

City of Natalia, Texas
Special City Council Meeting
Budget Workshop
August 17, 2015 at 6:00pm
Minutes

1. Call to Order: City Administrator/Secretary performed roll call, and a quorum of members were present. Mayor Vera called the special city council meeting to order.

Mayor Ruby Vera - Present Alderman Sam Bluemel - Present
Alderman Tommy Ortiz - Present Alderman Sam Smith - Present
Alderman Ruben Juarez - Absent Alderman Mike Fernandez - Present
2. Discussion/Consider action on authorizing the Mayor and City Administrator to seek a short-term loan to support fiscal year 2014-2015 maintenance and operations.

City Administrator Hernandez explained that as of August 24, 2015 the General Fund estimated balance after processing accounts payable and payroll remains \$4,431.78; because property tax collections have ceased, sales taxes, franchise taxes and court fines are the main sources of revenues that support the general fund operations. With the provided estimates of revenues and expenses for the remainder of August and September the net income is expected to fall short by \$21,559. The Utility Fund estimated balances, including revenues and expenses for August and September, has a positive net income of \$5,508; however, the revenues expected ending September is not collected until October, so the estimates do not take into consideration the utility billings collection cycle. City Administrator Hernandez explained that because of unexpected expenditures, the city's operational funds were utilized, and mentioned the borrowed funds will be placed in reserves and will only be used when additional funds is absolutely necessary. Alderman Smith made the motion authorizing the Mayor and City Administrator to seek a short-term loan for an amount not to exceed \$25,000 if needed to support fiscal year 2014-2015 maintenance and operations. Alderman Ortiz seconded the motion. The motion passed unanimously.
3. Presentation/Discussion/Consider action on the Proposed Fiscal Year 2015-2016 General and Utility Fund Budgets.

City Administrator Hernandez stated that each member of the City Council was provided a budgetary and utility rate structure worksheet with a submission deadline of August 3, 2015; and having not received any proposals or requests, the budget was based on projected revenues and expenses including a rate structure that reflects an average rate increase for water and sewer by \$4.75 for residential consumption of 5,000 gallons, and average rate increase for water and sewer by \$47.50 for commercial consumption of 50,000 gallons. The rates also include a 2.5% consumer price index increase for garbage disposal for both residential and commercial customers. The rate structure increases the tiered water consumption levels by .05 cents per 100 gallons. The determination of rates took into consideration the expected improvements to the water and sewer system, and applying any net income into reserves. Based on the 2015 tax base of \$30,352,588, Medina County Tax-Assessor provided the effective and rollback tax rates that include the maintenance and operations rate, and debt rate; having an effective rate of \$0.8801, an

maintenance and operations rate of \$0.7319, debt rate of \$0.1550, and a rollback of \$0.9454; the proposed tax rate reflected in the budget is \$0.8869 (operating rate \$0.7319 + debt rate \$0.1550), this rate means a home valued at \$100,000 will pay \$11.70 more than last year's rate in property taxes. The proposed budget(s) will conclude the payment of two debts, 1) the 2009 Series Tax Obligation, and 2) the purchase of CopSync citation system; the budget(s) include for a 2% cost of living salary increase to all full-time employees, and the renewal of Humana Insurance for the continued 100% employer funded medical and life insurance premiums; no additional employees are considered. Additionally, the presented proposed budgets will be revised to reflect the repayment of the anticipated short-term loan, and then to be filed by August 19, 2015.

Alderman Bluemel made the motion accepting the proposed budget(s) and the noted revisions to be made for filing, and Alderman Fernandez seconded the motion. The motion passed unanimously.

4. Discussion/Action on setting a date, time and place for the public hearing on the proposed budget(s). City Administrator explained that a proposed budget-tax calendar was provided, providing for a budget workshop/public hearing(s) September 3rd at 6:00pm and the official public hearing for September 10th at 6:00pm. After review of the calendar, and discussion, Alderman Smith made the motion to move the budget public hearing dates to September 2nd and 9th for 6:00pm at city hall council chambers; Alderman Fernandez seconded the motion. The motion passed unanimously.
5. Discussion/Action on setting a proposed tax rate, and setting a date, time and place for the public hearing(s) and adoption of the tax rate.
Alderman Ortiz made the motion to set the proposed tax rate at \$0.8869 per \$100 valuation, and setting the public hearings for September 2nd and 9th at 6:00pm at city hall council chambers, and setting the adoption date for September 21st for 7:00pm. Alderman Bluemel seconds the motion. The motion passed unanimously.
6. Alderman Fernandez made a motion to adjourn the meeting at 6:55pm, and seconded by Alderman Smith. Motion passed by unanimously.

Passed and approved this 2nd day of September, 2015.

Ruberta C. Vera, Mayor

Attest:

Lisa S. Hernandez,
City Administrator/Secretary