

**CITY OF OVILLA MINUTES**  
**Monday, July 28, 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 5:10 P.M. The following City Council Members were present:

Rachel Huber	Council Member, Place 1
Larry Stevenson	Council Member, Place 2
Doug Hunt	Council Member, Place 4 (arrived 6:39 pm)
Dean Oberg	Council Member, Place 5

Absent: David Griffin Mayor Pro Tem, Place 3

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

**REGULAR AGENDA**

**ITEM 1. DISCUSSION/ACTION** - Receive presentation from Boyd London of First Southwest regarding the potential purchase of a Fire Engine and take action as necessary to direct staff.

Mr. Boyd London with First Southwest distributed documentation that included the proposed annual debt service and schedules for review in order to share discussion of various options to fund a fire engine as requested by the Fire Department for the Fiscal Year 2014-2015.

**No Action.**

**ITEM 2. 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.

City Administrator highlighted the Fiscal Year 2014-2015 budget revenue and expenditure projections:

1. Adjustments were made to corresponding line items related to development based on a projection of 30 homes in 2014-2015. New development was not included in the presented preliminary budget.
2. Outstanding revenue items for the General Fund include confirmations from ESD#2 and ESD#4.
3. Budget expenditure projections were completed for electricity, worker's compensation, liability and property insurance, health insurance, and four quarterly newsletters.
4. Employee retirement system, TMRS, presented increased allocations.
5. Overtime for the position of Code Enforcement Officer was revised to include attendance to Municipal Court, Board of Adjustment, and Planning and Zoning meetings.
6. Debt service for FY2014-2015 was reported at \$572,425.
7. The budget includes an estimated \$415,325 from ad valorem taxes; the contribution from the Water & Sewer fund of \$142,430, including the balance from interest and fund balance.
8. Water and Sewer Utility Fund includes the proposed rate increase of 3.5% received from City of Dallas for the cost of wholesale water. Council will need to consider passing on the rate increase to the water customers.
9. The Compensation Study was not complete. Four cities had responded to inquiries to date.

Additional items included in the proposed preliminary budget were the required impact fee study from the Water and Sewer Impact Fund; the required revision to the Comprehensive Land Use Plan; Water Street Waterline; road repairs to Water Street after waterline construction; and the City's estimated portion for ROW acquisition and utility relocation for FM664 over three years.

Supplement Capital and Personnel items not presented in the proposed preliminary budget included:

Capital Expenditures:

- Public works truck ~ \$35,000 (the old truck would replace the animal control truck.)
- Fire engine and financing options (multi-year) ~ \$560,000. Boyd London with First Southwest Securities presented options of using tax notes to finance the Engine.
- Police patrol vehicle ~ \$44,500

Personnel:

- Police officer position and benefits ~ \$40,000

The proposed for FY2014-2015 was prepared with the current tax rate of \$0.6719. The preliminary maintenance and operations rate was set at the current year's rate of \$.05019, with the debt rate (I&S) at the current year's rate of \$0.17. Council inquired on specific line item expenditures and needs assessments.

**No Action.**

**ITEM 3. DISCUSSION/ACTION** – Consideration of a proposed tax rate for the Fiscal Year 2014-2015 Budget and take a record vote.

PRELIMINARY DETERMINATION OF TAX RATE: Certified tax values for both Dallas and Ellis Counties were received. The total taxable value (provided by Ellis County) for 2014 is \$261,857,352 compared to last year of \$248,160,741. Tax revenue was based on a 98% collection rate. Property Tax Rate options for Ovilla:

Preceding Year's Tax Rate	\$0.671900 per \$100 valuation
Effective Tax Rate	\$0.655815 per \$100 valuation
Rollback Tax Rate	\$0.730090 per \$100 valuation

If Council chose to remain with the current rate, it would increase revenue over \$20,000 and two public hearings would be required. The City would face a deficit if Council decided to go with the Effective Rate. The Rollback Tax Rate would provide a surplus around \$170,000. This is the highest rate before taxpayers can begin rollback procedures.

**No Action.**

**ITEM 4. DISCUSSION/ACTION** – Consider and Schedule Dates for Two Public Hearings on the Proposed Tax Rate for Fiscal Year 2014-2015.

**No Action.**

**REQUESTS FOR FUTURE AGENDA ITEMS**

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|------------------|--------|
| 1. PL1 Huber     | None   |
| 2. PL2 Stevenson | None   |
| 3. PL3 Griffin   | Absent |
| 4. PL4 Hunt      | None   |
| 5. PL5 Oberg     | None   |
| 6. Mayor         | None   |

**ADJOURNMENT**

There being no further business, Mayor Dormier adjourned the meeting at 7.04 p.m.



Richard Dormier, Mayor

ATTEST:



Pamela Woodall, City Secretary



*Approved August 25, 2014*