



**City Council Meeting  
Special Session  
Tuesday, August 3, 2021 6:00PM**

**MINUTES**

Mayor Dennis Green called the meeting to order at 6:00PM.

Members present: Mayor Dennis Green, Mayor Pro-tem Donna Hartman, Council members Shawn Knuckles, Ronny Snow, Robbie Johnson, Bruce Leonhardt

City Staff: City Manager Dalton Rice, City Secretary Ophelia Rodriguez, Chief of Police Charles Cline, Matthew Schutze, Bud Carlock Mariner Manager, Katrice Jackson Office Manager, Water Superintendent Jesse Measles, Maintenance Director B.J. Scheible, Jr., Finance Director Cary Erskine, Kathryn Norris

**Item 1 Discuss and/or take appropriate action- Strategic Planning**

City Manager Rice gave a presentation on the goals of Strategic planning. City Council members gave input of their goals/concerns for the City, which were on road maintenance, maintenance fees, moving forward with a building official, larger city swimming pool, water storage, sidewalks, cleaning of right of ways, easements, and growth in the commercial zone.

**Item 2 Discuss and take appropriate action - Proposed 2021/2022 Tax Rate**

City Manager Rice gave this presentation. He stated that the tax rate, the budget, was built upon the voter approval rate at .6192, which is .0234 cents higher than the current .5958. With the offset of the revenue and with a balance 0 budget this would do away with maintenance fees. Discussion continued. Council complimented the simplicity and understanding of the financial reports submitted, along with the pie charts. It was requested that these charts be posted to City website. Mayor Green entertained a motion. Council member Leonhardt made the motion to approve the "proposed tax rate .6192". Council member Snow made the second motion. All present voted "Aye". Motion carried.

**Item 3 Discuss and take appropriate action- Proposed 2021/2022 City Budget**

City Manager Rice gave the overview of the proposed 2021-2022 budget. See attached report topics of discussion.

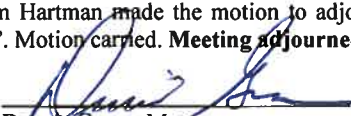
**Item 4 Discuss and/or take appropriate action- City Council set, time, place for Public Hearing for 2021-2022 Tax Rate – September 14 (Proposed)**

Mayor Green entertained a motion. Council member Robbie Johnson made the motion for a public hearing to be held on Tuesday, September 14<sup>th</sup>, at the Event Center, 60 Morgan's Point Blvd, on the "proposed FY2021/2022 Tax Rate". Mayor Pro-tem Hartman made the second motion. All present voted "Aye". Motion carried.

**Item 5 Discuss and/or take appropriate action- City Council set, vote on Proposed 2021/2022 Tax Rate – September 14 (Proposed)**

Mayor Green entertained a motion. Mayor Pro-tem Hartman made the motion set Tuesday, September 14<sup>th</sup> to vote on proposed tax rate, at the Event Center, 60 Morgan's Point Blvd. Council member Ronny Snow made the second motion. All present voted "Aye". Motion carried.

**Adjournment:** Mayor Green entertained a motion to adjourn. Mayor Pro-tem Hartman made the motion to adjourn meeting. Council member Ronny Snow made the second motion. All present voted "Aye". Motion carried. **Meeting adjourned at 8:01PM.**

  
Dennis Green, Mayor  
City of Morgan's Point Resort, Texas

ATTEST:

  
Ophelia Rodriguez, City Secretary  
City of Morgan's Point Resort, Texas



## City Manager's Office

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**AUGUST 3 2021**

### **ITEM 3 WORKSHOP TOPIC OF DISCUSSION**

To: Mayor Dennis Green, City Council  
From: Dalton Rice, City Manager  
Date: August 3, 2021  
Subject: FY 21/22 Budget Summary and Highlights

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The City of Morgan's Point Resort ("MPR") has been in a sustained growth period for several decades with a 60% increase in population from 2000 to 2010 census; and when the latest census is released later in 2021, MPR is anticipating another 30% increase reaching an estimated population of 5,500. However, this estimate does not include the City's service population which includes both current residents of MPR along with the thousands of visitors that come into the city each year. The future of Morgan's Point Resort is even brighter as we plan, and execute, major infrastructure projects, future housing developments, and improvements to our highly visited green space, amenities, and events; which are hallmark to MPR traditions. The planning of these near-term future projects will bring into the city additional revenue streams while simultaneously allowing the city to manage the growth and maintain fiscal responsibility for the current residents of MPR. Long-term projects once considered as long range (such as the Water Storage Tank) are now underway. During the last several months, MPR has realigned essential job functions, created a new Finance Specialist/Grant Coordinator, and hired a new Finance Director. The City's fiscal position coupled with strong leadership is positioning MPR to weather these uncertain times that we now must operate in.

