

On this the 15th day of September 2016, the City Council of the City of Marlin, Texas convened in a SPECIAL CALLED MEETING, at 5:30pm, the same being open to the public and having been posted as prescribed in Local Government Code, Section 551.041 with the following members present to wit:

ELECTED OFFICIALS

Mayor Elizabeth Nelson
Mayor Pro-Tem Porter
Norman Erskine
Rose Morin - Absent
Billie Jean Scaggs
Scottie Henderson - Absent
Neddie Moore

STAFF

Richard Fletcher, Interim City Manager
Sandra Herring, City Secretary

1. Call to Order by Mayor Nelson @ 5:30pm.
2. Roll Call by Sandra Herring.
3. Certify Posting in accordance with State Law by Sandra Herring.
4. Pledge by Elizabeth Nelson and Invocation by Billie Jean Scaggs.
5. Discussion and action, as appropriate, on Ordinance No. 2016-019 adopting FY 2016-2017 Budget.

Mr. Fletcher opened by reading the budget letter to the Council.

Honorable Mayor and City Council:

Small cities nationwide are facing a common problem – aging infrastructure and inadequate resources. Marlin is no different. Even as millions of dollars have been invested in recent years toward upgrading water and wastewater systems, a myriad of needs still exist. The recent catastrophic loss of water service highlighted the dangers of deferred maintenance, a practice that often goes hand-in-hand with shrinking resources.

This budget contains significant increases in personnel costs, particularly in the water utility where state officials have mandated increased staffing and training. The Public Utility Commission provided a consultant to conduct a rate study and found the water and sewer rates presently in effect woefully inadequate to fund the systems. Although this budget is not based on revenue levels as high as the consultant recommended, the increases are still significant. Income for the water system is proposed to increase by approximately 11% while wastewater needs a 36% hike. Consistent with standard rate-making protocol, the increases are seen on the availability charge, formerly known as the minimum bill, and in the elimination of a set quantity of water and/or wastewater in the minimum bill.

The mostly tax-supported General Fund pays for non-revenue producing services like fire, police and street maintenance. To maintain the present level of fire and police and provide

additional funds for street maintenance, it is proposed to increase the ad valorem tax rate from 77.5 cents to 82.717 cents, about 5 cents per \$100 valuation. For the average home in Marlin valued at \$45,200, this amounts to an annual increase of \$23.58, less than two dollars per month or six cents per day.

The proposed budget provides for a continuation of a paid Fire Department at the same level as last year, seven full-time equivalents including 5 full-time, 1 part-time and 3 occasional/on-call personnel. The Police Department staffing is projected at 18 full time equivalents (FTE) including eleven commissioned officers, six civilian personnel and two part-time. A three percent cost-of-living increase in pay is proposed for all employees in an effort to retain employees and stop the revolving door effect of costly turnover.

Grant funded activities planned include repairs and upgrades to the Water Treatment Plant funded by a \$500,000 emergency grant from the United States Department of Agriculture and \$100,000 from the RC & D District, a \$300,000 Community Development Block Grant to make repairs to the dams and spillways at the Marlin Lake and the New Marlin Lake, and a \$150,000 Downtown Revitalization Grant to install new sidewalks and sidewalk ramps to comply with the American Disabilities Act along Heritage Row downtown. This budget includes a total of \$75,000 in matching funds that were necessary in order to acquire those grants.

The City must continue to concentrate its limited resources on providing basic services: water, sewer, sanitation, streets and public safety. Real economic development will not be possible until the city can be cleaned up and essential services stabilized. Income to the General Fund must be adequate to fund Police, Fire, Streets, Administration, Code Enforcement, Animal Control and other non-revenue producing activities. Rates paid for Water, Sewer and Solid Waste must be adequate to pay for the capital costs, maintenance and operations and depreciation of those systems.

This budget is, in most respects, bare-boned. There are no new car, truck or equipment expenditures proposed except for one small tractor-mower for the water treatment plant. There are no additional personnel proposed except for those necessary to operate the water treatment plant. Besides the five police units bought two years ago and the one police unit acquired by a grant this past year, all of the rolling stock - cars, pickups, trucks, and equipment are well past what is normally considered useful life in commercial service. The front-line fire engine is ten years old. The reserve engine is seventeen years old. The newest trucks and pickups in service are ten years old. In other words, even with the large increases in water and wastewater rates and a sizeable increase in the ad valorem tax, the city has not reached a sustainable level of revenue to allow for depreciation and scheduled replacement of assets.

