

CITY OF OVILLA MINUTES
Wednesday, July 24, 2013
Special City Council Meeting & Budget Workshop
105 S. Cockrell Hill Road, Ovilla, TX 75154

Mayor Dormier called the Special Council Meeting of the Ovilla City Council to order at 7:00 P.M. The following City Council Members were present:

Ralph Hall	Council Member Place 1/Mayor Pro Tem
Larry Stevenson	Council Member Place 2
David Griffin	Council Member Place 3
Doug Hunt	Council Member Place 4
Dean Oberg	Council Member Place 5

Mayor Dormier noted present members, thus constituting a quorum. Various department-heads and staff were also present.

PL3 Griffin gave the Invocation

Mayor Dormier recitation of the Pledge of Allegiance.

COMMENTS, PRESENTATIONS, REPORTS AND/OR APPOINTMENTS

◆ **Citizens Comments / Citizens Forum:**

- I. None

REGULAR AGENDA

ITEM 1. DISCUSSION/ACTION – Presentation on the personnel assessment and the draft employee policy handbook, presented by former Interim City Administrator Ms Jacqueline Lee. Council may direct the city administrator to proceed with final review of draft and send to city attorney for legal review.

Former Interim City Administrator Ms Jacqueline Lee provided Mayor, Council and staff with an in-depth Ovilla Personnel Assessment prepared and written by Ms Lee. The assessment included listed areas:

1. Personnel Policies
2. Human Resources Functions
3. Staffing Levels
4. Fire Department Chief Position
5. Compensation and Classification
6. Performance Appraisals
7. Staff Meetings
8. Training and Professional Memberships
9. Safety and Risk Management & Health
10. Technology and Equipment

Ms Lee advised that the assessment was based on her personal observations of employment/human resources management related policies, procedures and practice, experienced and observed during her tenure as Interim City Administrator. Because the city had no separate HR Department and limited personnel, Ms Lee reviewed the filing systems, interviewed responsible personnel, evaluated, and offered recommendations. Ms Lee assured the Mayor and Council that the personnel files in the City Secretary's office and divisional files in the Police Department were up to date and compliant with state law. Recommendations in the assessment were specifically addressed:

- Update the employee personnel handbook (last update was in 2010)
- Development of Written Administrative Directives
- Clarify HR Management Roles and Responsibilities

- Training & Professional Memberships for HR Staff
- Council Meeting Agenda Reports Preparation from all staff
- Reassess staffing levels, review job descriptions and update
- Initiate search and hiring of Fire Chief
- Clerical support, operation procedures, training & certification reviews
- Compensation Study
- Develop a formal citywide workplace safety program
- Complete the Emergency Management Plan
- Provide workplace violence precautions and policies

The consensus of Council was that this was a positive step and would be addressed as time and funds allowed.
NO ACTION.

ITEM 2. DISCUSSION – Workshop and review of the proposed Fiscal Year 2013-2014 Budget and discuss the preliminary determination of tax rate.

Staff advised Council that health insurance premiums would be increasing approximately 22%, reminding Council that employee (only) health premiums were paid for by the city and any dependent coverage fell on the financial obligation of the employee. Additionally, a 4% fee of the total monthly premiums would be added this year as established under new federal regulations named, *The Affordable Care Act*. Based on the increased cost and her meeting with the city's health and dental financial advisor, Gary Hayden, Hayden Financial Partners, Inc., City Administrator Ms Powell suggested placing a portion of the financial burden on the employees and/or offer optional benefit packages that were less expensive, although negatively effecting benefit coverage. Ms Powell believed a "buy-up" plan would be cost-effective for the city. Staff confirmed that Hayden Financial Partners acquired bids with comparable plans from various insurance carriers, however, Ms Powell commented that her future intentions were to go out for bid and/or acquire another advisor to assure fair and equitable health insurance premium quotes. City Accountant Ms Jungman did share with Council that the new premiums were not out of line with previous years and that this year Ovilla was saddled with many claims as detailed in the Tier reports. Ms Jungman also asked Council to consider the cost to employees when making their decision. Ms Powell recommended staff invite Mr. Hayden to attend the next Council meeting and offer clarification of dual options. Consideration of whether or not to continue with the \$350 plan for employees not covered under the city's health insurance was also discussed. For preliminary budget preparation, Council's consensus was to continue with the current health insurance plan, fully funded by the city and to continue with the \$350 plan.

