

**MINUTES OF THE  
KAUFMAN CITY COUNCIL STRATEGIC PLANNING  
AND  
BUDGET WORK SESSION  
FRIDAY, JULY 30, 2010 — 1:30 P.M.  
CEDAR CREEK COUNTRY CLUB  
18392 COUNTRY CLUB DRIVE  
KEMP, TEXAS 75143**

**CITY COUNCILMEMBERS**

<b>MAYOR</b>	<b>WILLIAM FORTNER</b>
<b>MAYOR PRO-TEM</b>	<b>BARRY RATCLIFFE</b>
<b>COUNCILMEMBER</b>	<b>GIL ALTOM JR.</b>
<b>COUNCILMEMBER</b>	<b>JEFF COUNCIL</b>
<b>COUNCILMEMBER</b>	<b>CHARLES GILLENWATER</b>
<b>COUNCILMEMBER</b>	<b>KENNETH MUNDEN</b>
<b>COUNCILMEMBER</b>	<b>LOUIS TIJERINA</b>

**CALL MEETING TO ORDER:** Mayor Fortner called the Meeting to order at 2:01 p.m. Councilmembers present were William Fortner, Gil Altom, Kenneth Munden, and Louis Tijerina. Mayor Fortner declared a quorum present. Councilmember Charles Gillenwater arrived at 2:50 p.m. Mayor Pro-Tem Ratcliffe and Councilmember Council were absent. Also present were City Manager Curtis Snow, ACM/City Secretary Jo Ann Talbot and Finance Director Cathy Cummins.

1. The Kaufman City Council will hold a Strategic Planning and Budget Work Session for the City of Kaufman.

City Manager Curtis Snow informed the Council that they would receive an overview of the proposed Fiscal Year 2010-2011 Budget and tomorrow the Council would discuss goals.

Mr. Snow gave an overview of the operating budget and reported that there is a 3.2% overall increase in the proposed budget. The General Fund increases by 5.2% or \$192,000. The increase is primarily because of the \$100,000.00 increase in the street overlay program and a \$25,000.00 increase in Solid Waste Garbage Service. IESI is proposing a 15% increase in the rate. The City will let bids out for these services.

The Utility Fund increases 3.2% or \$89,000.00. \$42,000 is for North Texas Municipal Water District and replacing another \$80,000 mixer at the Wastewater Treatment Plant.

There is a \$0.50 cent per thousand gallons increase in water rates. This

increase covers 1) a **9 cent** increase in North Texas Municipal Water District rates, 2) covers the cost of water not sold below the take or pay rate, 3) replenishes the excessive draw on reserve working capital. The sewer rate increase of 15% is to cover the cost of the mixer, provide adequate resources for system failures as they seem to be increasing in recent years.

The General Fund balance is still strong. We anticipated drawing down \$91,000 this year, and we are probably only going to draw down around \$11,000. That leaves the estimated fund balance at \$957,788. With the proposed budget drawing down an additional \$275,783, the excess balances will still be over \$636,058. As of today, we have an estimated tax rate of only one third of a cent increase.

The Utility Fund is not so strong. That is the reason for the request to increase rates. The City is continuing to spend more than we take in. The working fund balances are getting dangerously low. If the City continues drawing down at this rate, the City would not be able to adhere to its reserve policies for the Utility Fund in the next two years. In reality, our rate of draw down is increasing each year because of emergency repairs to the system. When this year ends, there will be only \$31,000 left above our designated reserve of working capital. With the utility rate increases proposed, the City will be able to collect revenues that meet expenses and add over \$62,000 to our reserves. There are a large number of utility projects on hold to keep costs down.

The significant increases in the budget an additional \$100,000 for street overlay, \$24,000 increase for solid waste services, \$10,000 for overtime in Police Department, \$17,0000 for a replacement truck in Code Enforcement, \$7,000 for underestimating the cost of Inspection Services, \$8,000 for a replacement Police vehicle, and \$15,000 for technology maintenance costs in the Police Department.

For Utilities, the only increases are \$80,000 for another mixer at the Wastewater Treatment Plant and \$42,000 for North Texas Municipal Water District. There are no decreases. There are small cuts. There is no salary increase for employees for the second year. The health insurance rates will increase 11%.

Mr. Snow went through each Departments budget reporting on the amount of increases and decreases.

Mr. Snow commented that the first priority of this budget is to survive this economy. He reported that normally we only use fund balance for capital cost, but now we are using it for our operating cost.

Break was called at 3:00 p.m.  
Reconvened at 3:30 p.m.

The City Council discussed the following issues and concerns:

Discussion was held on the Sports Complex to hold events year round at the Complex and to get the best use of the concession stand. Get volunteers or a Recreation Director for the sports complex to have more activities.

Discussion was held on the waste of funds in regards to the water, sewer and streets. The Public Works Department is not being managed well. When repairs are completed there should be no reason to redo the repairs. They should be fixed properly the first time. It is costing the City double the expense when not fixed correctly.

Discussion was held on field training and safety training.

A Street should not be overlaid if a new sewer line is being installed in the near future.

Employees are not shoring up excavations to fix water and sewer leaks. This is a tremendous safety hazard.

Discussion was held putting a trench box back in the budget.

Discussion of hiring an Engineer to bring experience to the Public Works Department.

Hold a Work Session to be educated on the Washington Street Corridor zoning.

Hold a Work Session for an update on the NEAT Program.

Discussion of Customer Service training.

Discussion was held on having a local attorney act as the City's prosecutor.

Discussion was held on contributing an additional \$30,000 for a health reimbursement program for the employees since there will be no raises.

Discussion was held on tiering water rates.

Discussion was held on raising water meter rates in order to cover

delinquent accounts.

Discussion was held discontinuing the after hours reconnection service for water for non-payment.

Discussion of moving Police Dispatching to Kaufman County Law Enforcement Center.

Discussion of Kudo's building for Senior Citizens.

Discussion was held regarding Downtown community improvements using matching dollar for dollar.

**ADJOURNMENT.**

There being no further business the meeting was adjourned at 5:00 p.m.

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**WILLIAM FORTNER  
MAYOR**

**ATTEST:**

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**JO ANN TALBOT  
CITY SECRETARY**