

**MINUTES OF THE BUDGET WORKSHOP
AND SPECIAL MEETING
OF THE OAK LEAF CITY COUNCIL
HELD ON AUGUST 12, 2010 AT 6:30 P.M.
AT OAK LEAF CITY HALL**

I. CALL TO ORDER & ROLL CALL:

Council Members Present:

Mayor Paul Klooster

Mayor Pro Tem Pat Mahlstedt

Councilman Ron Spurlock

Councilman Craig Wilson

Councilman Jim Tuma

Council Member Absent:

Councilman Ray Brindle (late arrival)

City Staff Present:

City Secretary Ronda Quintana

MAYOR KLOOSTER CALLED THE REGULAR CITY COUNCIL MEETING TO ORDER AT 6:46 P.M. AND ANNOUNCED A QUORUM PRESENT.

II. INVOCATION & PLEDGE OF ALLEGIANCE:

Mayor Klooster gave the invocation followed by the Pledge of Allegiance.

III. AUDIENCE PARTICIPATION:

There were no guests present during audience participation.

IV. REGULAR AGENDA ITEMS:

A. Discussion and Approval of an Electric Ballast Proposal for Oncor's *Take a Load Off City Matching Grant*

The council members reviewed the four proposals submitted for the replacement lighting project, and Councilman Wilson made a motion to approve the Shafer Electric Proposal. Mayor Pro Tem Mahlstedt seconded the motion. The mayor asked if there were any questions or comments regarding the motion. None were made. He stated Staff would submit the proposal when applying for the 50/50 grant, and then called for a vote.

Ayes: All present voted aye.

Nays: None

Councilman Brindle absent.

The motion passed.

V. ADJORNMENT OF SPECIAL MEETING:

The Special Meeting adjourned at 7:01 p.m.

VI. CONVENING INTO BUDGET WORKSHOP:

The Budget Workshop convened at 7:02 p.m. with Mayor Klooster summarizing the events of the last Budget Workshop. The following revenue items were then discussed:

Item 41010 – Builder – New Home Permits	Item 41060 – General Contractor Registration Fees
Item 41020 – Homeowner – New Home Permits	Item 42050 – DCI Sanitation Franchise Fee
Item 41030 – Animal Registration Income	Item 43010 – Money Market
Item 41040 – General Permits	Item 43040 – Special Money Market
Item 41050 – Plat Income	Item 44010 – Property Taxes
	Item 44011 – Interest & Sinking Taxes

COUNCILMAN BRINDLE ARRIVED AT 7:05 P.M.

Mayor Klooster inquired about the DCI Sanitation franchise fee (Item 42050) and was informed no quarterly franchise fees had been received since December 2009. He asked that City Secretary Quintana send a letter to DCI requesting payment of the overdue fees. The mayor also requested a reminder system be set up for the account to insure timely payments in the future.

After that the Council discussed the effective and rollback property tax rates. The mayor stated there was not much difference in going with the effective tax rate and staying with the current tax rate. He suggested the council members consider keeping the current property tax rate for the 2010-2011 Fiscal Year due to present economic hardship throughout the community. Mayor Pro Tem Mahlstedt mentioned Oak Leaf has the second lowest property tax rate in Ellis County and the second largest per capita income. With a consensus of the Council, it was agreed to prepare the new budget using the current tax rate.

Mayor Klooster stated there would be another Budget Workshop/Special Meeting on August 25th. At that point, the draft budget would be available on the city's website in a pdf format. On September 7th, there will be a Budget Workshop/Public Hearing to get citizens' input. Then on September 14th, the Council would adopt the budget and the property tax rate for the new fiscal year. All three meetings will begin at 6:30 p.m.

Klooster asked that the Ellis County Tax Office be contacted and informed of the property tax rate remaining at .3554/\$100.00.

The Council then proceeded to discuss the following expense items:

Item 51001 – Legal Fees	Item 51095 – Refund Expense
Item 51030 – Dues/Publications	Item 51100 – Building Repairs / Maintenance
Item 51040 – Postage	

Item 51110 – Clean Building	Item 55010 – Road Signs / Equipment
Item 51170 – Professional Fees	Item 55020 – Road Resurfacing
Item 51200 – Wage Tax Expense	Item 55030 – Potholes
Item 51220 – Engineering Expense	Item 55040 – Drainage
Item 51600 – Temporary Personnel	Item 56030 – Prosecutor
Item 52040 – Election Supplies	Item 59010 – Contract with Ovilla Animal Control
Item 52080 – Miscellaneous Building	Item 59051 – Building Loan Interest
Item 53010 – Miscellaneous Equipment / Furniture	Item 59052 – Building Loan Principal
Item 54001 – Ellis Appraisal District	

Mayor Klooster requested an executive session be added to the August 25th meeting's agenda to allow discussion of Staff salaries.

The discussion then moved to Engineering Expense (Item 51220). Councilman Tuma indicated the city did not need to spend any more money on geo-technical reports. The roads are not in good shape, and the city should proceed with spending the money on the roads as if the road base was in a condition that was not salvageable. Klooster responded the current geo-technical engineering test would confirm whether the cost of future testing was necessary.

The Council spoke about the Miscellaneous Equipment/Furniture Expense (Item 53010) in relation to a new security camera system. Klooster inquired if proposals had been received, and Quintana answered in the affirmative. He then asked to have the same companies submit proposals for a burglary alarm system, as well.

Road Signs/Equipment Expense (Item 55010) was then discussed. The mayor asked Quintana to contact the county commissioner about replacing the signs along S. Westmoreland., since there had been a 9-1-1 address change.

COUNCILMAN BRINDLE DEPARTED AT 8:05 P.M.

Road Resurfacing Expense (Item 55020) was mentioned. Klooster stated it would need to be increased to accommodate the costs of doing an asphalt road topping. Because of the expense, the city need would transfer some funds from one of its savings accounts. Quintana was asked to contact Joyce Liptak, the city accounting consultant, regarding how that transfer would need to be shown on the budget.

Mayor Klooster stated Item 56030 (Prosecutor) may not be needed if the Council decides to fill the vacating municipal judge's position in January with the current prosecuting attorney. If this happens, the assistant city secretary and/or one of the elected city officials would serve as the "point person" during any municipal court hearing.

Mahlstedt inquired about the rental of the Municipal Building. The mayor stated it could be a possible action item, if Council wished to discuss it. He asked the council members to contact Staff if they wished to have the topic on the Agenda.

VII. ADJORNMENT OF BUDGET WORKSHOP:

With no further comments from Council, Klooster asked for a motion to adjourn. A motion was made by Councilman Wilson at 8:17 p.m. It was seconded by Mahlstedt. The mayor called for a vote.

Ayes: All present vote aye.

Nays: None.

The motion passed.

PASSED THIS _____ DAY OF _____, 2010

Paul Klooster, Mayor

ATTEST: _____
Ronda Quintana, City Secretary