

MINUTES
FRITCH CITY COUNCIL CALLED SESSION
THURSDAY SEPTEMBER 8, 2016
CITY ANNEX 509 W. BROADWAY FRITCH, TEXAS
6:30 P.M.

- 1. Call to order.** Meeting called to order by Mayor W. Kelly Henderson at 6:30 p.m. Councilmembers present: Dwight Kirksey, Denise Campbell, Mayor Pro Tem Richard Hein, Arturo Gutierrez and Arlin Audrain. City Employees present: Steve McKay, Monte Leggett, Abby White and Cindy Cook.
- 2. Invocation – Pledge of Allegiance.** Prayer given by Councilmember Audrain and pledge led by City Manager McKay.
- 2. Public Hearing for FY 2016-2017 budget for the City of Fritch.**

Mayor Henderson asked City Manager McKay what changes had been made to the budget since last meeting.

Manager McKay replied that he had put money back into roof repairs, put \$50,000 into legal fees in the Water department and office expense, office supplies and janitorial supplies were all combined into office supplies. Amounts for overtime and salaries were put into separate categories. Funds from the SBA cell tower lease were added into the General Revenues. The check should be received in October.

Mayor Henderson talked about having a plan for purchasing vehicles in the Police and Maintenance Departments on a regular cycle. Ordinance 1.03.035 (10) was brought up which states: "City Manager shall" act as purchasing agent for the city and may establish, if needed, a suitable storehouse where such supplies shall be kept and from which same shall be issued as needed. Should the cost of any such merchandise, material or supply to be purchased by the city manager exceed the amount of ten thousand dollars (\$10,000.00), the city manager, prior to making such purchase, shall receive approval of the city council for such purchase. Mayor requested before vehicle purchases and roof repairs are about to be made, that they be brought before the City Council. Mayor also discussed that most of the increase in funds for matching grants and projects come from the SBA cell tower lease buyout.

Councilmember Kirksey asked questions about the amount of salary increases – why some seemed big and some little. Manager McKay explained that there was approximately \$8,000 in difference between Andrew Zink's salary and the new utility clerk's salary. Councilmember Kirksey said that he had one concern. There are some individuals receiving substantial raises. Will there be a salary cap?

Manager McKay said after this year, we should be able to go to percent raises. Everything will be based on percentage. Raises will still have to be approved by Council.

Mayor Kelly requested that monthly payroll reports be given to Council with overtime separated out.

Manager McKay stated that beginning in October, more reports would be given to Council. One would be the amount of spending by each department will be reported by percentage.

Councilmember Campbell asked about details on the coding of items.

Manager McKay stated that department heads are responsible to code the expenditures and then it will be checked by himself or the City secretary so we can ensure items will be properly coded.

Councilmember Audrain inquired about the difference between the repair and maintenance of streets and street improvement.

Manager McKay explained that filling of potholes and patching streets comes under 5341 – repair and maintenance. Chip and seal and grading of dirt streets come under street improvement.

Councilmember Audrain asked what we use most on patching streets. Manager McKay said concrete is about the

only thing that will hold. Hot mix is used when we can get it. Hot mix is only made so many times a summer.

Councilmember Audrain commented that a lot of the dirt roads have gravel on them. Manager McKay explained that we grab dirt wherever we can and sometimes it has gravel in it.

Mayor asked if the council had any other questions or concerns.

Councilmember Campbell asked where the funds for roof repair are on the budget.

Manager McKay said the money for city hall and the annex is located in administration. Police Department and the Museum are splitting the amount to repair their building.

Mayor asked about the amount of overtime in the water department.

Manager McKay said that he figured about \$5,000 per person in the Water department.

Mayor asked Chief Leggett if the amount of reserve pay could be broke down from the amount of overtime. He also asked how many reserves do we have and do we know how many hours are given to reserve officers.

Chief Leggett said he has seven reserves who work a set schedule as much as possible, but some situations require more officers. In those instances, we just have to be flexible.

Mayor asked if we know about dispatch fees.

Chief Leggett said at this time, it is a guessing game. All contracts are scheduled to be cancelled and a cost per call will be charged. He also stated that reserve pay and overtime is added together to cover special events such as Howdy Neighbor Day and holidays. We could have a light year and not need it or it could be like 2014 when we had the fire and had a lot of hours.

Councilmember Campbell stated that if the overtime is excessive for the Police Department, then it might be justification to hire more full time officers.

Mayor asked if there were more questions and then summarized: Added lease agreement into the General fund, vehicles and roof repair will still come for Council approval even though they are on the budget, and office expense, office supplies and janitorial supplies combines into office supplies. The Mayor thanked City Manager McKay and City Secretary Cook for working so hard to present this budget. He stated that he appreciated the effort put forth.

Darla Harriman asked if she could comment. One of the items she read from was a TML document entitled, "Where Do Texas Cities Get Their Money?" She read the following: "Many cities operate utilities and other optional services that generate substantial gross revenues. By law, the fees for such services must closely offset the cost of providing the service. In addition to the cost factor, cities are permitted to retain a reasonable "return," which can then be transferred to the general fund. This return amounts to less than seven percent of overall city revenue." She also read from a document entitled Public Profit for the Public Good. She also read a statement that, "Transfers of those monies from utilities into to general fund pose a problem of accountability for the entities and elected officials." Ms. Harriman stated that 55% of water revenues are from outside of the city. She read another statement that said, "local cities should resist the urge to balance the budget on the back of ratepayers." She urged the Council to avoid the problems of the past.

Mayor Henderson stated that purchasing the water system put the city in a bad spot financially. The city is unable to obtain loans so money must be shifted to order to pay off the debt. Once the water system is repaired and up-to-date, rates should return to normal.

Ms. Harriman stated that the council should stay reasonable and operational. Have money for emergencies where it

is not a strain on either side.

- 3. Discuss and take action to adopt 2016-2017 budget by ordinance for the City of Fritch.** Motion made by Mayor Pro Tem Hein to adopt budget for FY 2016 – 2017 for the City of Fritch by Ordinance number 548. Second made by Councilmember Audrain. Vote 5/0.
- 4. Discuss and take action to adopt tax rate for 2016-2017 by ordinance for the City of Fritch.** Motion made by Councilmember Kirksey to adopt the effective tax rate of \$0.712625 (\$0.377427 M & O, \$0.335198 I & S) for the City of Fritch by Ordinance number 549. Second made by Councilmember Campbell. Vote 5/0.
- 5. Adjourn.** Motion to adjourn made by Mayor Pro Tem Hein. Second made by Councilmember Campbell. Vote 5/0.

READ, PASSED AND APPROVED on this _____ day of _____, 2016.

Mayor W. Kelly Henderson

Cindy Cook, City Secretary