The FY 21/22 budget, as presented, continues to build on the City's excellent customer service and operational excellence. This budget process was demanding and pushed departments beyond what they have traditionally been accustomed to. With teamwork among departments and city hall, each department was asked to prepare a budget to meet service demands and proactively prepare for the future through outstanding customer service, fiscal responsibility and transparency, and organization integrity. Departmental requests of an increase in 4.5 full-time equivalent personnel, 3 promotions, and over \$1,500,000 in capital outlays were evaluated city-wide. In order to maintain a conservative balanced budget, the 21/22 budget includes 2 part-time positions in the General Fund, 1 promotion and 1 new personnel split between General and Enterprise Funds, 1 promotion in Enterprise Funds (water), increase in part-time expenditures in fire and marina and \$446,735 in capital outlays. The additional personnel will bring our total Full Time Equivalents ("FTEs") to 43.

The past years' unprecedented events have created challenges in the labor market across all industries. Delivering services that go beyond residents' expectations is made possible through investing in our dedicated staff. Being employee-centric is not just a buzzword. To ensure we can recruit and retain quality and committed employees, the 21/22 budget includes a cost of labor adjustment of 3%, as well as a 1% raise for all MPR personnel and an additional 1% for MPR directors. For the first time in countless years, the City, through negotiation and teamwork, bid out for improved health care benefits with added benefits

(such as long-term disability, life insurance, telehealth, and other voluntary benefits such as short-term disability) while still reducing costs to the City by \$39,442.

Tonight's budget workshop will cover the following funds: General Fund, Water, Wastewater, and Marina. We will also introduce a CIP Fund. Wednesday's workshop will be additional time to present any improvements and changes as needed.

### **General Fund**

Fund balances are a guiding principle to MPR as we develop and implement a fiscally conservative budget while simultaneously establishing, and continuing, a good credit rating for the City. As the City continues to work through prior year audits, it is important to highlight the strong cash position of the City. This positions MPR to better establish CIP and FARF Funds next year for needed infrastructure and large projects while maintaining Council's recommended 6 month reserve.

### **Revenues & Expenditures**

Revenue for 21/22 is budgeted at \$5,477,175, which is up 8.57% compared to 20/21. Based on the 21/22 voter approved tax-rate, property tax revenue is up 5% even with levying more taxes on the interest and sinking portion of the tax rate. Sales tax is up 5% due to the increase in outdoor activities and traveling while Franchise taxes are down 1% due to removing the garbage franchise fee which was not a true revenue source.

General Fund expenditures are proposed to increase 9%. The largest portion of the 9% is due to capital improvement and replacement; addition of the Financial Specialist/Grant Coordinator and increased salary for the Finance Director; increased engineering, consulting, and legal allotments; and increased professional development, cost of labor, salary and wages.

Total fees and reimbursements for General Fund for 21/22 are projected at:

Marina: \$15,000 (covers administrative/service costs)

Water: \$80,000 (covers administrative/service costs and fees for service)

### **Administration**

The Administration Department includes the City Manager's Office, the City Secretary, and the Finance Department and has 6 FTEs. The administration budget is up 83% or \$354,922. The increase is primarily due to the new Finance Director Position and, reclassification of 5 positions into administration, and conservatively accounting for unemployment tax, workers comp, and benefits in excess \$210,000. These realignments account for work performed as well as improved simplification and accountability of splits. The City is budgeting for new software, professional development, capital improvements, planning and communication consulting that will support community engagement, process improvements, and team efficiency. In addition, essential services (such as IT, office supplies, and software that have been historically budgeted across every department) in excess of \$86,000 have been realigned into the administration budget.

Lastly, as we manage growth throughout the City, we cannot forget about managing growth within our team. To ensure the City maintains a high level of customer service the community expects, we are requesting 1 new FTE, an Executive Assistant/Assistant City Secretary that will be responsible for a wide range of administrative functions while remaining responsible for municipal courts with salary and benefits totaling around \$55,000 (split 50/25/25). With the creation of this new position, the Utility Billing/Municipal Courts position will be reclassified to a part-time position with more focus on Utility Billing and Building Permits.

### **Information Technology**

Although this department currently does not exist, the realignment of IT services to Administration are beginning steps into the creation of this department. The future IT department will provide City Council and Management better accountability of IT services, infrastructure, and costs.

### **Administrative Services**

Administrative Services is a realignment of the Office Manager functions into a new department. Budgeted for 21/22 is a promotion from Office Manager to Administrative Services Director with a \$4,261 increase in salary that includes the COLA. This increase realigns salary due to additional responsibility with Administrative Services overseeing Utility Billing, Municipal Courts, the Community Center & Pool, and various administrative functions of Water, Wastewater, and Marina. The cost of Administrative Services are currently in Administration.

### **Municipal Court**

The Municipal Court Department budget is down 4.8% totaling \$2,664 due to a realignment of salary splits. With court only being held once a month, it has been determined this position can be fulfilled as an additional duty or with part-time personnel.

