

CITY OF ENNIS COMMISSION WORKSHOP

SEPTEMBER 8, 2015

6:00 P.M.

Mayor Thomas called the meeting to order at 6:11 p.m. on September 8, 2015, in the City Commission Chambers of the City of Ennis Municipal Building, 115 W. Brown Street, Ennis, Texas 75119.

PRESENT: Mayor Thomas, Commissioners Salik, Hernandez, Hackney, Walker, 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.

DISCUSSION OF FY 2015-2016 BUDGET

City Manager Ewings presented two budget options.

Option 1

001 General Fund	\$13,593,792
005 Debt Service Fund	3,550,096
111 Crime Control & Prevention District Fund	695,800
214 Tourism Fund	280,257
225 LEOSE Fund	2,000
235 Police Forfeiture Fund	54,240
236 Police Narcotics Fund	14,240
258 Court Technology Fund	12,685
302 Water & Sewer Fund	8,562,418
303 Water and Sewer Capital Projects	4,010,000
312 Airport Fund	193,130
357 Sanitation Fund	1,308,572
401 Street Reconstruction Fund	807,000
402 Capital Project Bond Fund	6,615,000
506 Library Endowment	10,500
520 Museum Endowment	600
554 Fallen Library Trust	6,915
Total Expenditures	39,717,245

Option 2

001 General Fund		\$13,593,792
005 Debt Service Fund		3,550,096
111 Crime Control & Prevention District Fund		695,800
214 Tourism Fund		280,257
225 LEOSE Fund		2,000
235 Police Forfeiture Fund		54,240
236 Police Narcotics Fund		14,240
258 Court Technology Fund		12,685
302 Water & Sewer Fund		8,562,418
303 Water and Sewer Capital Projects		4,010,000
312 Airport Fund	193,130	170,625
357 Sanitation Fund		1,308,572
401 Street Reconstruction Fund	807,000	761,244
402 Capital Project Bond Fund	6,615,000	6,000,000
506 Library Endowment		10,500
520 Museum Endowment		600
554 Fallen Library Trust		<u>6,915</u>
Total Expenditures		39,033,984

The water rate structure as requested has not been completed due to the fact of necessity of tying down our wholesale rates. The current rates are tied to the wholesale rates which cannot be raised. If the wholesale rates are raised significantly the purchasers can appeal to the state resulting in mediation or suits. The current rate will need to be separated from the wholesale rates.

We are anticipating a little over \$39 million in total revenues with \$39,700,000 in expenditures. Ending fund balance of \$9,600,000. Total of all fund balances would be \$874,000. \$600,000 is left over bond funds. About \$100,000 is street maintenance and the remainder is the fund balance in utility will be used to purchase an excavator vacuum truck to clear sewer lines and deal with issues we are having with our lift stations. If the commission so chooses to adopt the second option, we did reduce those with a beginning fund balance of \$10.5 million and an ending fund balance of \$10.3 million.

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)

Tiered base was discussed. Tiered blocks would be 0 to 6000, 6000 to 10000, 10000-20000, and over 20000. Once the wholesale rates are determined, we will bring you a firm proposal that is tiered. On the commercial side, the meter size determines the base rates. Larger meters will pay a larger base rate. Holley supports the tier structure. Mayor Thomas asked for a consensus of the Commission on tier structure and a consensus was indicated.

DISCUSSION OF ECONOMIC DEVELOPMENT ITEMS

ED Coordinator Nelson presented an economic development update. EDC FY 2015-2016 Budget will be considered tonight by the City Commission. A new Historic Preservation Grant is scheduled for approval for the property located at 204 W. Knox. The Historic Preservation Grant on the property located at 210 N. Dallas has been completed. The Texas Capital Fund Grant Application is scheduled for consideration by the City Commission. A tax abatement for project Stargazer is in the works.

Two options for the EEDC budget will be presented.

Option 1

REVENUE			
Unrestricted Fund Balance		\$6,054,458.00	fb
Restricted Fund Balance		\$695,150.00	fb
	(bond reserve 105-1201)		
Restricted Fund Balance for Future SYSCO or AIRPORT		\$2,000,000.00	fb
	(construct national drive or 10% of airport project cost)		
Cash Balance - Capital Project Fund		\$600,000.00	fb
	(bond proceeds - restricted for industrial park development)		
Anticipated Sales Tax Revenue		\$1,556,500.00	
Interest Income		\$40,000.00	
Miscellaneous Income		\$15,000.00	
	(merchandise sales, lease income, donations & sponsorships)		
TOTAL REVENUE		\$10,961,108.00	
EXPENDITURES			

DEBT SERVICE

Sales Tax Revenue Bonds, Series 1999 (payments begin 8/1/2025)	\$0.00
Sales Tax Refunding Bonds, Series 2008	\$501,450.00
Sales Tax Refunding Bonds, Series 2014	\$225,750.00
DEBT SERVICE TOTAL	\$727,200.00

FUNDED COMMITMENTS

Certificates of Obligation, Series 1998 (2012 Refunding) (I-45 Secondary Access Road, ends 2018)	\$115,800.00
Texas Capital Fund Repayment	\$140,000.00
FUNDED COMMITMENTS TOTAL	\$255,800.00

OPERATING AND CAPITAL EXPENDITURES

Restricted Fund Balance (bond reserve 105-1201)	\$695,150.00
Restricted for industrial park development (bond proceeds)	\$600,000.00
Restricted for Future SYSCO or AIRPORT	\$2,000,000.00
Administrative Services to City (ED, Downtown and FM Coordinators)	\$190,000.00
Lights of Ennis	\$30,000.00
Farmers Market	\$25,000.00
Downtown Façade Grants	\$100,000.00
Kaufman Façade Grants	\$50,000.00
Downtown Revitalization (Main Street)	\$50,000.00
Industrial Park Maintenance (Rail Spur)	\$200,000.00
Historic Preservation Grants	\$1,000,000.00
Economic Development Activities (Operations & Marketing)	\$50,000.00
Catalyst Projects (Comprehensive Plan & Downtown Master Plan - individually approved)	\$2,000,000.00
Property Acquisition (Project Firebird & Industrial)	\$1,850,000.00
Unrestricted Funds	\$1,137,958.00
OPERATING AND CAPITAL EXPENDITURES TOTAL	\$9,978,108.00
TOTAL EXPENDITURES	\$10,961,108.00

4b funds to be used for "projects" not approved as part of the budget require City Commission approval pursuant to Section 505-158-160 of the TLGC.

Option 2

Unrestricted Fund Balance	\$6,054,458.00	fb
Restricted Fund Balance	\$695,150.00	fb
(bond reserve 105-1201)		
Restricted Fund Balance for Future SYSCO or AIRPORT	\$2,000,000.00	fb
(construct national drive or 10% of airport project cost)		
Cash Balance - Capital Project Fund	\$600,000.00	fb
(bond proceeds - restricted for industrial park development)		
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TOTAL REVENUE	\$10,961,108.00	
EXPENDITURES		
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Unrestricted Funds	\$3,987,958.00	
OPERATING AND CAPITAL EXPENDITURES TOTAL	\$9,978,108.00	
TOTAL EXPENDITURES	\$10,961,108.00	

Mayor Thomas adjourned the workshop at 6:43 p.m.

Donna Batchler, City Secretary