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MINUTES

GENERAL GOVERNMENT AND FINANCE (GGAF) ADVISORY SUBCOMMITTEE OF THE CITY OF GEORGETOWN, TEXAS

The General Government and Finance (GGAF) Advisory Subcommittee met at **1:30 p.m.** on **Monday, September 28, 2009**, in the **City Hall Main Floor Conference Room**, located at **113 East 8th Street**, Georgetown, Texas.

Members Present: Keith Brainard, Chair, Patty Eason, Dale Ross

Members Absent: None

Staff Present: Micki Rundell, Chief Financial Officer, Paul Brandenburg, City Manager, Laurie Brewer, Assistant Director of Finance and Administration, Jim Briggs, Assistant City Manager, Glenn Dishong, Kathy Ragsdale, Elizabeth Cook, Robert Fite, Leticia Zavala, Chris Foster

Keith Brainard welcomed everyone to the meeting and called the meeting to order at 1:35 p.m.

1. *Approval of minutes from the September 1, 2009 meeting - Danella Elliott*

The minutes were approved.

2. *Original Agenda Item #5: Discussion regarding water conservation block rates and related policies - Jim Briggs*

Glenn Dishong provided background information. He noted that they conducted a conservation pilot in Sun City, trying to test the feasibility of a twice/week watering schedule and study the effect of feedback on water demand. The information used to revise it was a water conservation plan, drought contingency plan and conservation rate structure. The conclusions were that the customers were more likely to conserve on a two day schedule, but conservation can be achieved on a three day schedule. The current rate structure has limited influence on water conservation. The customers recommendations were that the actions be taken in the following order: 1. implement customer usage feedback, 2. revise the rate structure, 3. implement watering restrictions, and 4. expand the treatment facilities (increase all rates).

Discussion on the water rate changes: The current rates have been in effect since 2003 and the base rate hasn't been adjusted since 1985. The committee feels that growing the base rates according to inflation (over 2 years), and then making it part of the annual budget process so you are not hit with a major "pop" all at one time is fair and equitable. This could be incorporated into the Fiscal and Budgetary Policy so that it would be institutionalized.

Keith asked the committee their thoughts of growing the \$2.25 to 1 degree or another, catching up to inflation since the rates were last changed in 2003. Using the average of 2.5% inflation over the past 6 years, making it about 15% more or less, raising the rate 10-15% over 2 years. The rate could be raised five or ten cents each year, making it \$2.35 to \$2.45. Patty wanted to make sure that low income citizens are covered by being aggressive and seeking them out, not waiting for them to come to us. We should be very deliberate about education on conservation rates and utilization of water.

Keith also favors changing the threshold of the 2nd tier grades from 9,000 gallons to 20,000 gallons – the lowest rates stay in effect until 20,000 gallons. We don't want to send out the message that Georgetown residents shouldn't have a yard and that the first drop of irrigation is going to cost you a lot more. Keith asked the committee their opinion on changing the structure so that the first increase is after 20,000 rather than after 9,000. The committee agreed to bring the figure 15,000 to 20,000 gallons to the dais and discuss it then. Suggestion is to agree with all of staff recommendations and grow by inflation rate to be determined later.

After discussion, Micki will do some modeling, using 18,000 gallons and growing the proposed rates by an inflationary index related to utilities. This item will be on the October 26th agenda again.

3. Original Agenda Item #2: Overview and discussion of the 2009/10 Contract for Services between the City and the Emergency Services District (ESD) #8 that will be considered on the October 13, 2009 City Council agenda - Laurie Brewer

In May of 2005, a public vote was passed for the formation of Emergency Services District #8 for the Georgetown Fire Protection District. An *Emergency Services District* (ESD), under the Texas Health and Safety Code; Chapter 775, is a geographical area supported by taxes to provide emergency services within the area that is governed by a County appointed Commission.

Emergency Service Districts are created to allow for improvements in rural fire protection areas and intended to build a partnership with municipalities to ensure adequate service delivery is provided. The geographic area for this district is Georgetown's Rural Fire Protection District.

In order to provide sufficient funding for an Emergency Service District a tax is charged based upon property evaluations. The tax rate is set up to a maximum of 10 cents per \$100 evaluation. There are 5 appointed ESD Commissioners that represent a cross-section of the District and meet on a regular basis to determine administrative policy and perform financial oversight of the district. Commissioners are appointed for a two-year term.

The City of Georgetown has provided fire protection in the County through a Rural Fire Protection Agreement for an annual \$60,000 for many years. The costs for such services far exceed the contracted amount. An Emergency Service District allows for the continued service delivery of a rural fire protection area that has been covered by Georgetown for the last half century. The County has begun paying this money to the ESDs rather than the municipalities.

The City of Georgetown provides the personnel, facilities and equipment to provide fire protection, emergency rescue services and emergency medical first responder services to ESD#8. The cost of these services are adjusted annually and are based upon total cost of services and the number of calls in the ESD.

The proposed contract amount for 2010 is \$909,988 for fire and emergency services. This includes a total contract price of \$1,023,321 and a credit of \$113,333 for firefighter costs paid by the district in 2009.

