

MINUTES
BUDGET WORKSHOP AND SPECIAL CALLED
July 26, 2018

The City Council of the City of Jasper, Texas met on July 26, 2018 with the following members present to wit:

Gary Gatlin.....Mayor
Tommy Schofield.....Council Member
Hazel Johnson.....Council Member
Mitch McMillon.....Council Member

Denise Kelley.....City Manager / Finance Director
Robbie Peek.....City Secretary / Finance Assistant

Members absent:

Rashad Lewis.....Council Member

The meeting was called to order by Mayor Gary Gatlin at 11:02 AM and opened with prayer by Mayor Gatlin.

Mayor Gatlin asked Denise Kelley, City Manager and Budget & Finance Director, to present the 2018-2019 Budget Plan, and the floor would be open at any time during the presentation to any questions or comments by Council and/or City Staff present.

Denise Kelley outlined the highlights of the 2018-2019 budget plan as:

Capital Requests: Capital Requests are not included in this operating budget. A list of Capital Requests was discussed for the new fiscal year of 2018-2019 along with the indication that these items would be funded from excess Cambridge and/or NISCO funds. Council was in agreement with Mrs. Kelley to present this list of Capital Requests and request to fund with Cambridge and/or NISCO funds at the next scheduled Regular Council Meeting for approval.

Salary Increases: Three (3%) salary increases are included in the budget plan in all regular departments. If approved, Council will designate whether this will be a COLA increase or an increase from 1% to 3% based on merit. Under special circumstances, directors may request an amount up to 5% to be approved by the City Manager based on recommendation by the Supervisor.

Property Tax Information: 2017 Certified Values were \$313,054,483 and 2018 Certified Values are \$320,692,560. This is an increase in appraised value of \$7,014,551 which would result in a tax increase of \$24,304 over last year's values. Current rate is .3182 with .2157 allocated to maintenance and operations and .1024 allocated to interest and sinking fund in debt service. The indication by Mrs. Kelley after consultation with the County Tax Office is that the Council could approve to leave the rate as is or lower, but recommended leaving the rate as is in order to maintain operating expenses.

Individual Funds – Surplus or Shortages: The General Fund is short \$63,274 after review and with no increase in tax revenue. The Light and Power Fund is a positive \$62,256 and Water and Sewer is a positive \$211,770. If no changes are made to Property tax rate and all factors remain the same then shortage in the General Fund can be made up by additional transfers from the other funds into the General Fund.

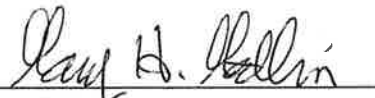
Utility Rates: Under our current ordinance, the utility rates shall go up by the annual national inflation rate as calculated by the Consumer Price Index (CPI-U) for the previous calendar year each October 1 beginning in 2017. The rate of increase will not exceed three (3%) any given year. The inflation rate as stated above shall increase those rates and fees shown in the City's Code of Ordinances. This paragraph needs to be added to the Electric Utility section of the ordinances. This updated Ordinance will be presented to Council at the next scheduled Regular Council Meeting. The Water and Sewer Department presented a new rate schedule in 2014 and was approved by City Council.

Mrs. Kelley continued the presentation by summarizing each Fund and Department's expected Revenue and Expenses for 2018-2019. While discussing the General Fund, Municipal Judge Robert Jackson shared the new laws regarding Class C charges. He and Police Chief Gerald Hall discussed how this could affect the City financially with a decrease in fines collected, as well as an increase in expenses due to having to house prisoners longer than usual while waiting on a bed to become available at the County.

Mrs. Kelley asked those Councilmembers present if there were any suggestions on changes to the overall Budget Plan, but there were none.

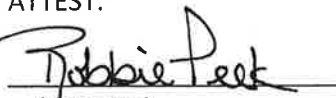
Next on the Agenda was discussion of the tabled item to consider the potential funding opportunities through (a) Government Land Office/CDBG Disaster, (b) Texas Department of Emergency Management – Hazard Mitigation Projections, (c) Flood – 2016 GLO flood Mitigation, (d) Economic Development Administration, and/or (e) Regular CDBG program with Texas Department of Agriculture. David and Leslie Waxman of David J. Waxman, Inc. took questions from Council and staff regarding each opportunity available. After a lengthy discussion, it was decided that the City should research this information further and review possible eligible projects within City. Once Statements of Qualifications for Administration and Engineering for potential projects were received and scored, then City Administration could come back to Council for approval to proceed. For this reason, no action was taken.

Meeting was adjourned at 1:30 PM.



Gary Gatlin, Mayor

ATTEST:



Robbie Peek, City Secretary