

**MINUTES OF THE
CITY COUNCIL BUDGET WORK SESSION
MONDAY, JULY 31, 2006 — 6:00 P.M.
CITY HALL, 209 S. WASHINGTON, KAUFMAN, TEXAS**

MAYOR	PAULA BACON
MAYOR PRO-TEM	LONNIE BOUNDS
COUNCILMEMBER	GIL ALTOM JR.
COUNCILMEMBER	FLOYD CHOYCE
COUNCILMEMBER	JEFF COUNCIL
COUNCILMEMBER	WILLIAM FORTNER
COUNCILMEMBER	BARRY RATCLIFFE

CALL MEETING TO ORDER: Mayor Bacon called the Meeting to order at 6:18 p.m. Councilmembers present were Mayor Bacon, Councilmember Altom, Councilmember Choyce, Councilmember Council, Councilmember Fortner and Councilmember Ratcliffe. Mayor Pro-Tem Bounds was absent. Mayor Bacon declared a quorum present. Also present were City Manager Curtis Snow, ACM/City Secretary Jo Ann Talbot, Director of Public Works Richard Underwood and Director of Finance Cathy Cummins.

NOTE: A Work Session is used to explore matters of interest to one or more City Council Members or the City Manager for the purpose of giving staff direction into whether or not such matters should be placed on a future regular or special meeting of the Council for citizens input, City Council deliberation and formal City action. At a work session, the City Council generally receives informal and preliminary reports and information from City staff, officials, members of City committees, and the individual or organization proposing council action, if invited by City Council or City Manager to participate in the session. Participation by individuals and members of organizations invited to speak ceases when the Mayor announces the session is being closed to public input. Although Work Sessions are public meetings, and citizens have a legal right to attend, they are not public hearings, so citizens are not allowed to participate in the session unless invited to do so by the Mayor. Any citizen may supply to the City Council, prior to the beginning of the session, a written report regarding the citizen's opinion on the matter being explored. Should the Council direct the matter be placed on a regular meeting agenda, the staff will generally prepare a final report defining the proposed action, which will be made available to all citizens prior to the regular meeting at which citizen input is sought. The purpose of this procedure is to allow citizens attending the regular meeting the opportunity to hear the views of their fellow citizens without having to attend two meetings.

1. Receive a report, hold a discussion, and give Staff direction regarding the Fiscal Year 2006-2007 Program of Services (Budget).

City Manager Curtis Snow informed the Council that the new Fiscal Year 2006-2007 total Budget is proposed at \$7,787,075 in expenses with \$6,235,247 in revenues and the use of \$315,653 in excess reserves to cover the excess costs. No new employees are in the Budget. There is a provision for \$1,140,000 in certificates of obligation to improve the water towers and purchase a fire truck. These operating expenses are 19.5% above the current year budgeted expenses.

General Fund Budget calls for \$4,363,530 in expenses and is covered by \$3,500,355 in revenues from existing resources and \$328,425 in fund reserves. The budget does not call for any tax rate increase or any other fee increases. This budget will start making inroads on street maintenance, beautification, and improved service to the public and systemic improvements in the management of the City.

Water and Sewer Fund Budget calls for \$3,162,078 in expenses and is covered by \$2,529,600 in revenues from existing resources, \$614,000 in certificates of obligation and \$17,478 in fund reserves. This budget also incorporates a 3% increase in water rates for operations and maintenance and another \$.05 per thousand applied by North Texas Municipal Water District. Sewer rates remain the same.

City Manager Curtis Snow reported that there is \$1.5 million budgeted for capital projects and new programs. Some of the programs are renovating or replacing existing resources to bring them up to standard. The following capital projects and new programs were proposed as follows: Farmer's Market, Compensation Study, replace phone system, Land Use Plan and Subdivision Ordinance Update, replace pumper truck with a Quint Fire Truck (issue bonds), 30 key diesel pump, additional funds for street overlay, Highway 175 landscaping, recoat and upgrade two water towers (issue bonds or loan), wastewater treatment plant roof replacement, replace wastewater treatment aerator and employee adjustments of four percent.

Mr. Snow referred to a Talley sheet regarding the Fiscal Year 2005-2006 and Fiscal Year 2006-2007 budget. He reported a 27% increase from current year's budget from the New Year's budget. This is due to capital projects and new programs. Some of the expenses are a one-time project and capital replacement.

The Council and Staff discussed the proposed Farmers Market; Compensation Study; police vehicle; consulting services for Comprehensive Plan and Subdivision Regulations study; the Quint Fire Truck; recoating of the two water towers; and additional funds for street improvements.

Mr. Snow gave the Council a survey of proposed projects and equipment recommended in the Fiscal Year 2006-2007. Staff asked the Council to complete the survey and return it to Staff for further direction on the proposed budget.

Budget documents are hereby attached to the minutes.

ADJOURNMENT.

There being no further business, Councilmember Altom moved and seconded by Councilmember Fortner to adjourn the meeting at 7:39 p.m. Mayor Bacon called for a vote with all voting AYE, the motion carried. Mayor Pro-Tem Bounds was absent.

PAULA BACON, MAYOR

ATTEST:

JO ANN TALBOT, CITY SECRETARY

A TAPE RECORDING OF THIS MEETING IS ON FILE AT CITY HALL. THESE MINUTES ARE CONDENSED THEREFORM.