

M I N U T E S
BASTROP CITY COUNCIL
SPECIAL MEETING/ BUDGET WORKSHOP
July 29, 2014 at 6:30 pm

Pursuant to the Texas Government Code, Chapter § 551, the City Council of Bastrop, Texas held a Special Workshop/Utility Meeting on the aforementioned date at the Bastrop City Hall Council Chambers located at 1311 Chestnut Street in Bastrop, Texas to consider the following matters:

1. **CALL TO ORDER** – At 6:30 pm, Mayor Kesselus called the meeting to order. A quorum was present, Council Members Dock Jackson, Joe Beal, Kay Garcia McAnally, and Mayor Pro-Tem Willie DeLaRosa. Council Member Gilleland was absent.

Council Member Beal extended “Happy Belated Birthday” wishes to Mayor Pro-Tem DeLaRosa who celebrated his birthday on July 19th, and Mayor Kesselus who celebrated his birthday on July 25th, the gesture was followed by everyone singing “Happy Birthday to Willie & Ken.”

2. **BUDGET WORKSHOP – THE BASTROP CITY COUNCIL WILL ADJOURN THE SPECIAL MEETING AND CONVENE INTO THE WORKSHOP SESSION TO DISCUSS:**

- A. **2014-2015 BUDGET – A REVIEW AND DISCUSSION WITH THE CITY MANAGER REGARDING THE PROPOSED FISCAL YEAR 2015 BUDGET FOR THE CITY OF BASTROP**

At 6:32 pm, Mayor Kesselus adjourned the Special Meeting and convened into the Budget Workshop Session. He thanked those in attendance and introduced City Manager Talbot, who reviewed the following items outlined in his memo “*City of Bastrop Preliminary/Proposed FY-15 General Fund Budget*”, which was presented to the City Council.

City Manager Talbot advised the Council that this was the first proposed FY-15 Annual Operating Budget for the General Fund that highlighted certain factors that may influence the development of the final overall FY-15. He added that the budget included various items discussed with the City Council during FY-14.

The FY-15 proposed budget reflected items that would enhance the departments operations, which included the following:

- Additional Personnel
- Major Equipment Purchases
- Increases in “Operation & Maintenance Accounts”

The City Departments submitted their budget requests, which exceed the monies available. To adhere to the City Charter, City Manager Talbot prepared and submitted a balanced budget for the Council’s review and consideration.

In preparation of the FY-15 Annual Operating Budget, the following factors were taken into consideration:

1. General discussion/input from the Council during “Strategic Planning Workshop” on March 22, 2014
2. Annual budget requests submitted to the City Manager
3. Various pertinent City reports
4. Information received from the City Council, City Boards, Department Director’s and Citizens related to community needs and priorities.

City Manager Talbot continued with his review of the “*Proposed FY-15 General Fund Budget*,” he projected our fund balance would start with \$3,363,398.00, and generate \$9,279,210.00 in revenues for total funds available for FY-15 of \$12,642,608.00. The proposed FY-15 General Fund expenditures currently requested equal \$9,808,790.00, which would reduce the projected operational General Fund Balance by the end of FY-15 from the beginning balance of \$3,363,398.00 to \$2,833,818.00 or using \$529,589.00 of the fund balance to balance the FY-15 proposed budget. These funds will be used as a one-time expenditure for the various departments, but does not include the funds for operational costs of “City Services.” The City Fund Balance of \$2,833,818.00 is 29% percent of the proposed annual operating budget for FY-15 or in excess three months operating balance, which is in accordance with the City’s Financial Management Polices.

City Manager Talbot highlighted the following factors for the Council’s consideration; an increase in cost of City operations, City’s contribution to the Employee Health Plan (projected to be funded approximately the same level as FY-14), consideration to his recommendation of salary adjustments/cost of living allowance. He stated that this would allow the City to maintain the guidelines of the employee pay structure based on the market-based compensation system, allocate funds for step adjustments associated with job performance, and help resolve the salary compression from the last several years.

The Council Members held a discussion and inquired why the proposed budget did not reflect the lower tax rate, the Cost of Living Allowances/Step Increases, and equipment needed to continue and/or increase the level of city services provided to the community. City Manager Talbot added the request for such as a vehicles/officer for PD would assist with the impending growth and TxDOT improvement project along Highway 71 and the request to funds for a playscape to replace one that is outdated and unrepairable.

The Council was in support of updating the Parks Plan to allow the city more grant funding opportunities. Mayor Kesselus acknowledged the River Walk Project that the Parks Wild Life and LCRA funded. Council Member Jackson confirmed the importance of the City's staff continuing their efforts to meet TML requirements for our Parks inspection.

City Manager Talbot confirmed the Parks Departments need for new equipment and he acknowledged staff's continued efforts and commitment of providing safe equipment for the public. He stated he would be providing the Council an update on their suggestion to revise our current Parks Plan.

In conclusion, City Manager Talbot stated that in developing the proposed budget, it was necessary to address the following issues:

- Evaluating the current and future economic growth
- Planning for equipment needs
- Capital projects/departments expenditures
- Wage compensation/competitive market for employee retention
- Maintaining a competitive tax rate
- Maintaining a budget that will maintain the current service delivery of all City Departments to meet the needs of our community

City Manager stated that additional information had been provided for the Council to review at their leisure and added that an updated report will be provided at the upcoming City Council Meeting.

City Manager Talbot presented the Council an additional "Benchmark" Report that reflected the City of Bastrop in comparison to other cities with approximately the same population, number of employees, and the types of services provided to the community. The report was well received by the Council, who stated that the format was easy to reference what other cities were doing.

City Manager Talbot advised the Council of the upcoming Meeting schedule:

- Tuesday, August 5, at 6:30 pm – City Council Special Meeting/ Budget Workshop
- Tuesday, August 12, at 6:30 pm – City Council (*Regular*) Meeting
- Tuesday, August 19, at 6:30 pm – City Council Special Meeting/Budget Workshop
- Tuesday, August 26, at 6:30 pm – City Council (*Regular*) Meeting

Mayor Kesselus thanked those in attendance and moved to adjourn the Budget Workshop Session.

3. THE BASTROP CITY COUNCIL WILL ADJOURN THE BUDGET WORKSHOP SESSION AND RECONVENE INTO THE SPECIAL MEETING TO TAKE ANY NECESSARY ACTION(S).

At 7:43 pm, Mayor Kesselus adjourned the Utility Workshop Session and reconvened into the Special Meeting to take necessary action(s); no action taken.

Mayor Kesselus stated he was skipping Agenda Items 4 & 5 and moved to Agenda Item F.

4. EXECUTIVE SESSION – THE BASTROP CITY COUNCIL WILL ADJOURN THE SPECIAL MEETING AND CONVENE INTO CLOSED/EXECUTIVE SESSION PURSUANT TO THE TEXAS GOVT. CODE, CH.551 TO DISCUSS THE FOLLOWING MATTERS:

5. THE BASTROP CITY COUNCIL WILL ADJOURN THE EXECUTIVE SESSION AND RECONVENE INTO SPECIAL MEETING TO TAKE ANY NECESSARY ACTION(S).

6. ADJOURNMENT – Mayor Kesselus requested a motion to adjourn. Council Member Dock Jackson made the motion to adjourn the meeting; seconded by Council Member McAnally, meeting adjourned at 7:44 pm.

APPROVED: _____

Ken Kesselus, Mayor

ATTEST: _____

Elizabeth Minerva Lopez, City Secretary