

# CITY OF OVILLA MINUTES

*Monday, August 11, 2014*

*Special City Council Meeting*

*105 S. Cockrell Hill Road, Ovilla, TX 75154*

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Mayor Dormier called the Special Council Meeting of the Ovilla City Council to order at 5:00 P.M. The following City Council Members were present:

Rachel Huber	Council Member, Place 1
Larry Stevenson	Council Member, Place 2
David Griffin	Mayor Pro Tem, Place 3
Doug Hunt	Council Member, Place 4
Dean Oberg	Council Member, Place 5

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

## **REGULAR AGENDA**

**ITEM I. DISCUSSION/ACTION** – Workshop and review of the proposed Fiscal Year 2014-2015 Budget, discuss the preliminary determination of the tax rate, and direct staff as necessary.

To consider a proposed budget and tax rate, City Administrator Cyndy Powell opened discussion with financial projections based on the provided information:

**BUDGET PROJECTIONS:** Health insurance premiums are budgeted for the 29% maximum re-rate. The City will receive insurance proposals on Friday, August 15, 2014 for consideration. The LiDAR contours mapping has been included in the EDC budget as well as \$45,000 for infrastructure related to potential development.

Outstanding revenue items for the General Fund included confirmations from ESD#2 and ESD#4.

The revised budget included an estimated \$415,325 from ad valorem taxes, \$125,544 contribution from the Water and Sewer Fund and the balance from interest and fund balance. FY2014-2015 Debt service was \$572,425.

Departmental/Capital/Personnel supplemental items **not** included in the proposed preliminary budget included:

### **Capital Expenditures:**

- Fire engine and financing options (multi-year) ~ \$560,000.
- Police patrol vehicle ~ \$44,500
- Public works truck ~ \$23,000 (the old truck would replace the animal control truck and be retrofitted for \$2,000); total needed \$25,000. (Council directed staff to add)

### **Personnel:**

- It was suggested a part-time position be authorized, in lieu of a full-time position, in the police department to relieve the Detective to focus on investigations. The full-time position with benefits was estimated at \$40,000 annually. The estimated cost for the part-time position is about \$27,335 annually. Chief Moon proposed to fill the position with three part-time officers and recommended an hourly rate of \$25.00. This position would not be afforded health insurance or TMRS retirement. The \$27,335 included payroll taxes, social security, and uniform allowances for each of the three officers.
- Compensation study adjustment ~ still pending some responses from various municipalities.

Staff provided reviews of taxable values received thus far from Dallas and Ellis Counties. Certified values were received from both counties around July 22. In the preliminary budget, the General Fund property tax revenues were estimated at a 5% increase. Sales tax projections were estimated at a 5% increase. Adjustments were made to corresponding line items related to development based on a projection of 30 houses in 2014-2015. New development was not included in presented preliminary budget. Council asked the Administrator for clarification to many line items, including confirmation of previous and projected TRA costs and the impact of that to this budget.

Projections and/or adjustments were not yet made to the following:

1. Liability/property insurance or electricity use for public facilities by departments
2. Health insurance re-rate increase of approximately 29%
3. Charges for services to ESD #2 or ESD #4
4. Water tower lease revenue
5. Debt service transfers

As in previous meetings, noted items covered in the proposed preliminary budget included the required impact fee study from the Water and Sewer Impact Fund; the required revision to the Comprehensive Land Plan (GF Admin); Water Street Waterline for (W&S Impact Fund); the road repair for Water Street after waterline construction (a split between the GF, Streets and W&S Impact Fund); and the City's estimated portion for ROW acquisition and utility relocation total for FM664 over three years (GF Admin-Reserve).

**No Action.**

**ITEM 2. DISCUSSION/ACTION** – Consideration of a proposed tax rate for the Fiscal Year 2014-2015 Budget and take a record vote.

The City received the certified tax values for both Dallas and Ellis Counties on Tuesday, July 22, 2014. Ellis County is contracted by the City to provide the Effective Tax Rate and Roll Back Tax Rate. The total taxable value for 2014 is \$261,857,352 compared to last year of \$248,160,741. Tax revenue budgeted is based on a 98% collection rate.

The FY2014-2015 Budget was proposed with the current tax rate of \$0.6719. The maintenance and operations rate was proposed at \$.05101 and the proposed debt rate or interest and sinking (I&S) was \$0.1618. If Council decided to go with the current property tax rate of \$0.6719, there would be a surplus of about \$21,000.

The Effective Tax Rate for FY2014-2015 was \$0.655815 which is the total tax rate needed to raise the same amount of property tax revenue from the same properties in both the 2014 tax year and the 2015 tax year. If Council decided to go with the Effective Tax Rate of \$0.65518, the deficit would be about \$20,000.

The Rollback Tax Rate was listed as \$0.73009, the highest tax rate the City can set before taxpayers can start tax rollback procedures. The surplus would be about \$170,000.

PL4 Hunt moved that the Council hereby propose the 2014 property tax rate of .6719, with a maintenance and operation rate of .5101 and a debt rate of .1618, seconded by PL5 Oberg.

Mayor Dormier called a roll-call vote:

PL1 Huber	AYE
PL2 Stevenson	AYE
PL3, Mayor Pro Tem Griffin	AYE
PL4 Hunt	AYE
PL5 Oberg	AYE

**The motion carried unanimously, 5-0.**

*Richard Dormier, Mayor  
Rachel Huber, Place One  
Larry Stevenson, Place Two*

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

**ITEM 3. DISCUSSION/ACTION** – Consider and Schedule Dates for Two Public Hearings on the Proposed Tax Rate for Fiscal Year 2014-2015.

Section 26.05 of the Tax Code requires that the governing body hold two public hearings, if the entity is proposing a tax increase or proposal to increase total tax revenue. The first tax rate hearing may not be held before the 7<sup>th</sup> day after the notice of the public hearing is given. (Tax Code 26.06a) The second public hearing may be not be held earlier than the third day after the first public hearing.

Staff recommended the following dates in accordance with the Property Tax Code:

1<sup>st</sup> Public Hearing – Monday, August 25, 2014, 7:00 pm

2<sup>nd</sup> Public Hearing – Tuesday, September 02, 2014, 7:00 pm or Wednesday, September 03, 2014, 7:00 pm (Special Meeting)

PL1 Huber moved that Council schedule the first public hearing to be held on August 25, 2014 at 7:00 p.m., at the City Hall Council Chamber Room and the second public hearing to be held on Wednesday, September 03, 2014 at 7:00 p.m., City Hall Council Chamber Room, seconded by PL2 Stevenson. No oppositions.

**VOTE: Approved unanimously, 5-0**

**ADJOURNMENT**

There being no further business, Mayor Dormier adjourned the meeting at 7.03 p.m.

ATTEST:

  
Richard Dormier, Mayor

  
Pamela Woodall, City Secretary



**Approved September 22, 2014**