

Minutes of Budget Workshop held August 20, 2018

Budget Workshop held with the following present: Mayor Mark Bowen; Aldermen Jerry Stone, Ruben Gonzalez, Ruble Farmer, Jamie Dahler and Sam Cortez; City Secretary Josie Campa; Public Works Director James McGrath; Animal Control Director Betty Kroeger; Library Director Cassandra Cortez; Police Chief Richard Priest; Fire Marshal Matt Dear.

Visitor: Gabriel Romero.

Mayor Bowen opened the budget workshop at 7:06 p.m. and asked the City Secretary to review the proposed budget for 2018-2019 with Council and department heads.

City Secretary Josie Campa told Council that she would discuss the proposed 2018 tax rate, salaries for employees along with benefits and utility rates with Council prior to reviewing proposed budgets for the sewer, gas and water departments.

The City Secretary then gave Council a handout showing the different rates for 2018 tax rate. She reviewed the effective tax rate, the roll back rate, the 2018 debt rate and the sales tax adjustment rate. The City Secretary told Council that if they decide to stay with the effective tax rate no public hearings would be needed and explained what would be required if they chose to go with a higher rate. The City Secretary told Council that she had discussed added debt in the general fund with Mayor Bowen and that this would increase the debt rate over three cents (\$0.03) per \$100.00 valuation. The City Secretary told Council she had run the numbers for each department's budget as requested by the department heads and that in order for these budgets to work, a tax rate of \$ 0.4225 per \$100.00 valuation would be needed unless Council chooses to cut line items in the different budgets. Council agreed these budgets should be met. The City Secretary told Council that if the Council proposes the \$0.4225 tax rate two hearings would need to be held since it does exceed the effective tax rate. This tax rate does not exceed the roll back rate.

The City Secretary then discussed the salaries that have been proposed for the 2018-2019 budget. She told Council that there were six employees that still had to be phased in from the salaries approved last year and that the rest of the employees had 3% added to their current salaries.

The City Secretary also explained the increases in benefits for the employees. The retirement rate will go from 9.8% to 9.93%. She told Council that health insurance went up \$3.76 per month for a total of \$45.12 per year per employee.

Utility rates were also discussed and the City Secretary told Council that even though much higher rates had been suggested by the representative from Texas Water Development Board, she did not use his suggestions this year because of the proposed increase on the tax rate. The City Secretary said she had only increased the minimums for water, sewer, and garbage by \$1.00, and gas minimum to \$1.15 to make it an even \$15.00 which would mean the out of towners would see an increase one and one-half (1 ½) times of in town customers. The City Secretary also recommended that the tiers for both water and sewer be increased to try and discourage water waste. Council asked for info on out of town customers and water wasters.

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Council took a short break at 7:53 p.m. and reconvened at 8:05 p.m.

The City Secretary then reviewed the proposed budget for the sewer, gas and water departments and answered questions from the Council. The City Secretary emphasized that the rate increases would insure the city starting to rebuild the reserves for the sewer and water departments.

The City Secretary told Council all of the utility budgets had a net revenue after allowing for reserves.

Alderman Gonzalez suggested more money be added to salaries in the water department since the city needs to get someone hired to start training for the Director's position. The City Secretary told Council she would adjust the water fund budget to include added salary of \$8,000.00 plus social security and retirement fees.

The Mayor asked about a vehicle for the Public Works Director and the City Secretary said that some of the reserve money could be used for this and she would adjust the budget accordingly.

The Mayor adjourned the budget workshop at 8:57 p.m.