The ESD has also agreed to participate in a joint planning study for a Fire Services Master Plan and will also turn over the \$60,000 mutual aid funds to the City.

This is the figure the County agreed to at their last meeting.

The committee thanked Laurie and Chief Fite for the presentation.

4. Discussion and possible recommendation to approve the annual support services and contracts renewal for fiscal year 2009/10 for Information Technology vendors providing services and support to the City of Georgetown - Leticia Zavala

This item is for the annual support services and maintenance agreement renewals with Information Technology vendors for various City computer systems and applications. *This item is also for approval for purchasing equipment and services for IT-supported systems that are in the approved fiscal year 2009/10 IT internal service fund budget.*

All equipment described below has been reviewed by consultants to ensure the City does not incur stranded costs related to future improvements to network infrastructure.

The following vendors and amounts are approved in the FY09/10 Information Technology budget and division budgets:

The City will renew its annual maintenance agreement with **Queues Enforth Development, Inc. (QED)** in the amount of **\$38,976**. QED provides the City with its public safety computer aided dispatch (CAD) system currently used by Police and Fire. *The CAD system is a sole-source application.*

The City will renew its annual maintenance agreement with **Incode, Inc.** for the City's financial information system in the amount of **\$83,000**. This agreement provides system service and support, enhancements, and upgrades. *The Invision application is a sole-source system.*

The City will renew its annual maintenance agreement with Novell and Lotus Notes support contracts through **Software House Inc. (SHI)** for a not-to-exceed amount of **\$68,000**. This amount includes the annual maintenance renewal for Lotus Notes and Novell Netware licenses and support. *SHI is a Texas Department of Information Resources (DIR) vendor and has been used by the City for several years for IT-related purchases.*

The City will purchase equipment from **EST Group** (previously Harding Group) for a not-to-exceed amount of **\$162,500**. This amount will cover new storage area network equipment along with annual maintenance and support. *EST Group is a Texas Department of Information Resources (DIR) vendor and has been used by the City for several years for IT-related purchases.*

The City will renew its annual contract with **CDW-G** for a not-to-exceed amount of **\$130,000**. CDW-G is the government subsidiary of CDW Corporation, a hardware/software reseller. The City plans to purchase servers and equipment related to life cycle replacements in the internal service fund. *CDW-G is a Department of Information Resources (DIR) vendor for IT-specific items and has been used by the City for several years for IT-related purchases, i.e. printers, software and maintenance contracts.*

The City will purchase servers from **Integration Holding Corporation** for a not-to-exceed amount of **\$46,000**. The City plans to purchase servers related to backup appliances and equipment due to life cycle replacements in the internal service fund. *Integration Holding Corporation is a Texas Department of Information Resources (DIR) vendor and has been used by the City for several years for IT-related purchases*

The City will contract with **InterNetwork Experts (INX)** for a not-to-exceed amount of **\$250,000** for Networking and IP telephone system support and service along with hardware purchases. The original IP telephone system was implemented in 2000/01. Upgrades have not been implemented on the IP system since the original implementation and the current equipment is obsolete and no longer supported. A major software upgrade to the existing phone system is being funded to incorporate needed functionality for new AMI/CIS systems. *INX is a Department of Information Resources (DIR) vendor.*

The City will contract with **Active Network, Ltd** for **\$35,000** for the renewal of Class software (Parks & Recreation) maintenance and Mobile Issue Manager Service application software and maintenance. *The Active Network, Ltd. is a sole-source vendor of both applications.*

The City will purchase 32 PCs and notebooks from **Dell Computer Corporation** for a not-to-exceed amount of **\$32,000**. This amount will cover new systems purchases, maintenance, and support for four years to replace PCs that have exceeded their useful life and are no longer warranted. *Dell is a Department of Information Resources (DIR) vendor.*

The City will contract with **Austin Ribbon and Computer** for a not-to-exceed amount of **\$92,000** for the purchase of 14 Panasonic Toughbooks for public safety. This amount will cover new purchases, maintenance, and support for 5 years as part of the ongoing internal service fund replacement cycle. *Austin Ribbon and Computer is a Department of Information Resources (DIR) vendor.*

Vendor Summary Report

The following vendors and amounts are approved in the fiscal year 2009/10 information: Technology budget:

IT Annual Maintenance:

Vendor	Product/Service	2009/10 Amount	2008/09 Amount
Queues Enforth Development (QED)	Computer Aided Dispatch (911 CAD) Software maintenance and support	38,976	38,976
Incode, Inc.	Financial Information System maintenance Software maintenance and support	83,000	71,065
Software House, Inc. (SHI)	Lotus Notes Licenses and support Netware Licenses XP, SQL, Office 2003 Software maintenance and support	68,000	70,000
ESTgroup, Inc.	Software maintenance and support	23,500	
InterNetwork Experts (INX)	Software maintenance and support	92,000	140,000
Active Network, LTD	Parks & Rec software and Service Ticket System	35,000	36,000
Annual Maintenance		340,476	356,041

