

**City of Angleton, Texas
 Angleton Better Living Corporation
 Special Meeting Minutes
 Thursday, August 5, 2010**

The City of Angleton, Texas Angleton Better Living Corporation held a Special Meeting at 5:30 p. m. on August 5, 2010, in the Council Chambers at 120 S. Chenango, Angleton, Texas for the following:

1. Declaration of quorum and call to order
 Those in attendance included:

Patrick Henry	Chairman
Chris Peltier	Board Member
Dr. William Jackson	Board Member
Bonnie Church	Board Member
Gregg Dykes	Board Member
Charlyn Rogers	Board Member
ABSENT:	
George Rau	Board Member
OTHERS PRESENT:	
Patti Worfe	Asst. City Manager
Laurie Rodriguez	ABLC Secretary
Chris Saddler	Parks & Rec. Director
Chris Orlea	Parks & Rec. Super.
Susie Hernandez	Finance Director

2. Discussion and possible action on approving the minutes from the May 24, 2010 meeting.

Motion by: Chris Peltier to approve the minutes

Second by: Bonnie Church

Motion passes: 5 for, 0 against, 2 absent

3. Discussion and possible action on a proposed rate increase for the Recreation Center.

Chris Saddler – You will see on our summary the rate increase we would like to see for the Rec. Center. 2006 was the last time the rates were increased by \$1.45. In the last 2 ½ years we have upgraded our equipment, added two expansions and did the salt water conversion, we have a personal trainer on

staff and we haven't raised our rates since we did any of that. We did a study of what other Rec Centers in this area charge and we feel like we will be right in line with other facilities our size.

Charlyn Rogers entered the meeting at 5:37pm

Patrick Henry – as far as numbers this summer, are we holding steady.

Chris Saddler – we are, as of right now we are almost flush with last year's numbers and we still have two months of operation in this fiscal years budget.

Patrick Henry – do you happen to know how much difference the youth day rate makes?

Chris Orlea – on the youth day rate everything went up \$1.00, we currently have a child & youth, child being 3-10 years and youth being 11-17 years. Looking at the survey, we were the only Rec Center offering that. It was a flat rate and they were considerably higher. One of our biggest competitions is Pearland and their youth day rates are \$8.50 and adult day rates are \$12.00 and those are resident rates...non residents are higher.

Patti Worfe – Chris, we don't have a resident and non-resident rate, everyone gets charged the same.

Chris Saddler – right

Patrick Henry – do we know how many people we have coming from outside of the city?

Chris Orlea – we do have numbers that I think would be useful. Our software would allow us to check how far people have traveled out of 77515. We get a lot of day camps coming to us from other areas. We are becoming a destination place.

Chris Saddler- each summer we are seeing more and more groups of day cares, church groups or summer camps coming to Angleton.

Patti Worfe – my question on your proposed rate increases is what about charter members?

Chris Orlea – in your charter membership paperwork you were not guaranteed a certain price. You were guaranteed a discount of either 5% or 10% if you were charter 1 or 2. You will still receive that. Our ACH automatic renewal customers were guaranteed in their contract 30 days notice to discontinue their membership if there was a rate increase.

They are the only ones that have an auto out if they wanted to break their contract with us with no consequences.

Dr. Jackson – how did you come up with the proposed rate?

Chris Orlea – it was through our survey, we found we were in the neighborhood of 11% to 16% below everyone else and instead of slamming them all at once with this rate increase, a 10% increase still substantially helps the revenues of our budget. It is an easy number to work with.

Gregg Dykes – I think it is a reasonable number for what we offer.

Chris Saddler – with everything we have done in the last 2 ½ years, we have only bettered our facility and the revenues and participation are showing that.

*Motion by: Gregg Dykes to accept the proposed rate increase
Second by: Charlyn Rogers*

Motion passes: 6 for, 0 against, 1 absent

4. Discussion and possible action on approving the Recreation Center budget.

Chris Saddler – it is a balanced budget with a surplus of \$4,703 to the good. The revenues were increased to reflect if we did the rate increase, plus the Rec. Center will be offering new programs next year.

Charlyn Rogers – when I looked and compared the year to date, compared to current budget, I noticed on the daily entry fee that we are less than that yet we are still projecting an increase for the budget next year.

Chris Saddler – due to the rate increase.

Charlyn Rogers – ok, so that is assuming we have the same numbers but we are just adding the new rates.

Chris Saddler – July's numbers are not in here and that is one of our busiest months.

Charlyn Rogers – what was the transfer from ABLC capital \$15,000 for?

Chris Saddler - it was the money that the board said they would like to see a capital fund so we wouldn't have to come back to the board and ask to take money out of the fund balance.

Charlyn Rogers – general programs, you are actually projecting like a 31% increase, currently we are not even at 75% of budget understanding that July might be a big month

Chris Saddler handed out a list of programs that will be offered next year with the revenues shown.

Chris Saddler – adding the summer camp, spring break camp, the Christmas camp, sport clinics

Charlyn Rogers – and you are expecting for those to be fully funded?

Chris Orlea – they are a minimum self sustaining hopefully profitable. Our motive behind that entire list is that they are minimum investment, maximum return programs

Chris Saddler – The parks department is trying to become more active in its parks. As of right now we do not offer any type of program in our parks other than special events. In the general fund budget we have set aside some funds to start offering programs in our parks.

Charlyn Rogers – there is an 11.5% increase in salary, what is that for?

Chris Saddler – the council approved a 7% increase for our employees last year and it was a step system which was 2%, 2% then 3%.

Charlyn – what is it really this year? If it is 2, 2 & 3 it can't be 7% this year

Susie – it is the total of 7% that you are going into next year

Charlyn – the math does not add up

Susie - \$3,600 of it was for stipend that went into the regular pay, which is a portion of it, the other portion was an amount out of contract labor

Chris Orlea – our recreation specialist, Amber Popp & Rachel Alexander both have national accreditation. One for therapeutic recreation and the other water safety instructor. Last fiscal year they were paid out of a stipend line that was given to them by previous administration. This year it has been rolled directly into salary to reflect a more accurate number.

Gregg Dykes – the 7% was for this current fiscal year

Susie – right, but it was in increments, this coming year it is the whole year

Patti Worfe – there is no salary increase, what Susie is saying is employees got a 2% raise in October, 2% in January & 3% in July. So the total amount will be in this year's numbers

Charlyn Rogers – ok, it is really simple math... if I take \$438,794, the budget amount for last year, and subtract from that current budget amount and then if I take the \$6,000 dollars from the stipend, that should then represent what the increase is right?

Susie – right

Charlyn Rogers – that's 10%, does anyone else get my question? If it's in there incrementally in last year's budget, it should be less than 7% because it was reflected partially in last year's budget.

Susie left to pull the payroll

Patrick Henry – Other than that, do you see anything that you have questions on?

Gregg Dykes – You weren't adding any new positions?

Chris Saddler - no, you have the money given to Chris Orlea for his tuition increase once he graduated college. His tuition was promised to him, so that is in the budget.

Patti Worfe – It wasn't like a tuition reimbursement, it was when he completed his degree he was given a raise.

Charlyn Rogers – so that is in this line item?

Patti Worfe - I assume that

Charlyn Rogers – I noticed on page 4 on the repairs & maintenance we had moved the building maintenance up to \$35,000 because of what?

Chris Orlea – Building was actually combined with repair & maintenance & equipment, the line items were redundant and were set up to fix the same exact thing. They were combined to simplify the accounting of it.

Charlyn Rogers – On contract labor there is a 21.8% increase

Chris Orlea – We now have a contracted cleaning company at night time. We were having an incredibly high turnover when trying to hire people, we had issues with time sheet fraud on several occasions, and it was not taking care of our recreation center. This year we took care of that but they have only

been with us a few months. This increase is to foresee them being there for 12 months.

Charlyn Rogers – So part of that was out of an employ? Where was that coming out of?

Chris Orlea – It had been coming out of salary until we hired this new company.

Charlyn Rogers – So that increase in salary is even bigger

Patti Worfe – Doesn't contract labor also include instructors, landscapers etc.? The money comes back via revenues, but the expenses still come out of contract labor.

Chris Saddler – The instructors that we have are more qualified than what we have had in the past, so it comes with a larger payment.

Charlyn Rogers – But at the start of the year we had a salary position that was doing the cleaning?

Chris Saddler – Yes, a part time position.

Chris Orlea – I think we figured out what that difference is in the salaries is. We were attempting to make our maintenance position full-time, however it would not work because the cost of the benefits. When we talked to our maintenance man he was willing to stay if he received a small pay increase and stayed within part-time hours, that is what that is.

Charlyn Rogers – But that is 10%, there is no way that is \$40,000.

Susie re-entered the meeting

Susie – \$6,000 for Rachel and \$3,600 for Amber were put in the payroll.

Chris Orlea – \$9,600 stipend rolled in and increase in pay for maintenance position and 7% payroll increase.

Susie – That is it, there is nothing else.

Charlyn Rogers – What was the increase for the maintenance?

Chris Saddler – \$11.50 to \$15.00 it went from \$17,940 to \$23,400.

Susie – Chris's graduation is \$2,000.

Charlyn Rogers – Okay, that is 7.65%

Patrick Henry – Any other questions?

Gregg Dykes – Under retirement is that \$16,687?

Susie – Yes, our rate goes up in January, so at three months it is one rate and after January the rate goes up.

Gregg Dykes – At what percent did you base the health insurance at?

Patti Worfe – 20%, looking at the first 6 months we have done really well, part of that was based on not so good of a second half of the year because you don't really know. Apparently according to industry standard even the good ones are going up 15% to 20%.

Charlyn Rogers – The current budget is virtually balanced with a half a million coming from ABLC? Doesn't that appear to be a little aggressive considering that we are at 75% of the year?

Susie – We are not at 75% yet; we still have four months left. We do it as a receivable.

Charlyn Rogers – If sales tax continues to decline, where in this budget are the things we can pull back on?

Chris Saddler – This year we pulled out of utilities, there was a reduction of \$25,000 to our utilities for this fiscal year we are currently in right now

Charlyn Rogers – Tell me how that works

Susie – We negotiated with a different contractor

Charlyn Rogers – Lets say that sales tax declines, within the Angleton Rec Center, we may not have half a million dollars to give.

Susie – We would have to come back to the council and have them look at their general fund.

Patrick Henry – Or we would have to look at the hours on the Rec. Center and the services provided and figure out what we needed to cut.

Chris Orlea – We have done that. There really is no where else to cut. We are at exactly what it takes to run it.

Patrick Henry – You would be looking at cutting back on Sunday's or during the week or whatever.

Susie – In order not to put the entire burden on ABLC, the city chose to transfer \$24,000, so not all of the \$540,000 comes out of ABLC, because your short fall is \$19,000 to balance your ABLC budget with the \$24,000 that the city is going to contribute.

Chris Saddler – The only thing in the budget we do have is our capital, which is our new vehicle for next year. It will be lease purchased.

Susie – That won't be done until the latter part of next year, so your expenditure won't be going in until next year's budget.

The board discussed the other capital item involving the repair of a generator that Mike Jones requested– the board was in agreement that paying to repair a generator is not something they want to pay for out of ABLC funds in order to operate the Rec Center in the event of a catastrophic event.

Patrick Henry – So this is part of the budget?

Susie – No, that capital is out of the budget, it is something that if it is approved the budget would have to be re-worked.

Patrick Henry -So we could approve item 4 but that would mean that we have to approve this capital request.

Susie – Right, but we do have the vehicle replacement capital item for the expedition.

Charlyn Rogers – But we haven't ever bought a vehicle.

Susie – Right...the vehicle that they have was from parks.

Charlyn Rogers – So why have ABLC buy the replacement Parks & Rec vehicle instead of them buying it?

Chris Saddler – Our Parks Department does not use this vehicle, it is only used by the Recreation Department.

Charlyn Rogers – Why does the Rec Center need a vehicle?

Chris Saddler – We travel on the Summer Jamboree trips, to and from city hall and conferences staff attends.

Charlyn Rogers – What are they using now?

Chris Saddler – The expedition from parks.

Charlyn Rogers – Which is a Parks & Rec vehicle?

Chris Orlea – Right.

Charlyn Rogers – I just get back to why out of this budget? This one is a little easier to swallow than the generator but your replacing a vehicle that was already part of Park & Rec, why not have that come out of the city budget instead of this one?

Bonnie Church – I think because it was part of Parks & Rec but it is no longer.

Gregg Dykes – I think it was transferred from Parks & Rec to ABLC as an exclusive use vehicle and you want to replace it again with an exclusive use vehicle.

Chris Saddler – Our Parks Department does not use this vehicle at all...it is totally the Rec Centers use.

Dr. Jackson – Unlike the generator, this is purely understandable. If we use it then we need to pay to use it.

Patrick Henry – My question is, are the capital expenses part of the Rec Center budget?

Susie - That's right, none of capital is ever put in there, but this year we are going to be purchasing it at the very end so the expenditures will not go in until next year's budget.

Patrick Henry – I guess what I am asking is on item 4, that does not include the capital?

Susie – No.

Bonnie Church – So when do we approve the capital?

Susie – Now. If you approve it, then it allows them to purchase it during the year.

Patrick Henry- Let's get an action on item 4, because the capital is not part of the ABLC budget either.

Bonnie Church – It's not listed on the agenda.

Laurie – No, it is not listed on the agenda as a separate item.

Patrick Henry – if I can get a motion to approve the Rec Center budget and if you want to put in that motion exclusive of the capital items just to be sure we could do that.

Motion by: Bonnie Church to approve the Rec Center budget exclusive of the capital items

Second by: Gregg Dykes

Motion passes: 6 for, 0 against, 1 absent

5. Discussion and possible action on approving the ABLC budget.

Susie – We left the sales tax to be the same at \$1,020,848, which is the reduction of the 5%. The debt service for next year is \$495,000. It has the \$15,000 for the M & O and the ABLC transfer is \$516,000. In order for that budget to balance, we need to take \$19,000 out of the fund balance. That leaves us with about \$82,000 in the fund balance.

Charlyn Rogers – So Susie you had a worksheet in here on sales tax so we are thinking that...

Susie – We might be short this year.

Charlyn Rogers – Based upon where we are trending right now, sure looks like it, and that is what I was talking about earlier. We are committed for almost half a million dollars of debt service, half a million dollars to fund the Rec Center, that doesn't leave us much room for anything else.

Motion by: Chris Peltier

Second by: Dr. Jackson

Motion passes: 6 for, 0 against, 1 absent

6. Discussion on the results from the Parks & Recreation needs assessment.

Chris Orlea presented a power point to the board showing the results of the needs assessment.

7. Staff reports and City Manager comments

Chris Saddler informed the board that next week is the last week of Summer Jamboree and that staff is very pleased with the way it went this year.

8. Adjournment at 7:04 pm.

J. Patrick Henry
ABLC Chairman

Laurie Rodriguez
ABLC Secretary