

CITY OF ENNIS COMMISSION WORKSHOP

MAY 4, 2015

6:00 P.M.

Mayor Thomas called the meeting to order at 6:00 p.m. on May 4, 2015, in the City Commission Chambers of the City of Ennis Municipal Building, 115 W. Brown Street, Ennis, Texas 75119.

PRESENT: Mayor Thomas, Commissioners Frazier, Hackney, Walker, and Holley, City Manager Ewing, City Attorney Wilson, Chief Erisman, City Secretary Batchler, ED Coordinator Nelson, and Director of Finance Welch. Commissioners Salik and Searcy were not in attendance.

FINANCIAL UPDATE

City Manager Ewing and Director of Finance Welch presented to the City Commission a report with Budget data through March 31, 2015. Overall revenues within the General Fund were \$8,930,911 as of March 31, 2015. The adjusted projection for revenues in the General Fund was \$9,048,200. Comparing the year to date actual to the Staff projection for this year yields a negative variance of \$117,000. Single greatest reason for the shortfall is Fines and Forfeitures, which are some \$114,000 short of Staff expectations. Property tax collection through 2nd quarter was \$5,908,723 or 96.50 % of the M & O Budget. Delinquent tax collection is at 36.3% of the budget. P & I collections are \$24,606 a 28.8 % of budget. Sales tax collection totaled \$1,426,816 through 03-31-15 representing 47.6% of the budgeted amount of \$2,997,560 and a 4.5% increase from last year at this time. Franchise fee as of date total \$841,920, License and Permits total \$72,342, Fines and Fees collections are at \$207,332 which is 32.3% of budget, Interest Income is at 11.2% of budget. Expenditures in the General Fund totaled \$6,801,183 totaling 49.2% of the total General Fund item budgeted. Total Water & Sewer Utility revenues are \$3,904,163. Water & Sewer Fund operating expenses totaled \$2,860,520. Sanitation Fund revenues are at \$467,146 and the expenditures are \$585,825. Exceeding revenues by \$88,678.

FY 15-16 BUDGET

City Manager Ewing presented a brief overview of proposed figures for the FY 15-16 Budget. Property values are at a 4% increase since last year with \$6 million in new value. Sales tax is projected to be up 4.50% and trending positive. Reoccurring expenses were discussed such as salaries and raises, health insurance, and fleet replacement. A priority list is to be developed on street improvement to focus on reconstruction funded by bond sales, overlay funded by sales tax, and patch repair funded by general fund. An increase of Sanitation Rates is anticipated. Water and Sewer Fund has proposed meter replacement, line replacement, Water and Wastewater treatment plant improvements which may impact rates. Conclusion: Focus on capital

improvements in water and sewer, address deferred maintenance and fund downtown improvements.

AGENDA ITEMS

Staff is requesting the City Commission amend the current year budget to address expenses that we were unable to accrue to last year, unanticipated costs, and creation of certain funds to better account for debt and special purpose funds. We did reduce the amount originally requested by \$60,000. We will delay implementation of financial and utility billing software improvements and the related efficiency improvements until next FY. The fireworks cost will be \$30,000 rather than the projected \$40,000, providing a \$10,000 reduction. We are requesting that additional Airport Construction Funds in the amount of \$14,000 be appropriated to fund an obstruction survey the FAA is requiring to continue allowing aircraft to depart and land at night. If not, night flights will be terminated on May 15. The City has historically utilized fund balance to fund programs. Rather than show as a negative difference for the fiscal year, it was added to the revenue to balance to expenditures. While this is not uncommon, it is less transparent. Also, previous budgets utilized approximately \$2 Million in fund balance between General Fund and the Utility Fund. We have reduced that to less than \$1 Million and intend on reducing that even more in the future. The total proposed fund balance utilized for FY15 is approximately \$923,000; including a \$330,000 subsidy to the Sanitation Fund that was removed during budget consideration last year due to the confusion transfers were causing. This can be removed again, but it will leave a negative balance in the Sanitation Fund and create a debt to the General Fund.

Mayor Thomas adjourned the workshop at 7:00 p.m.

Donna Batchler, City Secretary

