

Julie Masters, Mayor
Charles Suderman, Mayor Pro Tem
Sean Skipworth
Walter Wilson

MINUTES
City of Dickinson
CITY COUNCIL
SPECIAL WORKSHOP
MEETING

Wally Deats
Louis Decker
William H. King III
Chris Heard, City Administrator

July 28, 2020

The Dickinson City Council met in a duly called and announced **SPECIAL WORKSHOP MEETING** on **Tuesday, July 28, 2020, at 6:00 p.m.** In accordance with order of the Office of the Governor issued March 16, 2020, the City Council of the City of Dickinson, Texas conducted the meeting by telephone and video conference in order to advance the public health goal of limiting face-to-face meetings (also called “social distancing”) to slow the spread of the Coronavirus (COVID-19). The meeting was held for the purpose of considering the following items:

ITEM 1.) CALL TO ORDER AND CERTIFICATION OF A QUORUM

Mayor Masters called the meeting to order at 6:13 p.m. City Secretary Alun Thomas called roll and certified a quorum. Council Members present were as follows: Mayor Julie Masters, Mayor Pro-Tem Charles Suderman, and Council Members Sean Skipworth, Walter Wilson, Wally Deats, Louis Decker, and William H. King, III. Also present were City Administrator Chris Heard, Finance Director Penny Hunter, Court Administrator Irma Rivera, and Police Captain Melvin Mason.

ITEM 2.) PRESENTATION AND DISCUSSION CONCERNING: Development of the 2020-2021 Budget for the City of Dickinson.

City Administrator Chris Heard presented the item to Council. He said that he discussed the City’s ad valorem tax revenue in the July 14, 2020 Workshop Meeting, so this time he will discuss sales tax revenue. Mr. Heard provided Council with a handout showing three commercial zones in Dickinson and three “sites” (380 agreements). He explained that the City may lose its sales tax revenue from the three sites effective October 1, 2020, which would result in an annual net loss of approximately \$650,000 in monthly revenue, or approximately \$2,652,000 in annual revenue.

Mr. Heard discussed how the City could prepare for the possible loss of revenue from 380 agreements, and he introduced Finance Director Penny Hunter to Council. He then said that he had spoken with most of the purchasing companies, who expect that revenue this year will be flat. Mr. Heard said that there are three main sales tax discussions at this point: 380 agreements, purchasing companies, and internet sales.

It was the consensus of Council to practice fiscal conservatism in Fiscal Year 2020-2021, with a discussion about how a return to the City’s former “unexpended fund balance” approach to budgeting would allow for a greater fund balance at the end of the year. That greater fund balance could then

either be used for projects or to mitigate the effect of decreased revenues in the following fiscal year. Mr. Heard interjected to clarify that the effect of 380 agreements going away for Fiscal Year 2020-2021 would not just be to discretionary projects, but to the City's cost of simply "keeping the lights on" and its very operations.

Council Member Deats asked about the existence of excess funds at the moment, given that some departments have multiple vacant employee positions. Public Works, he noted, recently had as few as two employees. Mr. Heard said that his original budget for the current fiscal year included approximately \$1,100,000 in deficit spending, but that the savings realized from having so many vacant positions might now mean that expenditures will match revenues this fiscal year.

Council Member Wilson expressed his concern that planning to build up a fund balance ahead of a possible sharp drop in revenue, with a plan to spend the saved funds later, is fiscally unwise. He said that La Marque Independent School District tried that in the past, but it did not work out. Mayor Masters disagreed, saying that that approach is intended to held the City keep the doors open. The current Council, she said, should not plan to leave the incoming Council with nothing.

ITEM 3.) ADJOURN

Council Member Wilson made a motion to adjourn the meeting at 7:03 p.m., and Council Member Suderman seconded the motion. There being no discussion, Mayor Masters called for the vote.

VOTE:

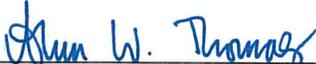
6 AYES (Suderman, Skipworth, Wilson, Deats, Decker, King)

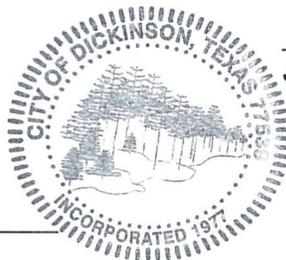
0 NAYS

MOTION PASSED

PASSED, APPROVED AND ADOPTED this the 11th day of August, 2020.

ATTEST:


Alun W. Thomas, City Secretary




Julie Masters, Mayor