

The Budget Workshop Meeting of September 4, 2013 was called to order at 6:30 p.m.

MAYOR

Ron Reinhard

OTHERS

Shannan Kinsley

Don Reddout

COUNCILMEMBERS

Don Nettle

Jennifer Nottingham

Mitch Thornton

Lynn Tiner

Jeff Waldrop

A quorum was declared.

OLD BUSINESS:

1. DISCUSS AND ACT ON CITY OF GREY FOREST PROPOSED FISCAL YEAR 2013/2014 MUNICIPAL ANNUAL BUDGET

Mayor Reinhard stated on August 23, 2013, he officially submitted the 2013/2014 proposed budget as required by Texas Local Government Code 102.005. Mayor Reinhard stated the Budget Public Hearing has been set for Monday, September 16, 2013 at 6:30 p.m. Pursuant to Texas Local Government Code, a Public Hearing has to be held prior to adopting the budget. At the Public Hearing, all interested parties are given the time to discuss, ask questions and comment on the proposed budget. After the Public Hearing, an action has to be taken on the budget. That action can be to adopt the budget, set a later date to adopt the budget, etc. After the budget is adopted, the tax rate has to be approved by ordinance. The date has been set and published to adopt the tax rate at the Regular Council Meeting on September 24, 2013. Mayor Reinhard stated he has provided Council a budget summary showing the increases/decreases in the proposed budget as compared to Fiscal Year 2012/2013. In addition, he has provided an explanation and reasoning for the numbers submitted. Mayor Reinhard reviewed the proposed budget in detail. He stated in past years, the thought has been not to increase citizen's taxes so that is what he has proposed. Income was reviewed. Mayor Reinhard stated he would make sure Franchise Fees (I-06) and Fine, Warrants, Bonds (I-10) are where they should be. Line Items No. (E-104), (E-208), (E-403), (E- 408) and (E-412) will be changed to "Health Insurance" for clarity on the type of benefit it is. Line Item No. (E-124) will reflect "Facility Maintenance Supplies". Public Works Full Time Pay (E-205) is incorrect and will reflect the correct salary of \$27,040. This will also affect the FICA and Retirement which will be corrected accordingly. Public Works Part Time Pay (E-209) will be reduced to \$9,000. This position will be 900 hours for the year at \$10.00 an hour. Reducing the hours will lower the FICA and eliminate retirement. Public Works Contract Labor (E-213) will be increased to \$7,200 allowing the City to hire someone to remove hazardous trees. Public Works Training Line Item was added in the amount of \$500. Council would like to see Chris Mikel attend workshops and/or training that will help him grow in his position. Arborist Fund (E-222) was reduced to \$100 as no funds were spent last year. Police Chief Salary (E-400) was increased to \$51,000 to reflect the increased salary after six months satisfactory probation. FICA and Retirement will be adjusted accordingly for the increase. Warrants Served (E-502) will be increased to \$1,050 to provide for warrant fees. Officers are now collecting on warrants. A fee is collected from the defendant through the warrant. When the warrant is collected on, the fee is paid to the officer less an administrative fee. If a large amount of warrants are collected, it may increase the State Quarterly Fees (E-503). Since this is a new process, we can't predict the outcome and will leave as is for now. Councilmember Nottingham stated if the City continues to contribute to Citizen Education & Activities (E-602), she would like to see the City receive recognition at the event. Mayor Reinhard stated he proposed a 7.49% increase totaling \$4,410 for the Public Safety Fire Contract (E-700). Councilmember Nottingham stated the increase needs to be larger. The Fire Department provides the City a better service. When there's a flood and the Fire Department is out there helping clear debris, they don't do that for anyone else. Councilmember Nottingham stated there's a \$33,102 overage from last year that increased the Contingency Fund. She proposes that overage go to the Fire Department. Mayor Reinhard stated since we're not at the

end of the year, that number was is a projection. We won't have a final number until the end of the month. Councilmember Thornton stated the City pays twice as much as the ESD. He stated Council is there to be good stewards of the citizen's money and he can't justify paying twice as much as other citizens that live in this area. He stated it's not financially responsible to spend money based on emotion. If he could justify better service such as a 24 hour person at the station for the City, then he could rationalize the increase. Don Reddout stated their goal is to have someone at the station most of the time, but can't guarantee a person physically there 24 hours a day. They have 24 hour coverage but depending on the kind of call, may at times not have someone physically there. Councilmember Thornton stated he understands that things happen. He stated if they were a City Department, he would feel completely different. Councilmember Tiner stated he doesn't care what the ESD gives them. He stated we contract for a service, they provide excellent service and the two shouldn't be compared. Councilmember Nettle stated if we increase the Fire Department, then we need to decrease something else. He agrees with Councilmember Thornton and that the City shouldn't pay different prices for the same service. He stated the City receives good service but it's the same service provided to others in the ESD. He thinks the contract should stay with the \$4,410 increase as proposed by Mayor Reinhard. It's their responsibility to consider what the City is paying compared to what others that rely on the Fire Department are paying. Mayor Reinhard stated the City contracts for a service and receives great service. However, they need to look at what the City can afford and stay within those means. Councilmember Waldrop stated he would like to see more money go to the Fire Department because of the service they provide. However, with that said he wants to be cautious when we talk about the Contingency Fund. He stated it doesn't take that many years to dip into the Contingency Fund where all of a sudden it gets away from you and is reduced so much that it won't provide for any real emergencies. He suggests we compromise and proposes giving the Fire Department half of the \$33,102 overage that's going into the Contingency Fund plus the \$4,410 as proposed by the Mayor giving an increase of \$20,961. Rounding, it would increase the contract to \$79,875. Don Reddout stated speaking as a citizen and not on behalf of the Fire Department, he wants more money to go to the Fire Department. He wants an even better service than what we already have. There was further discussion on the Fire Department Contract. Councilmember Waldrop made the motion to increase the Fire Department Contract to \$79,875 for the purpose of going into the Public Hearing and if the difference in this year's overage changes, evaluate it and adjust as necessary. The motion was seconded by Councilmember Tiner. Councilmember Thornton stated he's in favor of the increase and can justify it if the Fire Department has someone in the City most of the time. The motion passed with 4 YES and 1 OPPOSED by Councilmember Nettle. Mayor Reinhard stated he will update the budget and put on the City website by the end of the week.

Mayor Reinhard adjourned the Workshop Meeting at 9:50 p.m.

These minutes were written/recorded by Shannan Kinsley.

These minutes were approved as written amended on the 24th day of September, 2013.

Signed: Ronald G. Reinhard
Ronald G. Reinhard, Mayor