



# City of Pflugerville

## Minutes - Final City Council

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Tuesday, April 19, 2011

6:00 PM

100 East Main Street, Suite 500

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### Worksession

#### 1. Call to order

Mayor Jeff Coleman called the worksession to order at 6:04 p.m. Councilmembers Wayne Cooper, Mike Marsh, Darelle White and Starlet Sattler were in attendance. Councilmember Victor Gonzales was absent. City employees attending: Brandon Wade, City Manager; Floyd Akers, City Attorney; Lauri Gillam, Assistant City Manager; Trey Fletcher, Managing Director of Operations; Beth Davis, Finance Director; Amy Good, Assistant Finance Director; Felix Benavides, City Engineer; Susan Word, Human Resources Director; Amy Atkins, Parks and Recreation Director; Terri Waggoner, Public Information Officer; Karen Thompson, City Secretary. Finance and Budget Committee members attending: David Garlick, Mike Marsh, Rex King, Melody Ryan, Brad Marshall.

#### 2. Discuss only

##### A. 2010-0538 Discuss Fiscal Year 2011 budget status report.

Mayor Coleman announced that they would address items A and B at the same time. Mr. Fletcher provided a demographic update, showing past expansive growth and slow growth of about 1% in future years in the City limits and 6% in the ETJ. Council discussion followed with additional information from Mr. Fletcher regarding population and housing growth and ETJ population projections.

Ms. Davis provided a six-month financial report on the current budget. She handed out a written report and provided an overview. Mr. Fletcher reported on development activities. Mr. Wade stated that the City is on sound fiscal ground.

The Fiscal Year 2012 budget calendar was distributed. Finance provided a request to increase specific capital outlay requests from \$500 to \$5,000 to be consistent with fixed assets which are at \$5,000. They noted that the Finance and Budget Committee also recommends the change. No opposition was stated by the Council. It was explained that a memo would be provided to department managers to instruct them to plan the budget year without amendments to the budget unless there is a true crisis and everyone would be required to think more thoroughly about the year and to expand their explanations for capital outlay and personnel requests. No increase in water and wastewater rates are proposed for at least three years as recommended in the last rate study. Discussion followed regarding the \$4.2 million payment due to Stone Hill.

Ms. Davis reviewed the five-year pro forma and General Fund projections. Mr. Wade provided comments and Council discussion with staff followed. Equipping the Library and gasoline costs were noted as additional expenses expected in Fiscal Year 2012. Mr. Wade explained that he is wrestling with revenue projections for sales tax, funding for the Capital Improvement Program, the continued 1/2 cent property tax reduction, employee performance increases, employee benefits, and fuel costs. Mr. Wade explained that currently CIP projects are receiving funding from the General Fund with certificates of obligation (COs) rather than General Obligation bonds (GOs). He stated it would be difficult to continue to reduce the operations budget to do CIP projects. He explained that in doing GOs, the rate is usually placed on top of the current tax rate. He indicated concern for the cumulative effect of the 1/2 cent property tax reduction. He stated that the average tax payer savings for a residence is \$8.00 and for a business like Target or Oncor, it is \$1,000. He spoke regarding the opportunity cost in lost revenue and the amount of debt issuance that the revenue could support for projects. He explained that he will be hard pressed to absorb any additional CIP projects and they would have to accumulate funds before issuing debt. Mayor Coleman explained that he would like the City to have a tax rate under 60 cents. Mr. Marsh explained that the concept was to reduce the property tax rate by 1/2 cent each year which would be offset by increases in sales tax revenues. Mayor Coleman stated that it continues to work until the CIP projects are brought in and he sees no compelling reason to not to continue with the reduction. Mr. Cooper stated that perhaps they should look at a different type of CIP project prioritization and consider the return on investment of each project. Mr. Wade stated that to continue to absorb debt service into the operations and maintenance rate is a yearly struggle. Discussion followed. Mayor Coleman stated that it has been eight months since they looked at the cash in the bank for CIP projects currently planned. He asked for a status report to be set for the May 24 meeting.

**B. 2010-0539**

Discussion regarding preliminary matters relating to the Fiscal Year 2012 budget.

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C. 2010-0540

1.) Executive Session Item: Consultation with legal counsel pursuant to Chapter 551.071 of the Texas Government Code for discussion concerning pending litigation. 2.) Open Session Item: Discussion concerning pending litigation.

Mayor Coleman announced that the City Council was retiring to executive session for the purpose of consultation with legal counsel. The time was 7:44 p.m. Discussion on the item was to take place in executive session. No action was taken. Mayor Coleman reconvened in open session at 8:30 p.m.

**3. Adjourn**

Mr. Cooper made a motion to adjourn. Mr. White seconded the motion. All were in favor. The meeting was adjourned at 8:30 p.m.

Respectfully submitted,

Karen Thompson  
City Secretary

Approved as \_\_\_\_\_ on May 10, 2011.