

CITY OF HUNTSVILLE, TEXAS

Russell Humphrey, Mayor

Jon Strong, Ward 4, 2023 Chairman
Karen Denman, At-Large Position 2
Vicki McKenzie, At-Large Position 3
Pat Graham, At-Large Position 4



CITY COUNCIL FINANCE COMMITTEE AGENDA

TUESDAY, NOVEMBER 19, 2024, 8:30 AM

Huntsville City Hall, 1220 11th Street, Huntsville, Texas, 77340

Persons with disabilities who plan to attend this meeting and may need auxiliary aids or services are requested to contact the City Secretary's office (936.291.5413) two working days prior to the meeting for appropriate arrangements.

1 CALL TO ORDER

2 DISCUSSION/CONSIDERATION

The Finance Committee will hear presentations, discuss, and may consider recommendations to the City Council on the following items.

- a** Consider and approve the minutes of the November 5, 2024 Finance Committee meeting.
Steve Ritter, Finance Director
- b** Consider and approve providing an agenda item for full Council consideration to change the Stormwater Utility fee/rate for school district, county, and religious organization owned properties from the existing \$0.00076 SF/month rate to \$0.00152 SF/month rate.
Steve Ritter, Finance Director
- c** Discussion of possible purchase of a new Ladder Fire Truck and possible use of Fund Balance of the Equipment Replacement Fund to make the purchase along with "financing options" (pay in advance and receive a discount on the purchase price or pay when the vehicle is delivered to the City). Also, discussion and approval of a Budget Amendment related to the purchase of the truck.
Greg Mathis, Fire Chief
Steve Ritter, Finance Director
Sam Masiel, Interim City Manager
- d** Discussion of wastewater projects, costs, possible debt issue, and process and timing of debt issuance
Steve Ritter, Finance Director
Kathlie Jeng-Bullock, City Engineer

Sam Masiel, Interim City Manager

3 ADJOURNMENT

CERTIFICATE

I do hereby certify that the above notice was posted on the City Hall bulletin board, a place convenient and readily accessible to the general public at all times, and to the City's website, www.HuntsvilleTX.gov, in compliance with Chapter 551, Texas Government Code.

DATE OF POSTING: November 15, 2024

Kristy Doll

TIME OF POSTING :4:15P.M.

Kristy Doll, City Secretary

TAKEN DOWN:



CITY COUNCIL FINANCE COMMITTEE AGENDA

11/19/2024

Agenda Item Number: 2.a.

Agenda Item: Consider and approve the minutes of the November 5, 2024 Finance Committee meeting.

Initiating Department/Presenter: Finance

Presenter:
Steve Ritter, Finance Director

Discussion: Consider and approve the minutes of the November 5, 2024 Finance Committee meeting.

Financial Implications:

Associated Information:

1. minutes of the 11.5.24 Fin Comm mtg

Finance Committee Minutes

November 5, 2024

Members Present: Jon Strong, Karen Denman, Vicki McKenzie, and Pat Graham

Staff Present: Sam Masiel, Steve Ritter

The agenda items discussed were:

- Approved the minutes from the October 1, 2024, meeting.
- Steve discussed the budget amendments that will be presented to the full City Council on 11.19.2024.
- Chief Mathis discussed with the committee the need to replace the current ladder truck, which is a 100-foot mid-mount platform ladder truck purchased in 2004. This truck has a serviceable lifespan of 25 years. The delivery time for a replacement truck could range from 1 to 4 years. Currently, the fire department does not have a reserve ladder truck in its fleet. The City Council must decide whether to keep the 2004 ladder truck, trade it in, sell it, or retain it as a backup after a decision is made about the replacement.
Steve then addressed the financial aspects of purchasing the new unit, explaining that the equipment replacement schedule has a healthy fund balance of approximately \$7 million. He also mentioned that the fire department's larger trucks are not included in the replacement schedule and discussed potential financing options for the new unit. The committee expressed support for using these funds to purchase the new truck. Steve will explore the financing options for replacement and present his findings at the Finance Committee meeting on November 19, 2024. The City Council may take action on this matter at their meeting on December 3rd.
- Kathlie discussed the drainage projects she has earmarked for the drainage Capital Improvement Plan (CIP) now that the drainage fund and funding method have been approved. She is seeking directions from the City Council on which projects they would like to prioritize so that funding can be secured for those projects. The committee members agreed to review the projects individually and send their ranked selections to Kathlie, who will compile the results. These selection results will be shared with the committee during the meeting on November 19th.



