

City of Natalia, Texas
City Council Budget Workshop
August 21, 2017 at 6:00 pm
Minutes

1) **Call to Order: Mayor Pro-Tem Sam Smith called the regular city council meeting to order at 6:00 pm.**

Alderman (Mayor Pro-Tem) Sam Smith ó Present

Mayor ó Position Vacant

Alderman Mike Fernandez ó Absent

Alderman Tommy Ortiz - Present

Alderman Sam Bluemel ó Present

Alderman Ruben Juarez ó Present at 6:18pm

2) **Review/Discussion/Consideration of the filed Proposed Budgets for Fiscal Year 2017-2018.**

Discussion: City Administrator Hernandez filed the proposed budgets on August 9, 2017, and made available both online and at city hall for public review. This fiscal year's budget will raise more total property taxes than last year's budget by an amount of \$21,415.00 which is a 7.84% increase, and of that amount, \$2,061.00 is tax revenue to be raised from new property added to the tax roll this year. This year's budget proposes a tax rate of \$0.8564/\$100; encompassing an effective rate of \$0.7692 and a debt rate of \$0.0872 which will secure this year's annual municipal debt payment of \$30,004.00. The General Fund budget forecasts an operation budget of about \$561,000, and having a positive net fund balance of about \$20,000; at the end of the year any unassigned fund balance will be applied into contingencies, and/or may be applied toward capital improvement projects. The Utility Fund budget secures an operational budget of about \$729,000, which is over \$109,000 more than last year's budget, due to the overhaul and implementation of the city's five-year utility rate structure, the plan will commence during the first cycle of fiscal year 2017-18. The increase in rates projects an average increase of \$15.40 per customer having water and sewer with an average consumption of 5,000gallons. The increase in rates is to offset the water and wastewater improvement projects intended debt through USDA Loan/Grant Program, the amortization schedule has not yet been released but the first payment is expected to be made in the later of 2018, estimated annual payments for the \$1,327,000 water improvements is about \$49,000; and for the \$584,000 sewer improvements is about \$23,000, the city was awarded \$403,000 towards the sewer projects which decreased the loan amount from \$987,000 to \$584,000. Additionally, the Utility Fund budget forecasts a positive net fund balance of about \$20,000; at the end of the year any unassigned fund balance will be applied into contingencies, and/or may be applied toward capital improvement projects. The most identifiable need for street maintenance and improvements should also be considered, especially after the destruction of the streets when the water and wastewater construction projects end. A street improvements program can set out the conditions of the existing streets and prioritize the level of improvement necessary by either through reconstruction or maintenance plan; for this, and to begin the process an engineer is necessary to perform the study and cost analysis; engineering costs for this study has not yet been determined.

Action: None.

3) **Adjournment.** Alderman Bluemel motioned to adjourn the meeting at 6:44pm, and Alderman Ortiz seconded the motion. Motion carried unanimously.

Passed and Approved this 18th day of September, 2017.

Approval:

Attest:

Sam Smith, Mayor Pro-Tem

Lisa S. Hernandez,
City Administrator/Secretary