

CITY OF ENNIS COMMISSION WORKSHOP

AUGUST 17, 2015

6:00 P.M.

Mayor Pro-tem Walker called the meeting to order at 6:15 p.m. on August 17, 2015, in the City Commission Chambers of the City of Ennis Municipal Building, 115 W. Brown Street, Ennis, Texas 75119.

PRESENT: Mayor Pro-tem Walker, Commissioners Salik, Hernandez, Hackney, Searcy and Holley, City Manager Ewing, City Attorney Wilson, City Secretary Batchler, Chief Erisman, Chief Aycock, Economic Development Coordinator Nelson and Director of Finance Welch. Mayor Thomas was not in attendance.

DISCUSSION OF FY 2015-2016 BUDGET

City Manager Ewings reviewed changes to the proposed budget. Since the Commission's last meeting, Ellis County as provided the effective and rollback rates. We recommend adopting the rollback rate of \$00.66974 rather than the proposed rate of \$00.69 per \$100 valuation resulting in approximately 2.5 cents below the current tax rate of \$00.6950. Spending is proposed to be reduced by reducing the proposed employee raise to 3% and the expected reduction in health insurance due to a reduced number of participants.

Proposed reduction in spending and sanitation was discussed. GENERAL FUND REVENUE SUMMARY: Property Taxes (M&O) - \$6,690,418, Sales Taxes - \$3,092,700, Fees, Fines, Other - \$2,862,928, Charges for Svc (ED/Utility) - \$947,746. Total General Fund: \$13,593,792 Original Proposal- \$13,800,442 Total Reduction: (\$206,650) GENERAL FUND SUMMARY: Beginning Fund Balance - \$7,737,241, Projected Revenue - \$13,593,792, Expenditures - (\$13,593,792), FY 16 Projected Fund Balance \$7,737,241 GENERAL FUND EXPENDITURES: Administration includes funding for Downtown Master Plan and financial software. PARKS: Contract mowing and fund reconstruction of one softball field. STREETS: Provides for supervisor position. SANITATION FUND: Proposed rate of \$19.00 (current rate \$13.50) – residential – does not include recycling program. SANITATION PRIVATIZATION: Republic Services exclusive rights for large commercial customers currently, contract with Republic Services could be amended to include residential service twice per week trash pick up, recycling every other week, bulk item pickup for a potential rate of \$13.75-14.25 per week with a 2% administrative fee for city billing management. Sanitation Revenue: \$1,362,931, Expenditures 1,308,572, Fund Balance \$54,359 Sanitation Vehicle requested \$165,000 and Pick-up Truck \$34,000 TOURISM FUND: Revenue \$296,520, Expenses \$270,257. Roof repair bids over reimbursement, propose increasing capital by \$10,000 to \$280,257. WATER/SEWER FUND: Focus on capital replacement of line and commercial water meters, renegotiate

wholesale contracts and anticipate increased sales volume. Rates impacted by lower projected water sales and debt issuance, recommend overall 6% increase on water utility bills. Current Residential Average Bill - \$67.51, Proposed Residential Average Bill \$71.64. Raises maximum wastewater billing from 5,000 to 6,000 for residential customers based on winter average. WATER RATES: (proposed base residential water rate \$22.50, per 1,000 gallons \$3.33) (base commercial water rate \$22.50, per 1,000 gallons \$3.33) SEWER RATES: (base residential sewer rates \$22.41, per 1,000 gallons \$2.48 2,000-6000) (base commercial sewer rates \$28.03 per 1,000 gallons \$2.37) UTILITY FUND BALANCE: Beginning fund Balance \$474,825 Revenue \$8,275,760 Expenditures \$\$8,562,418 Ending FY 16 Fund Balance \$188,167

The City Commission posed questions and concerns regarding the proposed budget specifically referencing the budget presented two weeks ago verses the budget on the city website that is different. City Manager stated that errors had been corrected Commissioner Hackney stated he had 23 line items in question. Page 12 narrative regarding fiscal policy maintaining a fund balance equal to 20% of annual expenditures. City Manager Ewings stated this narrative is incorrect and it will be corrected. Explanations were given by Director of Finance Welch about the service and sundry line item which contains funds for legal, outside services, cost for training and engineering. Municipal Court budget had been increased substantially. Explanation was that in the past the personnel cost were budgeted under the Police Department. Page 44-45 was referenced by Commission regarding Debt Service Fund Budget Summary, specifically Transfer from Oil and Gas 550,200. A budget templet from Haltom City was used and page 44 contained information from Haltom City's FY 14-15 budget. This and other errors shall be corrected and brought back to the Commission for further review.

Mayor Pro-tem Walker adjourned the workshop at 7:17 p.m.

Donna Batchler, City Secretary

