

**CITY COUNCIL MEETING OF THE CITY COUNCIL OF THE CITY OF LEON VALLEY,
TEXAS, JULY 19, 2008**

The City Council of the City of Leon Valley, Texas, met on the 19th day of July 2008 at 9:00 a.m. at the Leon Valley City Council Chambers, at 6400 El Verde Road, Leon Valley, Texas, for the purpose of the following business, to-wit:

SPECIAL CITY COUNCIL WORKSHOP MEETING - 9:00 A.M.

Call to order.

Mayor Riley called the workshop meeting to order at 9:10 a.m. and asked that the minutes reflect that the following members of Council were present: Manea, Reyna, Baldrige, Dean, and Nelson.

City Manager Lambert, City Secretary Feutz, City Accountant Wallace, Public Works Director Vick, Fire Chief Irwin, Police Chief Wallace, Interim Development Director Flores, and Library Director Trent were also present.

Discussion on Fiscal Year 2009 Budget.

City Manager Lambert presented an overview of the FY 2009 budget revenues and expenditures for the general, enterprise, community center, street maintenance sales tax, and other special funds. He presented the overall budget figures recommended by each department for expenditures and revenues within those funds and also presented capital expenditures proposed for the FY 2009 Budget.

Mr. Lambert proposed no increase in the ad valorem tax rate and proposed a 3% COLA increase for employees. He reviewed increases in the employee group health insurance plans and in the workers' compensation and property and liability insurances. Mr. Lambert stated that the City Secretary would present a separate presentation on the proposed increases in the Texas Municipal Retirement System (TMRS) rates proposed for 2009, as the increased rate was higher than expected and Council may wish to consider changes to the retirement plan. Councilmembers expressed their concern for rising health insurance rates and discussed the option to have a broker assist with City insurance rerates in the future.

The City Manager informed Council that the proposed budget included funding in the General Fund to continue the new full time Code Enforcement Officer for the year and stated that the new budget accounted for increased expenditures for fuel costs, although he expressed his concerns that they may not have budgeted enough with the rising costs of gas and fuel-based products. He noted that the new fire truck's 90,000 debt payment was also included in the FY 2009 budget.

City Manager Lambert reviewed definitions for the effective tax rate and the rollback tax rate. He explained that the effective tax rate is a calculated rate that would provide the City with about the same amount of revenue it received in the year before on properties taxed in both years and if the property values rise, the effective tax rate will go down and vice versa. He also explained that the rollback tax rate is a calculated maximum rate allowed by law without voter approval. He noted that the rollback rate provides the City with about the same amount of tax

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revenue it spent the previous year for day-to-day operations, plus an extra 8% increase for those operations, in addition to sufficient funds to pay debts in the coming year.

Mr. Lambert stated that he included a decrease in next year's revenue from sales tax revenue and he anticipated that the FY 09 budget would have expenditures less than the FY 08 amended budget.

Mr. Lambert reviewed proposed major capital expenditures for the next fiscal year to include some remodeling of the Council Chambers and City Hall public areas for \$50,000, a new fire alarm to replace an aging one in City Hall, two new police vehicles, replacement air packs, radios and lockers for the Fire Department, \$20,000 for sidewalk construction, and \$15,000 for the traffic control signal box at Wurzbach and Exchange Parkway. Other capital projects outlined by Mr. Lambert included a new backhoe, pumps for one of the water wells, and an electric generator to be used at the wells if the City experienced a loss of power for a prolonged period of time.

Mr. Lambert also reviewed proposed increases for residential: metered water use of 3%, water supply and Edwards Aquifer Authority fees of 3% and the sewer rate of 3%. He estimated that the average increase for all of these would be about \$1.43 monthly for the average residential customer.

Council asked questions about a proposed replacement electronic marquee for the Library, and recommended that no electronic marquee be installed at the Evers Road location, and that \$20,000 more be added to sidewalk construction projects and an additional \$15,000 be given to the Library's budgeted \$20,000 for Library materials for FY 2009. Council also discussed the need for estimates to be returned to them for the remodeling project proposed for City Hall next year.

Council discussed the need for money usually budgeted for the annual street program be removed from that line item and be earmarked for special council projects, and stated that Council approval would be needed for any expenditures from that line item. They also stated that they felt that the street maintenance sales tax revenue will replace the \$200,000 originally budgeted in the past for the annual street program. Councilmembers stated that if additional funds are still needed for that program, they may move money from the Council projects line item back to the street program. They reviewed the proposed street program projects outlined by the Public Works Department for the next five years and will try to do \$400,000 worth of projects each year.

Council also asked staff to return with other options for acquiring a backup electric generator for the water wells that were listed for a capital purchase at \$125,000. Council discussed options to address the poor condition of the floor at the Conference Center and asked staff to return with options and pricing for another budget workshop.

Council discussed the need to review increases proposed by the TMRS program and returned cost estimates for the generator and flooring options and decided to have a second budget workshop on Saturday, August 2, 2008 from 9:00 a.m. - 11:00 a.m. at City Hall.

No formal action was taken by the Council on the budget at this meeting.

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Adjourn.

Hearing no objections, Mayor Riley announced the meeting adjourned at 12:11 p.m.

ATTEST:

Chris Riley _____
Mayor

Marie Feutz _____
City Secretary

Approved by City Council unanimous vote at the August 5, 2008 Regular City Council Meeting.