

CITY OF GROVETON MINUTES

BE IT REMEMBERED THAT, the City Council of the City of Groveton, Texas met in a Special Called Meeting for a 2017-2018 Budget Workshop on Monday, August 7, 2017. Discussions were held as follows.

Council Members in Attendance:	Councilman Robert Smith
	Mayor Pro-Tem Ralph Bennett
	Councilman Joe Don Kennedy
	Councilman Tommy Walton
Council Members Not in Attendance:	Councilman Stephen Casper

The meeting was called to order at 6:30pm by Mayor Byron Richards. The Invocation and Pledge of Allegiance were given.

FINANCE: Jack Paschetag the city's accountant presented the proposed budget to Council. The finance analysis is based on the period beginning July 1, 2016 to June 30, 2017 and this represents the actual revenue and expenses for the City.

The Budget consist of two major financial entities to manage the General Fund and Utility Fund. The General Fund is responsible for General Administration, Police & Courts, Street & Bridges and Fire & Health. Utility Fund is responsible for the water, sewer and garbage services which are sold to the citizens as well as others in the community.

Mr. Paschetag informed Council that in the General Fund there were several items of interest. The monthly sales tax revenue was down \$75,838.81 and also the municipal court fines was down \$28,320.95 too during this period. The total expenditures were down \$27,331.63 during this period for this fund. The City of Groveton had received a public donation of \$75,000 for downtown revitalization which is earmarked to use only for this improvement on the sidewalks.

In the Utility Fund the total revenue is down \$55,618.49 and the expenditures is down too in the amount of \$51,222.39 during this period. The City has received a refund of \$75,030. from Trinity River Authority on their previous budget year. Mr. Paschetage stated that the STE basic service fee has increased 28%. The fee has increased from \$4,450.00 to 5,700.00 monthly. Also there were excessive expenditures on STE billing. These were identified that incurred because of meetings with water project contractor to provide information for this construction project. Severn Trent Services will be reporting on daily basis as to their arrival and time spent.

Mr. Paschetag had several recommendations to Council on the new budget. First the appraisal district has always collected more for current taxes than they have estimated for the total taxes for the effective tax suggested of .9194 per \$100 evaluation. The new 2017-2018 fiscal budget is estimating \$254,829 for taxes instead of \$240,062 previously estimated. Mr. Paschetag stated in order to achieve the \$254,829 for the current tax collection, the City needs an effective tax rate of .9662 which is less than the roll back rate of .9929.

The water, sewer and garbage rates will not increase in this 2017-2018 budget.

He also presented a comparison on the two funds from 2016-2017. The General Fund has \$260,519 in June 30, 2017 as compared to June 30, 2016 of \$189,788. The Utility Fund has \$129,608 as compared to June 30, 2016 of \$132,326. In the General Fund, Council has earmarked for street improvements the amount of \$175,494 and \$30,091 are citizens' donations for the Library leaving only \$55,006 for continued operations. Mr. Paschetag stated that this was mighty slim. In the Utility Fund \$102,407 has been earmarked for emergency water system repairs and \$20,053 for unforeseen operational expenses. This will leave \$8,777 for continued operations. He also stated this was mighty slim too.

Mr. Paschetag addressed Council on the cost of new water well. The estimated cost will be around \$2,000,000. The recent water project cost was \$2,610,000 with a loan of \$620,000 with a debt service of 3,543.00 per month. The TRA contract will expire in 2020 and current payments a month are \$12,456.00 to TRA. If the TRA bill can be replaced, the City will have a net gain of \$8,913.00 per month.

Council was informed of the different items in the budget that will not occur this new budget year. The new phone system, water damage to the police dept.'s carpet, new carpet in the library, new lawn mower for the street maintenance dept., the dog kennels at the sewer plant and the new COPSYN software for the police Dept.

He stated that several employees received an increase in their wages. He had contacted Kim Johnson, the CPA for information regarding wages for City employees. Mr. Paschetag stated that the fixed increase was the part time officer in the Police Dept. and also the fourth part time employee for the street maintenance department.

There was discussion on the ambulance service in the City. The City of Groveton is accountable to the citizens. Councilman Walton suggested to receive a financial report, with bank statements, and a profit and loss statement from the Ambulance Service before an agreement is approved and signed. It was recommended to pay \$1,000.00 a month with a one year agreement for this ambulance service to the citizens of Groveton. This item will be placed in the new budget.

A motion was made by Councilman Walton to approve the new tax rate of .9662 for the 2017-2018 Budget. A second to the motion was heard from Councilman Kennedy. Motion carried with 4 ayes and 0 nays from Council.

ADJOURN: A motion was made by Councilman Kennedy to adjourn the meeting. A second to the motion was heard from Councilman Walton. Motion carried with 4 ayes and 0 nays from Council. Meeting adjourned at 7:55pm.

Byron Richards, Mayor

ATTEST:

**Donna Dial
City Secretary**