CITY COUNCIL FINANCE COMMITTEE AGENDA

11/19/2024

Agenda Item Number: 2.b.

Agenda Item: Consider and approve providing an agenda item for full Council consideration to change the Stormwater Utility fee/rate for school district, county, and religious organization owned properties from the existing \$0.00076 SF/month rate to \$0.00152 SF/month rate.

Initiating Department/Presenter: Finance

Presenter:

Steve Ritter, Finance Director

Discussion: Consider and approve providing an agenda item for full Council consideration to change the Stormwater Utility fee/rate for school district, county, and religious organization owned properties from the existing \$0.00076 SF/month rate, adopted at Council's September 17, 2024 meeting, to \$0.00152 SF/month rate. If Council approves the rate change it will provide, approximately, an additional \$54,000 of revenue to the Stormwater Utility Fund (assuming staff is able to implement the rate change in time for January 2025 billings to these types of customers).

Financial Implications:

Associated Information:



CITY COUNCIL FINANCE COMMITTEE AGENDA

11/19/2024

Agenda Item Number: 2.c.

Agenda Item: Discussion of possible purchase of a new Ladder Fire Truck and possible use of Fund Balance of the Equipment Replacement Fund to make the purchase along with "financing options" (pay in advance and receive a discount on the purchase price or pay when the vehicle is delivered to the City). Also, discussion and approval of a Budget Amendment related to the purchase of the truck.

Initiating Department/Presenter: Finance

Presenter:

Greg Mathis, Fire Chief

Steve Ritter, Finance Director

Sam Masiel, Interim City Manager

Discussion: Discussion of possible purchase of a new Ladder Fire Truck and possible use of Fund Balance of the Equipment Replacement Fund to make the purchase along with "financing options" (pay in advance and receive a discount on the purchase price or pay when the vehicle is delivered to the City). Also, discussion and approval of a Budget Amendment related to the purchase of the truck..

Financial Implications:

Associated Information:

1. BA for Fire Truck purch - after Chief 11.8.24 email

Budget Amendments FY 24-25

Finance Committee - November 19, 2024

Exhibit A

Increase: Equipment Replacement Fund - Vehicle Purchases	\$ 2,104,686
Decrease Equipment Replacement Fund - Fund Balance	\$ 2,104,686

Explanation:	During the process for the FY 24-25 Budget the Fire Department submitted a Decision Package requesting the purchase of a “100 foot midmount platform ladder truck” to replace the current 2004 Ferrara ladder truck. It was decided not to attempt to include the decision package request in the 24-25 budget but instead discuss the possibility of the purchase along with possible funding sources with the Finance Committee at a later date. After site visits with a couple of manufacturers and receiving cost quotes from 4 vendors/manufacturers the Fire Department is proposing the purchase of a Sutphen 100' Mid-Mount Platform Ladder truck. The delivery time for the ladder truck is estimated to be 3 years from the date a purchase agreement is entered into (because the estimated delivery date is probably 3 years from the date a contract is entered into this budgeted amount will need to be rolled into future fiscal year budgets until the year the asset is delivered). The Equipment Replacement Fund (used for purchasing work trucks for various departments, police vehicles, solid waste trucks, etc.) has a Fund Balance of over \$7.0M as of the end of FY 2024. The Fund has earned roughly \$800,000 in interest revenue over the last 15 years and sales of City used vehicles and equipment have amounted to about \$1,700,000 in the last 15 years. Also, the cost of replacing various vehicles and equipment has been less than anticipated and amounts paid from operating Funds over the years creating extra Fund Balance. Use of Equipment Replacement Fund monies for a purchase of a vehicle or piece of equipment not included in the Fund (fire trucks are not on the City's replacement schedule) requires Council approval. Use of the roughly \$2.1M, if approved, will still leave the Fund with a healthy Fund Balance of roughly \$4.5M - \$4.9M and annual "lease payment" revenue from the operational Funds along with any Fund Balance necessary will cover estimated replacement costs for the long-term future.
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CITY COUNCIL FINANCE COMMITTEE AGENDA

11/19/2024

Agenda Item Number: 2.d.

Agenda Item: Discussion of wastewater projects, costs, possible debt issue, and process and timing of debt issuance

Initiating Department/Presenter: Finance

Presenter:

Steve Ritter, Finance Director
Kathlie Jeng-Bullock, City Engineer
Sam Masiel, Interim City Manager

Discussion: Discussion of wastewater projects, costs, possible debt issue, and process and timing of debt issuance

Financial Implications:

Associated Information: