Minutes of Budget Workshop held August 20, 2012

Budget Workshop with the following present: Mayor Mark Bowen; Aldermen Ruble Farmer, Ward Sanders, Jerry Stone, Kevin Keith; City Secretary Josie Campa; Director of Public Works James McGrath; Fire Marshal Matt Dear; Police Chief Richard Priest; Alderman Sam Cortez was absent.

Visitors: Andrew Tolan, Eleni Keith, Emma Keith.

Mayor Bowen opened the budget workshop at 6:37 p.m. He announced to Council that they would be reviewing the water, gas and sewer fund budgets proposed for the next fiscal year.

City Secretary Josie Campa told Council that the proposed budget included salary increases for all city employees. She told Council that after talking to the Mayor and department heads, it was agreed that the employees in the middle pay range and all department heads would be given $200.00 per month salary increases and the employees that received the large increases last year would receive $100.00 per month increases. The City Secretary told Council that all of the proposed budgets for the next year had worked with these proposed salary increases.

The City Secretary then reviewed the budgets for the water, gas and sewer funds with Council. She told Council that no rate increases were being proposed for any of these budgets.

Ms. Campa also told Council that part of the debt for the sewer plant will be paid from the general fund, as in the past few years. She told Council she was trying to keep a debt rate in the city’s tax rate, so that when the city incurs debt for the general fund, it won’t require a large increase in the tax rate.

Mayor Bowen asked the City Secretary to review the plans for attaining plans and goals in the next fiscal year.

City Secretary Josie Campa told Council that in order to be able to obtain plans and goals, the city will need to get some help in the way of certificates of obligation totaling one million dollars ($1,000,000.00).

She told Council that if this is timed correctly, this debt could be part of next year’s tax rate and that she feels the current I & S rate would bring in enough to make the payments for these certificates.

She told Council that with these certificates, Council could add the CPS franchise money that will be returned to us, as well as savings of the hotel/motel tax. The City Secretary told Council that the city would have a total of over $1,375,000.00, that could be used for taking care of the goals the Council had prioritized. The City Secretary reviewed the first three goals with Council.

The Council took a short break at 7:28 p.m. and reconvened at 7:42 p.m.
City Secretary Josie Campa continued to review her plan with Council after the break, and told Council that the last two goals will require a lot more money and therefore the money that is left can be used to start CDs for these projects, if Council chooses, or this money can be used to add to the projects mentioned earlier, if necessary.

The City Secretary told Council that the city will also receive an estimated $176,000.00 for the next fiscal year in hotel/motel tax, and that some of the listed goals can be funded by these monies, if necessary.

In closing, the City Secretary told Council that they would be working on the general fund and library fund budgets next Monday. The City Secretary told Council that the tax rate for 2012 has been calculated and that the 2012 effective tax rate is $ .3132 per $100.00 valuation. She told Council she would recommend Council set the tax rate at $ .3125 which is a decrease of one-half cent (½¢) from the 2011 tax rate. Alderman Keith asked about leaving the tax rate at $ .3175. The Secretary said Council could do this, however, this would require the Council to hold a public hearing and this would result in the tax rate being set a later date.

Workshop was adjourned at 7:58 p.m.