

FARMERSVILLE CITY COUNCIL
MEETING MINUTES
August 23, 2011

The Farmersville City Council met in called regular called session on August 23, 2011 at 6:00 p.m. in the Council Chamber at City Hall with the following members present: Mayor Joe Helmberger, Pansy Hundley, Paul Kelly, Billy Long, Russell Chandler and Jim Foy. Staff members present were Police Chief Mike Sullivan, City Attorney Alan Lathrom, Fire Chief Kim Morris, Finance Director Daphne Hamlin and City Secretary Edie Sims.

CALL MEETING TO ORDER, ROLL CALL

Mayor Helmberger called the meeting to order. Edie Sims called the roll and announced a quorum was present. Mayor Helmberger welcomed all guests and visitors.

PUBLIC HEARING FOR THE ECONOMIC DEVELOPMENT CORPORATION
PROPOSED BUDGET YEAR 2011-2012

Mayor Helmberger opened the Public Hearing at 6:02 pm to hear public comment regarding the Economic Development Corporation's proposed budget for Fiscal Year 2011-2012. No one spoke for or against the proposed budget. Mayor Helmberger closed the Public Hearing at 6:02:30 pm.

PUBLIC HEARING FOR THE COMMUNITY DEVELOPMENT CORPORATION
PROPOSED BUDGET YEAR 2011-2012

Mayor Helmberger opened the Public Hearing at 6:03 pm to hear public comment regarding the Community Development Corporation's proposed budget for Fiscal Year 2011-2012. No one spoke for or against the proposed budget. Mayor Helmberger closed the Public Hearing at 6:03:30 pm.

FIRST PUBLIC HEARING TO RECEIVE PUBLIC COMMENT ON THE PROPOSED
2011 PROPERTY TAX RATE FOR THE CITY OF FARMERSVILLE

Mayor Helmberger opened the Public Hearing at 6:05 pm to hear public comment regarding the proposed tax rate for 2011. No one spoke for or against the tax rate. Mayor Helmberger closed the Public Hearing at 6:06 pm.

WORKSHOP – BUDGET WORKSHOP FOR FISCAL YEAR 2011-2012

City Manager John Moran began the discussion by stating that Jim Foy and himself met with Sharyland Utilities and was pleased to state an agreement is on the table for the City to receive \$810,000 from Sharyland for Fiscal Year 2011-2012. The additional funds, excess of \$140,000, will be used on existing expenses leaving \$670,000 to transfer to the General Fund. All proposals requested by the Council have been accomplished. Additional costs presented themselves which had to be contended with for the upcoming budget to include the cost for the replacement sidewalk at Southlake Park and the \$5,000 required fee for the Safe Routes to School Grant. A balanced budget is presented to the Council. However, due to these unexpected expenditures, employee increases were not incorporated in the budget. If raises are given, then another position will need to be cut out. Russell Chandler and Paul Kelly

both stated taking care of the employees should be a priority especially since the employees have not seen any type of increase in 3 years. City Manager John Moran encouraged the Council to consider the employee increases by utilizing a Longevity Plan, this method costs the City much less and rewards long term employees. Mr. Moran stated that the presented budget does not include any proverbial fat and that the 90 day reserve requirement is satisfied. Mr. Moran stated that with the electric contract being more than expected, \$640,000 will be used to transfer to the General Fund to pay for Professional Services, Salaries and Maintenance. Thus far, the City has not received the insurance rate so this could be more of an expenditure. Mr. Moran expressed concerns of dipping into the reserves. Mr. Moran also stated that if salary increases are to be given, raises need to be structured. Currently the City does not have a salary range and no top out pay. Mr. Moran again suggested the structured longevity pay with a pay scale. Jim Foy stated what bothers him about employee increases is that a pay scale is not in place and the Council should have a recommendation or proposal from the City Manager. If not backed by the City Manager, Mr. Foy stated he is hesitant. Russell Chandler did not see increasing salaries for some employees and not for all, regarding the two new full time positions. Paul Kelly suggested revisiting this issue in 6 months to see if funds are available. Mayor Heimberger redirected the time frame from 6 months to 3 months to evaluate a salary range and top out.

City Manager John Moran stated his next goal is to get policies and procedures in place to improve our bond rating. According to the sale tax forecast, sales taxes are not expected to increase. Court fines should change since the collection firm is working on the delinquent warrants. Mr. Moran stated he would like to see the Council consider increasing the reserve amount to 120 days as reserves are very important to bond ratings. Paul Kelly gave accolades to all City staff for their efforts to benefit Farmersville. Jim Foy stated he thought the budget presented was very conservative and felt that more funds were available, but that he would support the budget as presented. Mr. Foy believes increases in electric power will fund more than what is anticipated. Mr. Moran stated he will work with Department Heads and put together salary information for the January meeting.

SET DATE FOR THE ADOPTION OF THE 2011-2012 CITY OPERATING BUDGET AND FOR SETTING THE 2011 TAX RATE

Billy Long motioned to set September 13, 2011 as the date to adopt the 2011-2012 City Operating Budget and for setting the 2011 Tax Rate. Paul Kelly seconded the motion. A record vote of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes, and Jim Foy yes. Motion passed with full Council approval.

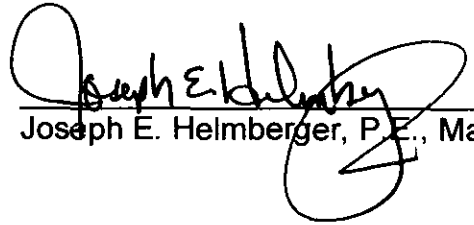
REQUEST FOR CONSIDERATION OF PLACING ITEMS ON FUTURE AGENDAS

- Paul Kelly requested an update on the warrants collection status
- Paul Kelly requested the planning for the School Board and City Council meeting

ADJOURNMENT

Council adjourned at 6:37p.m.

APPROVED



Joseph E. Helmberger, P.E., Mayor

ATTEST



Edie Sims, City Secretary