

MINUTES OF THE SPECIAL CITY COUNCIL MEETING

June 7, 2010

MEMBERS PRESENT: Mayor Joe Ward
Mayor Pro tem Dan Fears
Council Ray Schultz Lori Shierry
Sherrie Williams Stephanie Wooten

MEMBERS ABSENT: None

PERSONNEL: Michael C. Price, City Manager
Belvin Lytle, Public Works Director
Robert Johnson, Chief of Police
David Owen, Economic Development Director
Robbie Matthews, Parks and Recreation Director
Randy Fulbright, Fire Chief
Tammy Persick, Director of Finance
Janice Newman, City Secretary

VISITORS: Dolores Hamilton Annie Smith
Hack Alexander Dora Alexander
Wayne House Glenn Durham

AGENDA ITEM NO. 1: Call to Order.

The Mayor called the meeting to order at 7:00 p.m.

The Mayor Pro tem gave the invocation.

AGENDA ITEM NO. 2: Citizens' Input.

No individuals registered to participate in the Citizens' Input.

AGENDA ITEM NO. 3: Workshop.

- A. Discuss Preparation of the City's General Fund and Water and Sewer Fund Budgets for Fiscal Year 2010/2011.

The City Manager explained the 2010 estimated appraised property values are in and are down considerably from the previous year. The 2009 appraised property values were \$224,128,317.00 while the 2010 values are estimated at \$176,903,078.00. The anticipated lost revenue from property taxes is \$24,000.00. Frozen property tax values are approximately \$44,200,000.00.

The workers' compensation rates are increasing approximately ten (10) percent. Also increasing is the Texas Municipal Retirement System contribution rate from 16.51% to 16.61% which equates to an increase of \$1.00 for each \$1,000.00 of wages. The City is also expecting an increase to the health insurance premiums.

A three (3) percent wage increase to the employee's wages would cost the City \$55,200.00, which includes retirement increases and FICA.

The City Manager recommended to the Council not having the Department Head's make the budget requests presentations because the money is just not there for any type of line item increases or capital outlay requests.

Councilwoman Williams stated the Council still needs to address a possible cost of living increase for the employees. The City Manager stated in order to pay for pay raises the City will have to raise taxes, cut services, lay-off or not fill positions.

Mayor Ward asked about the \$14,600.00 budgeted to the RAC. It was explained that money was used to pay the water, electricity, gas and for some building improvements. The Friendly Door is

budgeted \$700.00 which pays their water bill. Several of the Council suggested cutting the RAC's budget to that of the Friendly Door and pay only for the water. The City Manager agreed to approach the RAC about reducing their funding.

The City Manager suggested since the Council had recommended the Street Department put all of their efforts into slurry work and not have any street rebuilds, \$30,000.00 could be freed up. That would leave \$120,000.00 for street slurry, which was pointed out would be a full load for the Street Department to complete.

It was the consensus of the Council to leave the tax rate at \$0.72 per \$100.00 valuation.

Councilwoman Shierry suggested giving the employees a two and one-half (2 ½) percent pay raise.

The next budget workshop will be held on Monday, August 2, 2010.

The meeting adjourned at 7:48 p.m.

PASSED, APPROVED AND ADOPTED this 14th day of June, 2010.

Mayor Joe Ward

ATTEST:

City Secretary Janice Newman