



City of Seguin

210 E. Gonzales Street
Seguin TX, 78155

Meeting Minutes City Council

Tuesday, August 11, 2015

5:00 PM

Municipal Court Building
660 S.H. 46 South

WORKSHOP

1. **Call to Order**

2. **Roll Call**

Councilmember Carlos Medrano arrived at 5:17 pm.

Present: 8 - Council Member Ernest Leal, Council Member Jeannette Crabb, Council Member Tomas V. Castellon, Council Member Fonda Mathis, Council Member Carlos Medrano, Council Member Phil Seidenberger, Council Member Donna Dodgen, and Council Member Mark Herbold

Presiding: 1 - Mayor Don Keil

3. **Workshop**

a. **15-249**

Presentation and discussion of the FY2016 Budgets - Doug Faseler, City Manager and Susan Caddell, Director of Finance

General Fund
Debt Service
Special Revenue
Utility Fund

Susan Caddell, Finance Director and City Manager, Doug Faseler provided the council with an overview of the proposed budget for 2015-2016.

GENERAL FUND

INCREASES IN REVENUE

*Sales Tax \$440,000 (based upon current year activity)

*Property Tax Revenue (\$380,511 based upon increases in value)

*Miscellaneous Violations (350,000 based upon current year activity)

*GVEC Franchise Tax (\$140,000 based upon new franchise agreement)

INCREASES IN EXPENDITURES

*Salaries and benefits-\$1,736,020

-2% COLA (effective 1/1/2016)

-additional positions: Crime Prevention Officer, Firefighter/Paramedic, Planning Building Inspector, Public Works/Engineering, Fulltime Library staff...circulation manager, library clerks (2), library assistant, youth services assistant, part-time library staff...4 library clerks and 1 shelver

Special Note: projected move in time to new library June 2016

- increase in retirement from 15.51% to 17.05%)
- *Solid Waste Contract (due to increase in number of customers)
- *Indigent Health Care (represents an increase of 5.2%)
- *Electric, Water, Sewer & L&I Maintenance -Grounds-Parks-\$69,200 (due to the addition of Park West)
- *Buildings, Maintenance, Facilities-\$23,250 (Due to increased maintenance needs of City Facilities)
- *Electric, Water, Sewer, Gas-Centerpoint-Library-\$19,700 (Due to addition of new library)

CERTIFICATES OF OBLIGATION

Animal Services Facility.....	\$2,390,000
South River St. & Drainage Project.....	\$1,620,000
Eighth St./Rio Nogales Street Construction.....	\$1,200,000
Vaughn/San Antonio Street Sidewalks.....	\$652,378
Fire Truck.....	\$580,000
Fairgrounds Improvements.....	\$400,000
Contingency.....	\$407,622
TOTAL	\$7,250,000

UTILITY FUND

INCREASES IN REVENUE

- *Water Revenue-\$1,194,829 (Based upon recommended rate adjustments from the water rate study)
- *Sewer Revenue-\$429,650 (based upon recommended rate adjustment from the water rate study)

INCREASES IN EXPENDITURES

- *Salaries & Benefits \$899,480 (includes 2% COLA effective 1/1/2015, additional positions (crew leader, heavy equipment operator, 2 maintenance workers, meter tester, part-time utility billing, service worker for facilities, 1/2 position of Civil Engineer, increase in retirement from 15%.51 to 17.05%)
- *Transfers to Utility & I&S Fund \$728,347(due to issuance of 2014 Utility Revenue Bonds and using available fund balance in the Utility I&S Fund in 2015)
- *Indirect Cost Allocation-\$400,000 (based upon FY2014 audit results)
- *Water purchased- \$200,000 (due to anticipated increase in customers in FY16)
- *Transformers-Electric Distribution-\$50,000 (due to increased customer growth)

- *Meters-utility services-\$31,000 (due to increased customer growth)
- *Electric-Walnut Branch WWTP-\$30,000 (due to increased consumption)

DECREASES IN EXPENDITURES

- *Wholesale Power Costs-\$1,127,703 (due to settlement of LCRA lawsuit and competitive rates negotiated within the CPS Energy Contract. The new 7 1/2 yr contract with CPS Energy starts June 2016.
- *Attorney Fees-City Attorney-\$175,000 (due to settlement of LCRA lawsuit)

HIGHLIGHTS of the discussion were:

- *Review of General & Utility Fund Capital Equipment
- *General & Utility Fund Capital Improvement Projects Multi-year program
- *Street/Highway Drainage Projects (River St. Drainage System & Reconstruction, Heideke St. Drainage System & Reconstruction, N. Austin St. Reconstruction & Drainage, Tor Drive, Ireland St. Drainage, Vaughn St., Preston St., N. Austin St. Alley Access, Rio Nogales Dive/Eighth St., S. River St./Klein (Washington St.to Klein), Rio Nogales/Eighth St. Exit to IH 0 Access Road)

PROPERTY TAX RATE information was provided by Finance Director, Susan Caddell

**Property Tax Revenue Increase*

-Effective Rate is \$.5256

**Current Tax rate is \$.5244*

**Recommending the effective tax rate of \$.5256.....a \$.0012 increase*

**Rate is above the current rate due to new property and new improvements are not included in effective tax rate calculation*

**This rate will increase taxes on the average home \$1.55 per year*

**Adoption of effective tax rate does not trigger the requirement for tax rate public hearings or additional tax rate legal ads*

DEBT SERVICE TAX RATE BUYDOWN

**A fund balance exists in the General Interest and Sinking Fund due to collecting more taxes from the I&S rate than budgeted over the past fiscal years*

**Recommending to buy down the I&S rate by \$400,000 allowing more of the recommended tax rate of \$.5256 to go towards maintenance and operations.*

**In FY2015, used \$450,000 of the I&S Fund Balance to buy down the I&S rate.*

4. Adjournment

There being no further business before the council the meeting adjourned at 6:35 pm.

Don Keil, Mayor

Thalia Patlan Stautzenberger, City Secretary