IT Equipment Purchases:

Vendor	Product/Service	2009/10 Amount	2008/09 Amount
ESTgroup, Inc.	Data Storage/Network Equipment (1)	139,000	
CDW-G	Network Hardware/Software ISF Replacements	130,000	50,000
Integration Holding Corporation	Server Replacement	46,000	
IBM Direct	Server Replacement		100,000
InterNetwork Experts (INX)	Phone System Upgrades (2)	158,000	
Dell Computer Corporation	PC, Notebook purchases	32,000	75,000
Austin Ribbon and Computer	Panasonic Toughbooks	92,000	120,000

(1) Includes \$139,000 for network equipment upgrades for data storage requirements for AMI/CIS project

(2) Includes \$140,000 for phone system upgrades - original implementation 2000/01

Annual Equipment Purchases	597,000	345,000
Total ISF Contracts/Purchase	\$937,476	\$701,041

	Budget
GL Account Number 570-5-0641-51-341	456,181
GL Account Number 570-5-0641-52-330	275,234
GL Account Number 570-5-0641-51-745	206,061

5. Original Agenda Item #6: Discussion regarding the RFP Process for the 2010 Quality of Life Survey to be conducted in early 2010 to provide feedback and community input for the 2010/11 budget cycle – Micki Rundell

Georgetown has been conducting a bi-annual quality of life survey since 2000 and has previously Ampersand Associates (aka Montgomery and Associates) for those surveys. This year, staff is preparing a Request for Proposal (RFP) for the upcoming 2010 survey. The purpose of the survey is to provide direct citizen feedback on basic services and programs that the City provides. The 2008 survey was composed of 65 questions that focused on areas including quality of services and value received by citizens and taxpayers, as well as, success or failure of various City programs. Surveys in general are the primary method that cities use to garner community feedback and input on citywide issues.

The information gained will be a tool for the Council in setting priorities for the 2010/11 budget. Because this will be the fifth survey the City has done, it will be important to continue to measure many of the same issues in order to be able to identify trends and know if programs and projects have had a successful impact. This information also provides the City with on-going benchmark information to measure success of various projects, as well as, where future resources should be focused.

By undertaking an RFP process, the City will be able to possibly improve and expand the information gathered within the survey and possibly save money in the process. The issues to be considered include:

- Continuity of data for trend analysis and comparison of existing results
- Similar polling process to insure compatibility with prior year data
- Time line for conducting survey
 - Survey results should be available no later than March 15, 2010
- Reporting results of survey in usable and understandable manner

Because of time constraints, this RFP will be posted in early October, with selection by City Council no later than December 2009. Micki will bring the questions back to this committee, or to the Council to tweak and ensure we are measuring the right things.

In 2008, the City paid Ampersand Associates \$20,000. There is \$23,000 included in the 2009/10 budget to fund the 2010 survey.

Keith made some suggestions for the RFP. He will send these changes and Micki will incorporate his changes before it is distributed to bidders.

6. Original Agenda Item #3: Discussion regarding proposed changes to the City's Development Fee structure - Elizabeth Cook

Staff is proposing an amendment to Section 15.04.045 of the Code of Ordinances to update the development fees. In an effort to simply the fee schedule it has been modified to incorporate all associated fees into the specific application. As an example, the rezoning application fee includes the notification, publication, and mapping fees in the base cost. The update also seeks to add fees for either new applications or processes where we have not collected a fee, i.e. Special Exceptions (a new process proposed with a pending UDC amendment) and voluntary annexations where we do not charge a fee.

Currently, the City's fee structure off-sets some of the City's expenses related to application processing and review; however, the existing fees do not represent the full cost nor has it been the City's policy that they should. With the proposed fee revisions, minimal additional cost recovery has been factored into the calculations with some fees still highly subsidized by the general fund. For example, the Engineering and Inspection Fees are collected prior to issuing each individual building permit. However, the engineering review takes place prior to construction plan approval and infrastructure inspections take place during construction of these improvements. This staff work may be completed years before a building permit is issued. Another example of a fee subsidy is the Certificate of Design Compliance fees that are nominal and do not reflect the actual costs to process the applications.

The last development related fee revision took place in 2007 and included changes to how the Traffic Impact Analysis fee was calculated, established and increased some of the GIS fees, and increased the base fee for final plats. In 2005, there was a fee added for Certificates of Design Compliance applications. During 2003 and 2004 there were some minor fee increases and new fees were established for application types that were either new with the UDC adoption or where there had been no fee charged in the past. It does not appear that there has been a major fee increase for several years.

The Planning and Development Department revenue will be minimally impacted as the revised fees are collected. There should be a small increase related to collecting fees for those applications that do not have fees, although some applications have reduced fees for revisions where before revisions may have resulted in full fees being assessed.

The committee requested additional information for the next GGAF Meeting. Elizabeth will do a brief analysis of where we compare to other communities; some rationale basis for the fee structure. They are okay with rolling small amounts in to one larger amount and combining the fees, they would just like more detail.

7. Meeting adjourned at 3:55 p.m.