The tax Rate discussion followed with the review of the tax worksheet from Ellis County. Based on the valorem, the budget was at 1.2 million, with an approximate loss of one million in appraisals. If Council decided to remain with the same tax rate as last year, revenue would decrease significantly. The FY2013-2014 total effective tax rate submitted from Ellis County was 0.6807. Based on the county's tax worksheet, the effective rate breakdown calculations were 0.4722 for M&O and 0.2085 for I&S, totaling 0.6807. These figures showed the M&O rate lower from the current year, and the I&S rate listed as an increase. However, from that total rate, the City Administrator calculated the breakdowns as M&O 0.5107 and I&S 0.1700. City Administrator Ms Powell stated that her actual objective was to comeback with same rate. She added that staff had just received the numbers from Ellis County and that she had not had the time to carefully analyze. Mayor Pro Tem Hall stated that buying down the debt rate was an option. Additionally, Mayor Pro Tem Hall said to be cautious in budgeting from reserves and to figure the debt rate first – that would determine the M&O. The current M&O is 0.4975 and the I&S is 0.1700. Council and staff discussed adding \$36k from reserves to buy down debt. Based on the taxable values and comparisons from last year, Mayor Pro Tem Hall alleged that the calculations were inaccurate and advised staff to reexamine. Council's consensus directed staff to calculate the budget on the effective tax rate and return to the next workshop depicting those numbers.

Mayor Pro Tem Hall also briefly reviewed the 2011 General Obligation Bonds and stated that it was perfectly acceptable to execute payments from the general fund or water/sewer fund or other revenue. The current debt extends to 2029 at \$625,425.

City Accountant Sharon Jungman continued preliminary budget reviews with Council beginning with the revenues, adding that new home construction was coming to Ovilla. Increases in police fines and the Omni warrant revenues were listed. All donations from the annual Service League dinners go directly to the police and fire special accounts. Budget departmental line item expenditures were reviewed with explanations resting within the responsibility of the department head. Chief Moon gave a presentation with annual stat comparisons and his justification for one new police officer. Following the Fire Department's expenditure review, it was evident that a new fire engine (as listed in the supplemental) was not affordable in the next fiscal year but it was positive planning to list it for a future purchase and build a fleet replacement fund schedule. ESD#2 and ESD#4 revenues were both discussed. PL4 Hunt inquired about adding the Fire Chief back into the FY2013-2014 Budget. It was determined that a fulltime position was not reasonable until possibly mid-year next year. The current part-time fire fighters, including job requirements and their certifications were explained by Assistant Fire Chief Brancato. Council's consensus was to officially bring an agenda item to a subsequent meeting naming Assistant Chief Phillip Brancato as Interim Fire Chief. The Community Service Department budget was examined with no questions. The Street Department budget was discussed with confirmation that Cockrell Hill Road would be repaved. A 2.5% increased financial obligation in water purchase from Dallas Water Utilities would become effective this next fiscal year. City Administrator Cyndy Powell recommended passing that increased expense to the customer, therefore, staff would plan to return to Council following the budget approval with intent to amend the water rate schedules. Remaining funds: Park Impact, EDC, MDD, Capital Projects, Police Special and Fire Auxiliary were reviewed with minimal comments. In conclusion, Mayor Pro Tem Hall stressed it was mandatory that staff prepare and present a balanced budget.

City Administrator's final recommendations were to prepare and add in the budget for the hiring of a Fire Chief and hold off additional staff in the police department. Council members shared various opinions. The final consensus from Council for budget review at the next workshop was to go with a staff position in the police department, hold off on the fire chief, and leave the insurance premiums as submitted. City Administrator Cyndy Powell remarked that she was planning to evaluate the staffing and scheduling situation at the police department prior to her adding the new officer position in the budget. It was agreed to meet again on August 7, 2013 at 5:30 p.m.

ADJOURNMENT

There being no further business, Mayor Dormier adjourned the meeting at 10:18 p.m.



Richard Dormier, Mayor

ATTEST:



Pamela Woodall, City Secretary

Approved August 12, 2013



Richard Dormier, Mayor
Ralph Hall, Place One
Larry Stevenson, Place Two

Doug Hunt, Place Four
David Griffin, Place Three
Dean Oberg, Place Five