

CITY COUNCIL MINUTES  
BUDGET WORKSHOP

KERRVILLE, TEXAS  
June 30, 2016

June 30, 2016, the meeting of the Kerrville City Council was called to order by Mayor White at 9:00 a.m. in the city hall upstairs conference room, 701 Main Street. Mayor White offered an invocation.

COUNCILMEMBERS PRESENT:

Bonnie White	Mayor
Stephen P. Fine	Mayor Pro Tem
Gene Allen	Councilmember (left at 10:30 a.m.)
Gary F. Stork	Councilmember
Glenn Andrew	Councilmember

COUNCILMEMBERS ABSENT:

None

CITY CORE STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Malcolm Matthew	Interim Deputy City Manager
Cheryl Brown	Deputy City Secretary
Sandra Yarbrough	Director of Finance
Kim Meismer	Director of General Operations
Kaitlin Berry	Special Projects Manager
David Knight	Police Chief
Dannie Smith	Fire Chief

**DISCUSSION AND DIRECTION TO STAFF REGARDING THE PROPOSED FISCAL YEAR 2017 BUDGET**

Mr. Parton presented the balanced proposed Fiscal Year 2017 budget:

- The tax rate for the eighth consecutive year was maintained at \$0.5625.
- \$1.02 increase in the account maintenance fee (base rate) in the utility fund, which had been the same since 2009. There was a consumption rate increase in 2012, which was utilized to fund capital projects.
- The sports complex opening was changed to July or August 2017 due to rain.
- The design for the first phase of the water reclamation project was due soon, and bids for design would be let at the end of 2016.
- Included salary adjustments pursuant to the updated compensation plan. He discussed the impact of salary adjustments to the general fund and noted the step program for Fire and Police Departments was current.
- Total revenue from outside sources was \$41,640,257, an inter fund source total of \$9,682,161, for total revenue in the amount of \$51,322,418. These totals were made on the assumptions of a \$1.02 base rate increase on monthly utility bills, a \$0.5625 property tax rate, and a sales tax revenue increase of 3%.
- Total expenditure from outside sources of \$40,973,901, an inter fund source

total of \$9,682,161, for total expenditure in the amount of \$50,656,062. These totals were made on the assumptions of a personnel budget to receive merit and step plan increases, and service category including \$3.6 million for insurance and \$1.5 million for utilities.

- Reviewed general fund highlights, revenue sources, and the fiscal sustainability model. He presented a property tax comparison to ten cities of similar size with an AA bond rating. He reviewed general fund expenditures, which included: \$1.25 million for paving, five police replacement vehicles, one ambulance remount, dump truck and oil distributor for streets, cardiac monitors for EMS, four replacement vehicles, transfer to pay for approximately half of a replacement fire truck, a partial year's operation of the sports complex, merit and step increases, and an update of the comprehensive plan.
- Reviewed water and sewer fund budget highlights, based on the assumption of an increase of \$1.02 per month in the base rate.
- The general fund debt service was set to drop off significantly in FY2023. The city had a debt service capacity of an additional \$10 million in FY2021, assuming the tax rate remained at \$0.5625. The water and sewer debt service for capital projects anticipated new issuances in addition to \$8.0 million in FY2019, \$7.5 million in FY2023, and \$7.5 million in FY2026.
- Reviewed the prioritized list of general fund capital projects and asset replacements.
- Reviewed the water and sewer fund capital projects, asset replacement fund, and prioritized project expenditures.

**ADJOURNMENT:** The meeting adjourned at 12:53 p.m.

APPROVED: 08-23-2016

Bonnie White, Mayor

ATTEST:

Cheryl Brown, Deputy City Secretary