May I state at this time my deep appreciation to the men and women who hold positions of public trust on the Marlin City Council. Councilmembers serve as the elected representative of their precinct but, at the same time, are charged with weighing all decisions in the light of the greater good for all of Marlin, a difficult balancing job indeed.

Respectfully Submitted,
Richard C. Fletcher
Interim City Manager

Mayor Pro-Tem Porter made motion to approve Ordinance No. 2016-019 adopting FY 2016-2017 Budget.

Councilmember Erskine seconded this motion and the motion carried as follows:

AYES: Councilmember Moore, Councilmember Scaggs, Councilmember Erskine, Mayor Pro-Tem Porter, Mayor Nelson.

NAYS: None.

ABSENT: Councilmember Morin, Councilmember Henderson.

6. Discussion and action, as appropriate, on Ordinance No. 2016-020 FY 2016-17 Rate Schedules.

Mr. Fletcher explained that in reference of the rate survey done by the PUC, the suggested rates are not realistic for the community as a whole. He indicated that he reworked the numbers and came up with a more reasonable rate that will suit the community at this time, but does not mean that we should ignore the suggestion of the PUC. The proposed rates were used to develop the balanced budget as presented.

Councilmember Erskine made motion to approve Ordinance No. 2016-020 increasing the water and sewer rates as recommended by TCEQ and PUC.

Mayor Pro-Tem Porter seconded this motion and the motion carried as follows:

AYES: Councilmember Moore, Councilmember Scaggs, Councilmember Erskine, Mayor Pro-Tem Porter, Mayor Nelson.

NAYS: None.

ABSENT: Councilmember Morin, Councilmember Henderson.

7. Discussion and action, as appropriate, on Ordinance No. 2016-021 levying an ad valorem tax rate for 2016 tax year.

Mayor Pro-Tem Porter made motion to adopt Ordinance No. 2016-021 adopted a tax rate that will raise more taxes for maintenance and operations than last year's tax rate. The (m&o) tax rate will effectively be raised by 7.78% and will raise taxes for maintenance and operations on a \$100,000 home by approximately \$54.01. The tax rate will exceed the effective tax rate of \$0.74726.

Councilmember Moore seconded this motion and the motion carried as follows:

AYES: Councilmember Moore, Councilmember Scaggs, Councilmember Erskine, Mayor Pro-Tem Porter, Mayor Nelson.

NAYS: None.

ABSENT: Councilmember Morin, Councilmember Henderson.

8. Discussion and action, as appropriate, to ratify the tax rate of 82.717 cents contained in the 2016-17 budget.

Mayor Pro-Tem Porter made motion to ratify the adoption of a tax rate that will raise more taxes for maintenance and operations than last year's tax rate. The (m&o) tax rate will effectively be raised by 7.78% and will raise taxes for maintenance and operations on a \$100,000 home by approximately \$54.01. The tax rate will exceed the effective tax rate of \$0.74726.

Councilmember Erskine seconded this and the motion carried as follows:

AYES: Councilmember Moore, Councilmember Scaggs, Councilmember Erskine, Mayor Pro-Tem Porter, Mayor Nelson.

NAYS: None.

ABSENT: Councilmember Morin, Councilmember Henderson.

9. Adjourn.

Councilmember Porter made motion to adjourn, all in favor said "I".

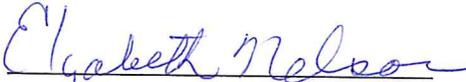
AYES: Councilmember Morin, Councilmember Moore, Councilmember Scaggs, Councilmember Erskine, Mayor Pro-Tem Porter, Mayor Nelson.

NAYS: None.

ABSENT: Councilmember Henderson.

PASSED AND APPROVED ON THIS THE 11TH DAY OF OCTOBER, 2016.




Elizabeth Nelson, Mayor


Sandra Herring, City Secretary