

**MINUTES OF SPECIAL CITY COUNCIL MEETING
CITY OF TOMBALL, TEXAS**

MONDAY, JUNE 1, 2009



6:00 P.M.

1.0 Call to Order

The meeting was called to order by Mayor Fagan. Other members present were:

Councilman Lazenby
Councilman Webb
Councilman Townsend
Councilman Driver
Councilman Quinn

Others present:

City Manager – Jan Belcher
City Secretary – Doris Speer
Chief of Police – Rob Hauck
Director of Public Works – David Kauffman
Fire Chief – Randy Parr
Director of Engineering and Planning – Mark McClure
Finance Director – Monica Kohlenberg
Director of Human Resources – Lisa Coe
Assistant to City Manager – Shawn Cox
Community Events Coordinator – Rosalie Dillon

2.0 No public comments or petitions were received.

3.0 Workshop Session:

- The Tomball City Council entered into a Workshop session to discuss the Fiscal Year 2009-2010 Budget.

Jan Belcher recapped the 2008 budget process and the economic and development changes that have occurred since the 2008-2009 budget was adopted.

The City faces a flat or possibly decreasing revenue stream. The 2009-2010 proposed budget includes no merit increases for employees; no new personnel; no new/expanded programs.

Monica Kohlenberg presented information on major revenue and expenditure trends for 2009-2010; sales tax revenues are anticipated to be flat next year. For FY 2009-2010, anticipated revenues of \$12.8 MM; expenditures of \$14.9 MM; and fund balance of \$7.2 MM. Health insurance is no longer included in Personnel Services; instead, it will be included in Operating Transfer category.

Staff has locked in natural gas rate of \$6.03/mcf for gas, beginning in November 2009. Enterprise budget also includes no merit increases for employees, no new personnel; and no new or expanded programs.

Debt service fund includes issuing Certificates of Obligation of approximately \$3 million. No additional debt issuance is anticipated after 2010.

Councilman Townsend requested information regarding the City's total debt.

Jan Belcher advised that HCAD has projected a 16.2% decrease in property values, to \$936,237,579 – an approximately \$469,125 reduction in property tax revenues. City staff requested Council input regarding additional areas to reduce expenses.

Two positions have been frozen – one in Public Works general fund and one in Public Works enterprise fund.

Strategic planning retreat will be held on June 26, 2009; budget meetings are currently scheduled for July 6, 7, 8, 14 and 15.

Comments were received from Council:

Councilman Driver stated that the City currently has the same number of staff as we had in boom time; we need to look at staffing and freeze or reduce positions; budget at 93% of payroll instead of 100%. Dislikes accounting changes that make it more difficult to compare revenues and expenditures; asked how much would one cent increases on the property tax rate yield? Monica Kohlenberg advised that a one-cent property tax increase would yield \$93,623.

Councilman Townsend stated that he is not in favor of laying off employees; City should look at unpaid furloughs, unpaid vacation, pay cuts for Council and employees, etc.; what costs are involved in 2nd Saturday? Jan Belcher advised that 2nd Saturday is funded from the hotel/motel tax fund, not general or enterprise funds. Councilman Townsend asked what is the current reserve balance and could a portion of the reserve balance be used to pay down debt early; Monica Kohlenberg advised that bonds are callable at specific times, cannot use reserve funds to pay debt off early.

Councilman Webb asked why municipal court fine revenues are down. Jan Belcher advised that funds from red-light camera fines are not included in the general fund; a large portion must be paid to the state and the balance of the funds must be used in state-mandated safety projects. Municipal court fines are down because the court has caught up on its collections, reducing the anticipated amount of future revenues. Councilman Webb asked if the municipal court is close to serving all warrants in a current manner; Jan Belcher advised that yes, the court is caught up, with approximately only \$1-\$2 million outstanding, and warrants are being served every week.

Jan Belcher advised that City staff will continue updating budget numbers, provide notice regarding budget meetings, and will provide budget information for Council review prior to each budget meeting.

4.0 Motion was made by Councilman Townsend, second by Councilman Lazenby, to adjourn.

Motion carried unanimously.

Meeting adjourned.

PASSED AND APPROVED this 15th day of June 2009.

Doris Speer
Doris Speer, TRMC
City Secretary

Gretchen Fagan
Gretchen Fagan
Mayor