### **Police Department & Code Enforcement**

The Morgan's Point Resort Police Department ("MPRPD") is comprised of the Police Department and Code Enforcement. Hiring for an open position is currently on-going. The budget is down 7.25% totaling \$63,596 due to realignment of administrative and IT services. A large percentage of MPRPD's budget is a shift of record management services (RMS) from the County to the City of Temple. In addition to the necessary RMS services, MPRPD has budgeted for a Simulation Trainer and a needed e-ticket software module for Incode.

Code Enforcement is now in MPRPD for administrative and operational support. The Code Enforcement budget is down 15.75% totaling \$14,441 due to realignment of administrative services.

### **Maintenance/Parks & Recreation**

The Maintenance Department's broad responsibilities include maintaining facilities, right-of-way mowing, parks and recreation upkeep, street signs, roads, landscaping, and burn-pit operations. Maintenance is currently down two FTEs, interviewing and hiring is on-going. Part-time funds have been allocated to accommodate seasonal help and prepare for long-term staffing needs. This includes over 100 acres of

useable parkland, greenspace, and easements. The Maintenance budget is down 12.54% totaling \$77,963 and includes funding for road repair & maintenance and city monument and park signs.

### **Library**

The Library Department is entirely comprised of volunteers with an increase in budget 2.7% totaling \$284. The budget includes improved software for book accountability and the introduction of audiobooks to the inventory. There are discussions and ideas for improving Library fundraising efforts to offset expenses and continuously improve a great service to the residents and visitors of MPR.

### **Community Center & Pool**

The Community Center & Pool Department falls under Administrative Services for administrative and operational functions. The Community Center and Pool have seen over a 66% increase in revenue and over a 48% decrease in expenditures as of July 31<sup>st</sup>. Historic budget actuals show revenue under expenditures by 45% over the past 3 years. The Community Center and Pool budget is up 12% totaling \$7,077 which includes new chairs, tables, and accessories, and the design and construction of shade structures over the kid pool and additional picnic areas.

A total of 151 pool season passes have been sold as of July 31, 2021:

Resident: 87

Non-resident: 64

### **PPF**

The PPF Department budget is up 3.39% totaling \$2,124 due to the increase in election costs in addition to allocated funding for Council training and conferences.

### **Fire Department**

The Morgan's Point Resort Fire Department is comprised of 3 FTEs, 4 part-time Relief Drivers, and Volunteers. The MPRFD budget is down 1.40% totaling \$5,823 due to realignment of administrative services. The budget includes an increase in part-time hours that aligns with the increase in call volume for Bell County. Models are currently being developed and assessed for boat and wildland operations in the coming years to ensure the City proactively balances public safety needs. The MPRFD, historically, has successfully obtained grants for training and equipment and will continue to apply.

In addition, the budget includes a short-term strategy to place updated radio systems based on positions (seats) on the apparatus versus individual volunteers carrying radios. Over time, this reduces unnecessary wear and tear and provides better accountability of equipment.

### **Water**

The Water Department's budget is down less than 1% totaling \$9,032. This conservative estimate is based on no revenue increases from FY 20/21 and includes a portion of the 2005 debt service payments,

realignment of salary splits, GIS mapping services, improvements to the water facility, regulatory software for SCADA and water monitoring, and a new replacement vehicle totaling \$68,680. As the City continues to improve and identify plans for succession, the Water budget includes a promotion from Water Operator to Lead Utilities Operator with a salary increase of \$1,713.92 including COLA.

A transfer and reimbursement for administrative and operating services is budgeted to the General Fund due to combining IT into the General Fund.

### **Wastewater**

The Wastewater budget is breakeven at \$75,000 and includes a new lift station totaling \$35,100 and a partial interest payment from the 2005 debt service.

### **Marina**

The Marina budget is up 19.4% totaling \$50,011 and includes capital improvement costs totaling \$100,000. These funds, though limited, may be used for matching grant funds for a wave break, improvements to the marina and surrounding area, or engineering and design for the required refloat that must be completed no later than 2028. The part-time hourly total has been increased this year and will be reassessed throughout the year based on staffing needs and the labor market.

### **Capital Improvement Plan**

Future fund

### **Fixed Asset Replacement Fund**

Future fund. The FARF is a depreciation reserve fund for purchase of heavy equipment, vehicles, park amenities, and major mechanical components for facilities. The FARF also maintains fund balances for the long term repair, maintenance and upgrades of facilities and equipment.

### **Hotel Occupancy Fund**

Future fund for FY 21/22 but no budgeted revenues or expenses. The HOT fund is utilized for any activity which puts "heads in beds" or creates stays in Hotels in MPR and is funded out of Hotel/Motel Taxes. The fund balance will be restricted, but special events that attract people to MPR may be funded out of here.

### **Impact Fees**

Impact Fees are collected on new developments coming to the City and are assessed based on the impact to water, roads, and sewer. MPR has an ordinance with a different name but similar function that can be implemented and enforced.