developers. She said there is no data on the impact of homestead exemption in terms of the tax base. She wants council to focus on meeting the needs of families and small businesses that are struggling. She spoke on the ethics ordinance and expressed concern with those on the dais that oppose the lobbying ordinance. She stated those that oppose this ordinance do not value public input and encourage private conversations.

PRESENTATIONS

1. Receive a Staff presentation and hold discussion regarding the Fiscal Year 2022-2023 Budget Policy for the City of San Marcos, and provide direction to the City Manager.

Mayor Hughson confirmed with City Attorney, Michael Cosentino, if it is allowed for City Clerk to read captions for item 1 and 2 so council can discuss.

Michael Cosentino, City Attorney confirmed this would be allowable.

2. Receive a Staff Presentation and hold discussion regarding American Rescue Plan (ARP) Funding, and provide direction to the City Manager

Deputy Mayor Pro Tem Scott requested a breakdown of what has been spent as of right now for American Rescue Plan (ARP) Funds. He inquired about what these funds could be used for and he mentioned the city's Summer Fun program and how valuable this is to our community. He would like to see funds help with this program and any program that focuses on children and families. He would like to know what the community wants so we can get a handle on what the community needs and what will benefit citizens now and into the future. He wants to ensure these funds are used for the community. Discussion was held on the possibility of a community survey being developed and shared to ensure funds are allocated properly.

Stephanie Reyes, Interim City Manager, outlined the allowable uses and illustrated that infrastructure is something for the community, however funds like Mr. Scott mentioned would be community services and staff does need guidance on how council wants to utilize these funds.

Discussion was held on equity and some of the racial disparities that the pandemic has brought to light. There was discussion on the possibility of a future work session to discuss equity based budgeting and engaging our community on equity and inclusion. Deputy Mayor Pro Tem Garza spoke of the potential to create an equity score card. Mrs. Reyes said trying to navigate this has been somewhat challenging and if this is to be a successful initiative, we may need to invest some of these funds to look at models and let someone assist with navigating this process. Council noted that a work session may be needed to totally review and discuss this topic.

Mayor Hughson stated that we are a caring community and the general concept is not new to the council members who have served. A deeper look can be taken.

Council Member Gonzales spoke about some concerns he hears from citizens and many are concerned about their homes and the ability to make the repairs necessary in order to stay in their homes. He said there are many stumbling blocks on getting these repairs, such as roofing, piping and leveling so making it easier to get paperwork filed would be beneficial to citizens. He noted that some homes are passed on to the kids but the paper work isn't done. Mayor Hughson noted that was an issue for many after the floods and the

documentation that FEMA required. Helping residents acquire the documents needed will be helpful and that may be a good way to spend some of this money.

Upon completion of discussion, council reviewed and provided direction on the decision points.

Council provided consensus to fund the compensation study and incorporate a compensation philosophy within this study.

Council provided consensus to increase personnel costs by 5% and fund personnel additions to adequately support core services. Deputy Mayor Pro Tem Garza wants to ensure this aligns with strategic initiatives related to community.

Council provided consensus to fund social services, agency, event and other funds at current level from General Fund and supplement with ARP monies (funded \$150K from ARP in FY22).

Council provided consensus to focus Human Services Advisory Board (HSAB) and Community Development Block Grant (CDBG) allocations toward meeting Council strategic initiatives.

No additional considerations were noted at this time.

Discussion was held on ARP funds Mrs. Reyes provided the breakout of potential allocation/distribution that is recommended and the rationale for this allocation:

\$9,050,742 = Total 2nd round distribution

\$6,050,742 = (Category 1) Support core local government function to effectively serve growing community and meet Council strategic initiatives

\$3,000,000 = (Category 2) Community-based programs considered for funding under equity criteria established by Council

Mrs. Reyes also responded to concerns of how these allocations were calculated. She wants to ensure staff is set up for success in order to accommodate council requests and meet the needs of our community. She stated the recommendation is to bring ARP proposals back in May including applications received for the 2nd round of funding.

Mayor Pro Tem Scott would like to hear back from the community survey

before we move forward with next round of funding. Discussion ensued regarding a survey for both Category 1 and Category 2 funding or funding Category 1 and then having a survey for Category 2.

Council Member Baker appreciates the conversation and can conceptualize these numbers after Stephanie's explanation. He would like equity wording to be included in the first part of funding and wants to look at how funds will help under served areas. He wants to ensure action reports and communication include intentions in equity.

Discussion continued and Deputy Mayor Pro Tem Garza would like restrictions on the use of these funds. Anna Miranda, Interim Director of Finance will provide this information.

Mayor Hughson asked council to provide direction about the survey and if they would like to wait on a survey for both categories? Council provided consensus to wait on survey for both categories of funding. Council also requested this be brought back for a work session in April.

Council discussed the allocation amounts and provided consensus for a 50/50 allocation on category 1 and 2 and wants to hear back from community on how to allocate these funds.

The work session to be held in April will include a list of needs of what we must have to get started and then the survey will help us determine where money goes. Survey is necessary for overall programming. All needs that are time sensitive will be included.

Council provided consensus to move forward with equity framework and the equity criteria will be revisited after completion of the survey.

IV. Question and Answer Session with Press and Public.

Lisa Marie Coppoletta, spoke on the survey and asked council if they would consider allowing public to create questions because the community wants direct services? She stated when thinking of equity please keep in mind small businesses. She asked if council would prioritize human capital over infrastructure? Mayor Hughson stated staff can look into putting the word out to citizens to allow them to suggest some of the questions and tap into everyone as there are different needs.

V. Adjournment.

A motion was made by Mayor Pro Tem Scott, seconded by Council Member Gonzales, to adjourn the Budget Policy Workshop meeting of the city council at 10:22 p.m. The motion carried by the following vote:

For: 7 - Mayor Hughson, Council Member Baker, Council Member Gonzales, Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Prather and Council Member Gleason

Against: 0

Tammy K. Cook, City Clerk

Jane Hughson, Mayor