

ENNIS COMMISSION WORKSHOP MINUTES
BUDGET WORKSHOP MEETING
THURSDAY, JUNE 2, 2016
6:00 P.M.

I. CALL TO ORDER

Mayor Juenemann called the meeting to order at 6:00 P.M.

A quorum was present to wit:

Angie Juenemann	Mayor
Matt Walker	Mayor Pro Tem
Rowdy Pruitt	Commissioner Ward 1
Marco Hernandez	Commissioner Ward 2
Scott Hejny	Commissioner Ward 3
Lola Search	Commissioner Ward 4
Bill Honza	Commissioner Ward 5

The following Staff members were present:

City Manager	Scott Dixon
City Secretary	Angie Wade
Finance Director	Joel Welch

II. DISCUSSION AND DIRECTION TO STAFF REGARDING THE CITY OF ENNIS FISCAL YEAR 2017 BUDGET.

City Manager Scott Dixon presented to the Commission the Proposed FY17 Budget, including a preliminary General Fund Budget Summary. General Fund Budget Summary figures for FY17 include a beginning fund balance of \$8,383,991; total receipts of \$14,956,598; deductions in the amount of \$14,842,336; with an annual surplus of \$114,262, resulting in an ending fund balance of \$8,498,253. The reserve policy requires 30% of expenditures, or \$4,452,701, leaving \$4,045,552 in fund balance over the reserve policy.

Mr. Dixon also discussed the Staff Objectives for presenting an FY17 Operations Budget which include removing all one-time capital expenditures; right-sizing service areas; and presenting a simplified, easy to understand budget. Revenue discussions included a proposed increase in property tax, as well as additional franchise fees and a pilot payment-in-lieu-of-tax fee to enterprise units such as water, sewer, and trash. Marked changes in expenditures include separating Administration into service areas such as Administration, Economic Development, Finance, Human Resources, and Information Technology; combining the City Secretary budget with the City Commission; and creating separating funds for tourism, airport, and sanitation.

Proposed personnel changes include a staff reduction in the street department and the creation of new positions to include: Assistant City Manager, Grant Specialist, Benefits/Risk Specialist, PIO/Risk Manager, EDC Administrative Assistant, Deputy Fire Chief, Court Clerk, and 2 additional Code Enforcement Officers. New job descriptions, job classifications, and market based pay were discussed, as well as a proposed cost of living adjustment of 1.1%. Employee health insurance options being researched include self-insurance, eliminating the 18 month buy-in, health savings accounts, and reduced deductibles.

Certificates of Obligation include \$2,785,000 for Streets and General Improvements and \$3,050,000 for Water and Sewer System. Uses include streets, water and sewer lines, treatment plant improvements, and downtown improvements. Mr. Dixon addressed the current street repair and improvement plan and stated that by reducing the cost from \$770,000 per mile to \$250,000, current grant funds will provide for more streets than planned to be addressed and can also be directed towards the Downtown infrastructure. A citizen's survey was suggested by the Commission for direction with current grant funds.

Being proposed for the Water Fund is a new rate structure for commercial customers with fees being based on meter size, lowered commercial commodity rates, with no increase for 93% of commercial customers. New rates for wholesale customers is also being proposed with a single base fee for a threshold meter and a commodity charge of \$6.49 per month for all flows. Mr. Dixon informed the Commission that these rate making methodologies are supported by the Public Utilities Commission. No rate change for residential customers is being proposed.

The Sewer Fund includes rate increases for all classes including an average residential increase of \$6.31 per month; a commercial increase average of 19.5%; and a new wholesale rate structure consisting of a base fee per threshold meter of \$75 per month and a commodity rate of \$7.09 per month. These additional funds are required to cover expenses for keeping the current wastewater treatment plant operational, and necessary sewer expansions. Possible future impact fees were also discussed.

Mr. Dixon discussed the budget shortfall in the Sanitation Fund. Three options are being proposed including raising sanitation fees by \$5.50 per month; privatization of services, and a modified service delivery which will reduce crew sizes.

III. ADJOURNMENT

Mayor Juenemann adjourned the meeting at 7:53.

ATTEST:



CITY SECRETARY

APPROVED:



MAYOR